

PRESS RELEASE

Italian Stock Exchange - STAR SEGMENT

PRIMA INDUSTRIE

**PRIMA INDUSTRIE SHAREHOLDERS' MEETING APPROVES
2005 ANNUAL REPORT & FINANCIAL STATEMENTS
AND APPROVES A RESOLUTION
FOR THE PURCHASING AND SALE OF TREASURY STOCK**

- **The Shareholders' Meeting approves the Annual Report and Financial Statements at 12/31/2005. Consolidated turnover at 110.9 million euro, up 14.7% in respect to 2004 and Consolidated Net Profit at 5,107 thousand euro. Approved a dividend distribution of Euro 0.28 per share;**
- **Approved a new resolution on purchasing and sale of treasury stock in replacement of the previous resolution of September 8, 2005.**

Economic and financial results of Prima Industrie Group and historical comparison data included in this press release have been drawn according to the IAS/IFRS accounting principles.

Collegno (Torino), May 11, 2006 – Shareholders' Meeting of Prima Industrie SpA, a leading company in the high-technology sector of laser systems for industrial applications, approved today the Annual Report and Financial Statements as at 12/31/2005 and acknowledged also the Group Consolidated accounts which close with a turnover of 110.9 million euro, up 14.7% in respect to 2004, and a net profit of 5,107 thousand euro (1,043 thousand euro in 2004). The Shareholders' meeting has also resolved a dividend distribution of Euro 0.28 per share with ex-dividend date 05/22/2006 and payment date on 05/25/2006.

In addition to the above, the Shareholders' Meeting approved a new resolution on purchasing and sale of treasury stock replacing the previous resolution of September 8, 2005. Such previous resolution was in fact indicating a maximum purchasing price (euro 17.533) which is lower than the stock trading courses. According to this, and in order to allow the specialist to regularly carry-out his activities, as regulated by Italian Stock Exchange, the fully participated company PRIMA ELECTRONICS has resolved the purchasing and sale of PRIMA INDUSTRIE stocks, as per our information to the market on March 9, 2006 and which will expire next June 9, 2006.

The previous PRIMA INDUSTRIE resolution, approved on September 8, 2005, was nearly entirely used to consent the specialist' activities as foreseen by the Italian Stock Exchange regulations (besides the 5,000 stocks traded for stabilizing the stock value).

Main features of the plan of purchasing and sale of treasury stock hereby approved can be summarized as follows:

- **Plan targets:**
 - to allow the specialist's activity carried-out in compliance with the Italian Stock Exchange regulations;
 - to intervene on the stock when deemed necessary in order to stabilize the stock value, with modalities performed according to law and/or possible practices adopted by the Market authorities;
 - to timely support the adoption of stock-options plans through the treasury stock held in portfolio;
 - to use the stock purchased on the market for possible stock exchanges in case of extraordinary financial operations;
 - to supply an instrument for the company cash investments.
- **maximum stock quantity allowed to be purchased and sold (once or more times):**
 - 200,000 (i.e. 4.35% of Prima Industrie Share Capital).
- **minimum purchasing price:** euro 2.50 (i.e. stock face value)
- **maximum price:** euro 30.00 (value approximately 20% higher in respect to the peak values of last 5 years); the maximum selling price can be however be higher than established, according to the market conditions running at the date under examination.
- **total maximum countervalue:** euro 6,000,000;
- **purchasing modalities** on the market according to operative instructions of Italian Stock Exchange;
- **plan validity:** 18 months as from today and therefore up to November 11, 2007

PRIMA INDUSTRIE, established in 1977 and listed at the Italian Stock Exchange since 1999, currently present on the STAR segment, develops, manufactures and markets high-power laser systems for cutting, welding and drilling of three-dimensional (3D) and bi-dimensional (2D) parts.

PRIMA INDUSTRIE leads a Group with nearly 500 employees, with manufacturing facilities in Italy (PRIMA INDUSTRIE S.p.A. and PRIMA ELECTRONICS S.p.A.); USA (PRIMA North America Inc.) and China (Shanghai Unity Prima Ltd. and Shenyang Prima Laser Machine Company Ltd.), and with a wide sales network in over 40 countries.

