



PRESS RELEASE
TECHSTAR
PRIMA INDUSTRIE

**PRIMA INDUSTRIE SHAREHOLDERS MEETING APPROVES THE COMPANY
ACCOUNTS AS AT DECEMBER 31ST, 2004**

**THE BOARD OF DIRECTORS APPROVES THE CONSOLIDATED ACCOUNTS AS AT
MARCH 31, 2005**

- **The Shareholders Meeting of Prima Industrie approves the Annual Report for 2004. The fiscal year closes with a consolidated net profit of 1,249 thousand euro. Approved a dividend distribution of euro 0.14 per share.**
- **Appointed the Board of Directors for the period 2005-2007. Fabrizio Lugaresi and Mario Mauri enter the Board. Gianfranco Carbonato, appointed Chairman, is confirmed as C.E.O.**
- **Approved by the Board of Directors the consolidated accounts as at March 31, 2005. Turnover at 20.2 million euro (21.8 million euro as at 03/31/04). EBITDA at 845 thousand euro (668 thousand euro as at 03/31/04). EBIT at 459 thousand euro (263 thousand euro as at 03/31/04). Gross profit at 387 thousand euro (21 thousand euro as at 03/31/04).**

Collegno (Torino), May 13, 2005 – The Shareholders Meeting of Prima Industrie S.p.A., a leader company in the high-technology sector of laser systems for industrial applications, approved today the proposed annual report as at December 31, 2004 and acknowledged also the Group Consolidated accounts which close with turnover of 100.0 million euro and net profit of 1,249 thousand euro.

The Shareholders Meeting today also:

- Appointed the new Board of Directors for the period 2005-2007, composed by seven members. Gianfranco Carbonato appointed Chairman.
- Re-appointed the Auditing Firm PricewaterhouseCoopers S.p.A. for the audit of the Statutory and Consolidated accounts for the period 2005-2007.

The new Board is composed as follows:

Gianfranco Carbonato	– Former C.E.O. – Chairman - Executive
Sandro D’Isidoro	- Former Director – Non Executive
Fabrizio Lugaresi	- Newly appointed – Non Executive
Mario Mauri	- Newly appointed – Non Executive
Giuseppe Morfino	- Former Director – Non Executive – Independent
Domenico Peiretti	- Former Director – Non Executive
Marco Pincioli	- Former Director – Non Executive – Independent

The Board of Directors, which took place right after the Shareholders Meeting, confirmed Gianfranco Carbonato as the Group C.E.O., appointing as members of the Internal Control and Remuneration Committees the directors Marco Pincioli, Giuseppe Morfino and Sandro D’Isidoro.

The Board also approved the consolidated accounts as at March 31, 2005.

Consolidated sales (20,187 thousand euro) are lower than last year same period (-7.3%), as a consequence of the shift in some Prima North America Laserdyne Division 3D Systems deliveries destined to the aerospace industry.

Value of production was 23,363 thousand euro, increasing of 3.5% on last year same period 22,566 thousand euro.

By category of product, the Group acknowledges an increase in 2D systems, electronic products and after-sale service, balanced by a decrease in the 3D machines sales as already mentioned.

By geographic distribution, 77% of Group sales were realized abroad; this percentage is higher than the one recorded during the whole year 2004 (72%).

Among the growing markets excellent was the performance carried out by some Overseas markets and in particular China, Mexico and Australia.

All profitability indicators improved compared to last year same period: **gross profit** was 387 thousand euro (21 thousand euro as at 03/31/2004), whilst **EBITDA** and **EBIT** reached respectively 845 thousand euro (668 thousand euro as at 03/31/2004) and 459 thousand euro (263 thousand euro as at 03/31/2004).

Net financial position trend continued to improve since 2003. Thanks to the good working capital management and the positive cash-flow of the period, the total net debt further reduced to 13,279 thousand euro as at 03/31/05 compared to 15,618 thousand euro as at 12/31/04 and 18,719 thousand euro as at 03/31/04, with an improvement of 5,440 thousand euro compared to the same period of 2004.

Both consolidated order acquisition for the three month period and backlog at the end of March are not substantially different from last year: consolidated order acquisition was 24,757 thousand euro (it was 24,513 thousand euro in 2004), whilst backlog as at 03/31/2005 was 21,268 thousand euro (it was 22,710 thousand euro as at 03/31/2004).

The same trend was confirmed during the month of April and backlog as at 04/30/2005 is further increased to 24,597 thousand euro.

During the quarter the Group continued to intensively invest on R&D. As at 03/31/2005 R&D expenses charged to P&L were 1,808 thousand euro, as against 1,669 thousand euro as at 03/31/2004. A brand new highly advanced product will be introduced to customers during the Open House which will take place at Prima Industrie S.p.A. premises on next May 19-21.

During the first quarter 2005 the Group continued its activity aimed to IAS/IFRS transition. Therefore the first interim report drawn in accordance with IAS/IFRS will be the Report on Consolidated Accounts as at 06/30/2005.

Commenting the first quarter results, Gianfranco Carbonato, Prima Industrie S.p.A. Chairman and C.E.O., declared :” *Signs coming from the market highlight at the moment a steady situation, mainly due to the persisting stagnation of some of the main European markets.*



In such a context we announce with satisfaction the increase of all profitability ratios and the continuing improvement of the Group net financial position.

We are confident that the increasing use of the proprietary laser generators, altogether with the introduction of the new models of machines lead in the next future to a growth in margins and, consequently, in profitability. ”

Prima Industrie, listed on the Nuovo Mercato of the Italian Stock Exchange since 1999, and on TechSTAR since March 2004, develops, manufactures and markets high-power laser systems for cutting, welding and drilling of three-dimensional (3D) and bi-dimensional (2D) parts. Prima Industrie, established in 1977, leads a Group with over 450 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 provided with a very wide sales network in over 40 countries. At the moment the Group boasts over 1,000 customers in the automotive, aerospace and in a wide range of other industries, with more than 1,800 systems installed worldwide.

*For additional information: Ad Hoc Communication Advisors
Giorgio Zambelletti, Marco Fraquelli, Sara Balzarotti Tel. ++39 02 7606741
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