



PRESS RELEASE

NUOVO MERCATO OF THE ITALIAN STOCK EXCHANGE

PRIMA INDUSTRIE

THE BOARD OF DIRECTORS APPROVES THE COMPANY ACCOUNTS AS AT 30/09/2003 WHICH CONFIRM SAME POSITIVE TRENDS OF FIRST SIX MONTHS OF THE YEAR

- **Consolidated sales: 66.5 million Euro, in line with September 30, 2002;**
- **EBITDA: 1.8 million Euro (-0.6 million Euro as at 30/09/02)**
- **EBIT: 0.1 million Euro (-2,7 million Euro as at 30/09/02)**

Collegno (Torino), November 13, 2003 – The Board of Directors of Prima Industrie S.p.A., a leader Company in the high-technology sector of laser systems for industrial applications, met today and approved the Group consolidated results as at September 30, 2003.

The consolidated sales (66,513 thousand Euro) are stable in respect of the previous year, same period. The limited reduction of 3.5% is fully explained by the dollar depreciation: in fact, being the amount expressed in dollars equal to almost 34% of the total, under the same euro/dollar exchange rate, the consolidated turnover would have registered an increase of 3.3% on September 30, 2002.

80% of the Group sales were export. The most important foreign markets have been: U.S.A. (20%), Germany (12%), Spain (9%) and China (6%), the last one destined to grow, thanks also to the new joint-venture recently announced.

Moreover, it is worth evidencing some important signs of recovery of the U.S. market: the Laserdyne Division of Prima North America has in fact registered an increase of turnover (10,897 thousand Dollars) exceeding 50% on same period of 2002, so regaining a positive result. In consequence of the general aerospace market recovery, also the orders backlog at the end of the period is improving.

The Group orders backlog (22,169 thousand Euro), corresponding to almost 3 months of sales, is stable in respect of June 30, 2003 (22,143 thousand Euro) and March 31, 2003 (21,985 thousand Euro). Visibility reduction compared with previous years is a fact involving all manufacturers of capital goods, including main Group competitors, whose companies are requested to react with an increased flexibility of the manufacturing process for a market asking for shorter delivery terms.

Consolidated profitability continues to improve as already noticed during the current year, showing Group positive EBITDA and EBIT, respectively at 1,758 thousand Euro (as against a negative EBITDA for 644 thousand Euro as at September 30, 2002) and 143 thousand Euro (as against a negative EBIT for 2,730 thousand Euro as at September 30, 2002), also thanks to the improvement of 3D business during these nine months of current year. In particular, the EBITDA is affected by Research & Development expenses for 4,261 thousand Euro (6.4% on sales), since the Group policy is to make important investments in R&D charging them entirely to P&L.

Though affected by extraordinary items, among which are the costs relevant to the hostile take-over bid defence and those relevant to Prima North America relocation, also the result before taxes improves to -1,629 thousand Euro (as against -4,802 thousand Euro as at September 30, 2002), improving of 232 thousand Euro compared to June 30, 2003.

Stable also the net financial position (-24,000 thousand Euro), which consolidates the improvement of the working capital management accomplished during the first part of the year. In consequence, the ratio NFP/equity remains equal to 0.8.

A similar trend was registered by the Group parent company Prima Industrie S.p.A. during first nine months of 2003, with a turnover of 43,114 thousand Euro (44,745 thousand Euro as at September 30, 2002) with EBITDA and EBIT both positive, respectively at 1,243 and 749 thousand Euro.

In commenting the third quarter of 2003, Gianfranco Carbonato, Prima Industrie C.E.O., said: “*We acknowledge with satisfaction that, during the third quarter of the year, the improving trend already in progress during previous months has been confirmed.*

To the achievement of the quarterly positive gross result contributed, as a determining factor, the good trend of Laserdyne Division in U.S.A., which attained a remarkable sales increase, so turning positive again.

We hope that the months to come will confirm the recovery signs lately registered on some markets, in particular in North America and Asia”.