At present the Group has 2000 systems installed worldwide with more than 1000 customers in the automotive, aerospace and in a wide range of other industries.

For further information:

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PRIMA INDUSTRIE GROUP - Consolidated Balance Sheet at 12/31/05 & 12/31/04

(Values expressed in euro)

Consolidated Balance Sheet	Nota	31/12/05	31/12/04
Tangible fixed assets	9.1	5.778.520	5.984.511
Intangible fixed assets	9.2	2.738.927	2.487.422
Equity investments valued using the equity method	9.3	1.809.079	969.284
Equity investments valued using the cost method	9.4	51.832	232
Other financial assets	9.5	272.117	249.478
Other receivables	9.6	52.391	81.035
TOTAL NON CURRENT ASSETS		10.702.866	9.771.962
Inventories	9.7	36.319.402	31.580.854
Trade receivables	9.8	39.869.959	39.647.527
Other receivables	9.9	3.048.672	3.095.227
Other tax assets	9.10	1.357.085	2.043.815
Tax assets - prepaid taxes	9.11	6.946.898	7.071.463
Derivative financial instruments	9.12	4.595	309.804
Cash and cash equivalents	9.13	11.495.383	6.448.282
TOTAL CURRENT ASSETS		99.041.994	90.196.972
Non current assets held for sale		-	
TOTAL ASSETS		109.744.860	99.968.934
Capital stock		11.500.000	11.500.000
Treasury stock		(92.872)	(170.606)
Other reserves		16.656.427	16.394.443
Conversion reserve		329.937	(173.718)
Profits (Losses) carried forward		(2.661.910)	(2.911.767)
Profit (loss) for the year		5.107.631	1.043.212
Total Group stockholders' equity		30.839.213	25.681.564
Minority interests		-	-
Total stockholders' equity		30.839.213	25.681.564
Loans	9.14	5.570.596	12.368.197
Employee benefits	9.15	4.936.694	4.498.328
Provision for risks and charges	9.16	29.110	90.890
Derivative financial instruments	9.12	15.970	36.848
TOTAL NON CURRENT LIABILITIES		10.552.370	16.994.263
Trade payables	9.17	23.089.151	19.417.485
Advances	9.17	18.371.290	17.718.415
Other payables	9.17	4.668.838	3.758.182
Amounts due to banks and i.r.o loans	9.14	13.918.168	9.991.552
Tax liabilities - deferred taxes	9.18	2.502.156	2.538.233
Tax liabilities - current taxes	9.19	2.027.955	1.870.921
Provision for risks and charges	9.16	3.775.719	1.968.972
Derivative financial instruments	9.12	-	29.347
TOTAL CURRENT LIABILITIES		68.353.277	57.293.107
Liabilities due to non current assets held for sale		-	-
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		109.744.860	99.968.934

PRIMA INDUSTRIE GROUP - Consolidated Income Statement at 12/31/05 & 12/31/04

(Values expressed in euro)

Income Statement		2005	2004
Net revenues from sales and services		110.884.661	97.106.312
Other operating income	9.20	3.000.218	2.478.929
Changes in inventories of semifinished and finished products		1.903.152	3.030.646
Increases in fixed assets for internal work	9.21	62.886	157.343
Use of raw materials, consumables, supplies and goods		(55.422.679)	(51.064.783)
Personnel cost	9.22	(26.040.097)	(23.818.823)
Amortization & Depreciation	9.23	(1.208.232)	(1.213.512)
Impairment and Writedowns			
Other operating costs	9.24	(25.263.299)	(21.685.118)
OPERATING INCOME		7.916.610	4.990.994
Financial income	9.25	475.513	491.680
Financial expenses	9.25	(1.638.575)	(1.747.067)
Net income from transactions in foreign exchange	9.25	22.758	(140.611)
Net income from associated companies & joint ventures	9.26	336.716	(164.032)
INCOME BEFORE TAX		7.113.022	3.430.964
Current and deferred taxes	9.27	(2.005.391)	(2.387.752)
NET RESULT		5.107.631	1.043.212
Income from assets held for disposal		-	-
NET PROFIT	9.28	5.107.631	1.043.212

PRIMA INDUSTRIE GROUP - STATEMENT OF CHANGES IN CONSOLIDATED STOCKHOLDERS' EQUITY

(Values expressed in euro)

From January 1, 2004 to December 31, 2004

	01/01/2004	Purchase/Sale Treasury stock	Gains on disposal treasury stock	Losses on disposal treasury stock	Allocation of Result Previous financial year	Distribution Dividends	Profit for the period	Conversion reserve	31/12/2004
Capital stock	11.500.000								11.500.000
Treasury stock	(323.797)	153.191							(170.606)
Share premium reserve	16.862.488				(1.197.595)				15.664.893
Legal reserve	2.213.212				(1.483.662)				729.550
Other reserves	0				0				-
Conversion reserve	0							(173.718)	(173.718)
Profits (losses) carried forward	-5.578.931		11.058	(25.151)	2.681.257				(2.911.767)
Income (Loss) for the period	0				0		1.043.212		1.043.212
Total	24.672.972	153.191	11.058	(25.151)	-	-	1.043.212	(173.718)	25.681.564

From January 1, 2005 to December 31, 2005

	31/12/2004	Purchase/Sale Treasury stock	Gains on disposal treasury stock	Losses on disposal treasury stock	Allocation of Result Previous financial year	Distribution Dividends	Profit for the period	Conversion reserve	31/12/2005
Capital stock	11.500.000								11.500.000
Treasury stock	(170.606)	77.734							(92.872)
Share premium reserve	15.664.893								15.664.893
Legal reserve	729.550				41.360				770.910
Other reserves	-	77.735			142.889				220.624
Conversion reserve	(173.718)							503.655	329.937
Profits (losses) carried forward	(2.911.767)	(77.735)	123.176	(11.597)	858.963	(642.950)			(2.661.910)
Income (Loss) for the period	1.043.212				(1.043.212)		5.107.631		5.107.631
Total	25.681.564	77.734	123.176	(11.597)	-	(642.950)	5.107.631	503.655	30.839.213

PRIMA INDUSTRIE GROUP - CASH FLOW STATEMENT

Year ended December 31, 2004 and December 31, 2005

(Values expressed in euro)

	2005	2004
Cash flow derived from operating activity		
Profit (Loss) before tax	7.113	3.431
Adjustments	2.753	3.491
Amortization for the financial year	1.208	1.214
Provisions raised to Employees' severance fund	742	717
Loss (Profit) on exchange rates for currency transactions	(23)	141
Loss (Income) from equity investments	(337)	164
Financial expenses	1.639	1.747
Financial (income)	(476)	(492)
	9.866	6.922
(Increase) /Decrease in trade and other receivables	785	205
(Increase) /Decrease in inventories	(3.175)	(1.461)
Increase / (Decrease) in trade payables	4.224	4.072
Increase / (Decrease) in other payables	1.171	363
	12.871	10.101
Cash flow from typical activity		
Interest payment	(1.571)	(1.679)
Tax payment	(1.462)	(1.357)
	9.838	7.065
Cash flow derived from investment activity		
Purchase of PRIMA GmbH branch	(969)	-
Purchase of tangible fixed assets	(903)	(1.097)
Purchase of intangible fixed assets	(363)	(143)
Sale /(Purchase) of financial assets (at cost)	(52)	-
Sale /(Purchase) investments in associates	(503)	-
Receipts from sales of fixed assets	68	362
Interest encashed	476	492
	(2.246)	(386)
Cash flow derived from financing activity		
Variation in the conversion reserve	504	(174)
(Purchase)/sale of treasury stock	188	139
Changes in balance- derivative instruments (FV)	255	(43)
Stipulation of loans and financing	7.842	4.508
Repayments of loans and financing	(9.657)	(7.047)
(Repayments)/ Raising of financial leases	(258)	(125)
(Repayments)/ Raising of Sabatini transactions	(776)	(1.096)
Dividends paid	(643)	-
	(2.545)	(3.838)
Increase (decrease) in the cash and cash equivalents	5.047	2.841
Cash and cash equivalents at the start of the period	6.448	3.607
Cash and cash equivalents at the end of the period	11.495	6.448

PRIMA INDUSTRIE S.p.A. - Financial Statements at December 31, 2005 & 2004

(Values expressed in euro)

BALANCE SHEET

ASSETS

	12.31.2005		12.31.2004	
A. DUE FROM STOCKHOLDERS FOR PAYMENTS STILL DUE		0		0
B. FIXED ASSETS				
I. Intangible fixed assets				
1) Plant and expansion costs		0		0
2) Research, development and advertising costs		0		0
3) Industrial patent and intellectual property	189.108		160.117	
4) Concessions, licences, trademarks and similar rights	3.790		4.783	
5) Goodwill	0		0	
6) Assets under construction and advances	0		0	
7) Other intangible fixed assets	271.263	464.161	322.212	487.112
II. Tangible fixed assets				
1) Land and buildings:	801.114		801.114	
less: accumulated depreciation	(265.634)	535.480	(223.133)	577.981
2) Plant and machinery	1.795.631		1.648.551	
less: accumulated depreciation	(1.269.792)	525.839	(1.158.413)	490.138
3) Industrial and commercial equipment	1.835.976		1.747.984	
less: accumulated depreciation	(1.562.003)	273.973	(1.399.420)	348.564
4) Other assets	1.649.567		1.515.969	
less: accumulated depreciation	(1.387.910)	261.657	(1.301.869)	214.100
5) Assets under construction and advances	0	1.596.949	0	1.630.783
III. Financial fixed assets				
1) Equity investments				
a) in subsidiaries	26.633.954		24.442.579	
less: equity investment devaluation reserve	(13.793.041)		(15.689.956)	
b) in associated companies	2.271.464		1.855.767	
less: equity investment devaluation reserve	(1.021.686)		(897.007)	
c) in controlling companies	0		0	
less: equity investment devaluation reserve	0		0	
d) in other companies	826.286		774.686	
less: equity investment devaluation reserve	(774.686)	14.142.291	(774.686)	9.711.383
2) Receivables (*)				
a) from subsidiaries	0	2.898.962	0	4.265.685
b) from associated companies	0	150.416	0	150.416
less: receivables devaluation reserve	0	(150.416)	0	(150.416)
c) from controlling companies	0	0	0	0
d) Other receivables	0	9.446	0	31.388
3) Other securities		2.908.408		4.297.073
4) Treasury stock		258.484		249.478
		0		0
		17.309.183		14.257.934
TOTAL FIXED ASSETS (B)		19.370.293		16.375.829

PRIMA INDUSTRIE S.p.A. - Financial Statements at December 31, 2005 & 2004

(Values expressed in euro)

BALANCE SHEET

ASSETS

C. CURRENT ASSETS

I. Inventories					
1) Raw materials, consumables and supplies		7.770.394		6.984.227	
2) Work in progress and semifinished products		3.167.820		2.765.540	
3) Contract work in progress		0		0	
4) Finished product and goods		2.975.902		2.478.900	
5) Advances		0		0	
less: provision for writedown of stock		(1.188.166)		(813.166)	
less: provision for writedown of finished products		0	12.725.950	(490.000)	10.925.501
II. Receivables					
1) Trade receivables	(**)	27.049.775		26.302.560	
less: taxed & non taxed allow. for doubtful a/cs:	1.434.304	(1.571.534)	25.478.241	(663.103)	25.439.457
2) Subsidiaries		0	5.536.702	0	5.413.414
3) Associated companies		0	2.086.321	0	1.280.171
4) Controlling companies		0	0	0	0
4-bis) Tax receivables		0	1.265.584	0	1.971.741
4-ter) Prepaid taxes		0	2.607.963	0	2.923.447
5) Others		0	2.583.950	0	2.755.896
			39.558.761	0	39.784.126
III. Current financial assets					
1) Equity investments in subsidiaries		0		0	
less: equity investment devaluation reserve		0	0	0	0
2) Equity investments in associated companies		0		0	
3) Equity investments in controlling companies		0		0	
4) Equity investments in other companies			232		232
less: equity investment devaluation reserve			0		0
5) Treasury stock			92.872		170.607
6) Other securities			0		0
			93.104		170.839
IV. Cash and cash equivalents					
1) Bank and postal accounts			7.118.870		3.132.218
2) Cheques			0		0
3) Cash and cash equivalents on hand			19.223	7.138.093	8.945
					3.141.163
TOTAL CURRENT ASSETS (C)			59.515.908		54.021.629
D. ACCRUED INCOME & PREPAID EXPENSES					
1) Issue discounts and other similar expenses on loans			0		0
2) Other accrued income and prepaid expenses			167.869	167.869	489.677
					489.677
TOTAL ASSETS			79.054.070		70.887.135

(*) RECEIVABLES DUE WITHIN ONE YEAR
 (**) RECEIVABLES DUE BEYOND ONE YEAR

PRIMA INDUSTRIE S.p.A. - Financial Statements at December 31, 2005 & 2004

BALANCE SHEET

(Values expressed in euro)

LIABILITIES

	31.12.2005		31.12.2004	
A. STOCKHOLDERS' EQUITY				
I. Capital stock		11.500.000		11.500.000
II. Share premium reserve		15.664.893		15.664.893
III. Revaluation reserves		0		0
IV. Legal reserve		770.910		729.550
V. Statutory reserves		0		0
VI. Reserve for treasury stock in portfolio		92.872		170.606
VII. Other reserves		220.624		0
VIII. Profits (losses) carried forward		0		0
IX. Profit (loss) for the year		3.779.860		827.199
TOTAL STOCKHOLDERS' EQUITY		32.029.159		28.892.248
B. PROVISIONS FOR RISKS AND CHARGES				
1) Retirement funds and similar provisions		0		0
2) Provisions for taxes	1.482.986		1.198.163	
3) Others	2.723.000	4.205.986	2.198.503	3.396.666
C. EMPLOYEES' SEVERANCE PAY				
		3.370.190		2.973.925
D. PAYABLES				
	(**)		(**)	
1) Bonds	0	0	0	0
2) Convertible bonds	0	0	0	0
3) Amounts due to stockholders i.r.o. funding	0	0	0	0
4) Amounts due to banks	2.330.634	13.368.306	6.376.108	12.013.094
5) Amounts due to other lenders	640.740	726.471	726.471	810.821
6) Advances	0	836.094	0	915.886
7) Trade accounts payable	0	15.760.905	0	14.257.854
8) Payables represented by debt instruments	0	0	0	0
9) Amounts due to subsidiaries	0	4.764.798	0	4.121.782
10) Amounts due to associated companies	0	0	0	0
11) Amounts due to Parent company	0	0	0	0
12) Taxes payable	0	1.411.089	0	1.334.905
13) Amounts due to provident and social security institutions	0	860.608	0	750.657
14) Other payables	0	1.349.472	0	1.088.221
		39.077.743		35.293.220
E. ACCRUED EXPENSES & DEFERRED INCOME				
1) Issue premiums		0		0
2) Other accrued expenses and deferred income	370.992	370.992	331.076	331.076
TOTAL LIABILITIES		79.054.070		70.887.135

(**) PAYABLES DUE BEYOND ONE YEAR

PRIMA INDUSTRIE S.p.A. - Financial Statements at December 31, 2005 & 2004

(Values expressed in euro)

MEMORANDUM ACCOUNTS

	<u>31 december 2005</u>	<u>31 december 2004</u>
1. Unsecured guarantees granted		
a) Suretyships on behalf of:		
- associated companies	1.695.346	1.468.321
- others	<u>35.641</u>	<u>31.214</u>
Total unsecured guarantees granted	<u>1.730.987</u>	<u>1.499.535</u>
2. Commitments		
a) purchase	809.080	0
b) sales	0	1.970.359
c) lease installments falling due in the near future	1.006.327	1.335.617
Total commitments	<u>1.815.407</u>	<u>3.305.976</u>
3. Contingency accounts		
a) discounted bills	923.242	1.764.300
Total contingency accounts	<u>923.242</u>	<u>1.764.300</u>
4. Others		
a) Commitments to repurchase from customers	2.028.901	3.090.169
b) Merchandise at third parties	2.443.743	2.328.592
c) Guarantees given by third parties for our account	7.300.774	6.145.266
Total others	<u>11.773.418</u>	<u>11.564.027</u>
	<u>16.243.054</u>	<u>18.133.838</u>

PRIMA INDUSTRIE S.p.A. - Financial Statements at December 31, 2005 & 2004

values expressed in euro

INCOME STATEMENT

	31.12.2005	31.12.2004
A. VALUE OF PRODUCTION		
1) Revenues from sales and services	72.715.680	65.913.443
2) Changes in inventories of work in progress, semifinished and finished products	987.002	(309.158)
3) Change in contract work in progress	402.280	431.645
4) Increases in fixed assets for internal work	27.776	88.663
5) Other income and revenues		
a) operating grants	0	0
b) other	2.720.283	2.399.321
	<u>2.720.283</u>	<u>2.399.321</u>
TOTAL VALUE OF PRODUCTION (A)	<u>76.853.021</u>	<u>68.523.914</u>
B. COSTS OF PRODUCTION		
6) Raw materials, consumables and supplies	(40.485.762)	(35.820.846)
7) Service costs	(15.284.147)	(14.533.224)
8) Leases and rentals	(1.108.666)	(1.098.953)
9) Personnel costs:		
a) salaries and wages	(10.079.185)	(9.033.353)
b) social security contributions	(3.293.296)	(2.988.881)
c) employees' severance pay	(609.294)	(558.714)
d) retirement fund and similar provisions	0	0
e) other personnel costs	(267.482)	(266.071)
	<u>(14.249.257)</u>	<u>(12.847.019)</u>
10) Amortization, depreciation and writedowns		
a) amortization of intangible fixed assets	(205.419)	(217.130)
b) depreciation of tangible fixed assets	(405.248)	(395.543)
c) writedowns of intangible and tangible fixed assets	0	0
d) writedown of receivables incl. in current assets & w/dwn of cash & ca:	(750.000)	(100.000)
	<u>(1.360.667)</u>	<u>(712.673)</u>
11) Changes in inventories of raw materials, consumables, supplies and merchandise	411.167	49.635
12) Provisions for risks	(842.087)	121.644
13) Other provisions	0	0
14) Sundry operating expenses	(851.367)	(659.065)
	<u>(73.770.786)</u>	<u>(65.500.501)</u>
TOTAL COSTS OF PRODUCTION (B)	<u>(73.770.786)</u>	<u>(65.500.501)</u>
DIFFERENCE BETWEEN THE VALUE AND COSTS OF PRODUCTION (A - B)	3.082.235	3.023.413
C. FINANCIAL INCOME AND EXPENSES		
15) Income from equity investments		
a) dividends and other income from subsidiary companies	600.000	600.000
b) dividends and other income from associated companies	0	0
c) dividends and other income from other companies	0	600.000
	<u>600.000</u>	<u>600.000</u>
16) Other financial income:		
a) from receivables included in financial fixed assets		
- from subsidiaries	0	0
- from associated companies	0	0
- from controlling companies	0	0
- others	0	0
b) from securities included in financial fixed assets that do not constitute equity investments	0	0
c) from securities included in current assets that do not constitute equity investments	0	0
d) other income		
- interest and commission from subsidiaries	190.379	101.134
- interest and commission from associated companies	0	0
- interest and commission from controlling companies	0	0
- other interest and commission and sundry income	403.600	466.295
	<u>593.979</u>	<u>567.429</u>
17) Interest and other financial expenses		
a) to subsidiaries	(39.718)	(39.589)
b) to associated companies	0	0
c) to Controlling companies	0	0
d) others	(1.055.172)	(1.126.289)
	<u>(1.094.890)</u>	<u>(1.165.878)</u>
17-bis) Profits and losses on exchange	(11.018)	(27.090)
	<u>(11.018)</u>	<u>(27.090)</u>
TOTAL FINANCIAL INCOME AND EXPENSES (C)	<u>88.071</u>	<u>(25.539)</u>

PRIMA INDUSTRIE S.p.A. - Financial Statements at December 31, 2005 & 2004

values expressed in euro

INCOME STATEMENT

D. ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS

18) Revaluations:				
a) equity investments	2.208.046		0	
b) financial fixed assets	0		0	
c) securities included in current assets	<u>0</u>	2.208.046	<u>0</u>	0
19) Writedowns:				
a) equity investments	(295.287)		(393.966)	
b) financial fixed assets	0		0	
c) securities included in current assets	<u>0</u>	(295.287)	<u>0</u>	(393.966)
TOTAL ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS (D)		<u>1.912.759</u>		<u>(393.966)</u>

E. EXTRAORDINARY INCOME AND EXPENSES

20) Income				
a) capital gains on sales	123.176		11.032	
a) other	<u>110.422</u>	233.598	<u>0</u>	11.032
21) expenses	0		0	
a) losses on disposals	(11.608)		(25.151)	
b) prior year taxes	0		0	
c) other	<u>0</u>	(11.608)	<u>(100.000)</u>	(125.151)
TOTAL OF THE EXTRAORDINARY ITEMS (E)		<u>221.990</u>		<u>(114.119)</u>

RESULT BEFORE TAX (A -B +- C +- D +- E)

5.305.055 2.489.789

22) INCOME TAXES FOR THE FINANCIAL YEAR

a) current	(1.523.274)		(1.318.127)	
b) deferred	(679.707)		(553.086)	
c) prepaid	<u>677.786</u>		<u>208.623</u>	

23) PROFIT (LOSS) FOR THE YEAR

3.779.860 827.199

PRIMA INDUSTRIE S.p.A.

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 12/31/2004 & 12/31/2005

(thousands of euro)

	2004	2005
A) Opening net financial position	(13,550)	(9,433)
B) Cash flow from operations	783	5,945
<ul style="list-style-type: none"> • Net profit (loss) 827 • Amortization/Depreciation 612 • Net change in provision for employees' severance fund (72) • Net change in provisions for risks (1,002) • Provision reserve for bed debts (36) • Provision reserve to writedown of finished products 307 • Provision reserve to writedown of raw materials 147 		<ul style="list-style-type: none"> 3,780 610 396 524 750 (490) 375
B)bis Capital increases		-
C) Cash flow from changes in current assets	3,107	1,028
<ul style="list-style-type: none"> • Net decrease / (Increase) in inventories 11 • Net decrease/(Increase) in trade accounts receivable 5,012 • Net decrease / (Increase) in receivables from subsidiaries and associated companies (4,358) • Decrease / (Increase) in other receivables (380) • Decrease/(Increase) in accrued income & prepaid expenses (113) • (Decrease) / Increase in provision for tax 233 • (Decrease) / Increase in advances from customers (288) • (Decrease) / Increase in trade payables 726 • (Decrease) / Increase in payables to subsidiaries and associated companies 1,335 • (Decrease) / Increase in other payables 845 • (Decrease)/ Increase in accrued expenses & deferred income (69) • (Decrease) / Increase in treasury stock 153 		<ul style="list-style-type: none"> (1,685) (789) (929) 1,193 322 285 (80) 1,503 643 447 40 78
D) Cash flow from changes in fixed assets	227	(3,596)
<ul style="list-style-type: none"> • Capitalisation of intangible fixed assets (225) • Capital expenditure on tangible fixed assets (346) • Sales of assets 24 • Release of accumulated depreciation (10) • (Decrease) / Increase in equity investments (1,752) • (Decrease) / Increase in financial receivables 2,142 • (Decrease) / Increase in guarantee securities - • Provisions raised/Reinstatement to provision on equity (+G/C) 394 		<ul style="list-style-type: none"> (182) (371) 3 (3) (2,518) 1,388 - (1,913)

D Bis) Cash flow from changes in stockholders' equity				(642)
--------------------------------------------------------------	--	--	--	--------------

- | | | | | |
|-------------------------------------------------|--|--|--|-------|
| • Decreases in Stockholders' Equity (dividends) | | | | (642) |
|-------------------------------------------------|--|--|--|-------|

E) Closing net financial position		(9,433)		(6,698)
• Amounts due to banks	(12,013)		(13,368)	
• Amounts due to other lenders	(811)		(726)	
• Cash and cash equivalents	3,141		7,138	
• Liquidity invested in repurchase agreements and/or government securities	250		258	