

**PRESS RELEASE**

*Italian Stock Exchange - STAR SEGMENT*

**PRIMA INDUSTRIE**

**CONFIRMED AND STRENGTHENED AS AT 09/30/06  
RECORD RESULTS IN TERMS OF:**

- **SALES**: +35.9% at 100,479 thousand euro (73,937 thousand euro as at 09/30/05)
- **GROSS OPERATING PROFIT (EBITDA)**: +100,9% at 11,853 thousand euro (5,898 thousand euro as at 09/30/05).
- **OPERATING PROFIT (EBIT)**: +117.6% at 10,887 thousand euro (5,002 thousand euro as at 09/30/05)
- **NET PROFIT**: +226% at 7,514 thousand euro (2,304 thousand euro as at 09/30/05).
- **ORDER ACQUISITION**: +41% at 115,779 thousand euro (82,034 thousand euro as at 09/30/05)
- **NET FINANCIAL POSITION**: improving by 28.5% at -5,277 thousand euro (-7,376 thousand euro as at 06/30/06).

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

***The attached financial statements have not been subject to audit.***

Collegno (Torino), November 13, 2006 – The Board of Directors of Prima Industrie S.p.A., leader company in the high-technology sector of laser systems for industrial applications, examined and approved today the consolidated accounts for the third quarter 2006.

Such results confirm a strong growth both in sales and profitability.

**Consolidated sales** for the first nine months of 2006 amount to 100,479 thousand euro.

Such sales, considerably increasing compared to same period of prior year (+35.9% against 73,937 thousand euro) have been realized for 23.3% in Italy (33.2% as at 09/30/05), for 45.8% in Europe (37.7% as at 09/30/05), for 21.5% in North America (16.9% as at 09/30/05) and for 9.4% in Asia and rest of the world (12.2% as at 09/30/05).

These percentages highlight the strong recovery of European markets – both traditional and emerging ones – altogether with the excellent performance of the North American market.

This trend is confirmed, in particular, by turnover relevant to third quarter of the year, during which the Group realized 33,802 thousand euro sales (+22.6% against 27,567 thousand euro in third quarter 2005).

As for product mix, the 2D systems sector continued its growth (in particular PLATINO and SINCRONO), a good increase was carried out by both electronics products sales and after sales services altogether with steady sales in 3D systems.

In such sector the growth in aerospace field was balanced by a decrease in automotive, due to the non favorable situation in such industry mostly on European and North American markets.

All profitability figures are significantly increasing:

- Group **EBITDA** is 11.853 thousand euro (11.8% on sales), growing by 100,9% against 5,898 thousand euro as at 09/30/05; third quarter EBITDA is 4,505 thousand euro (3,037 thousand euro in third quarter 2005);
- Consolidated **EBIT** is 10,887 thousand euro (10.8% on sales), improved by 117.6% against 5,002 thousand euro as at 09/30/05; third quarter EBIT is 4,182 thousand euro (2,721 thousand euro in third quarter 2005);
- Group **Profit before taxes** is 10,295 thousand euro, growing by 173.8% against 3,762 thousand euro as at 09/30/05; third quarter profit before taxes is 4,077 thousand euro (2,013 thousand euro in third quarter 2005).
- Consolidated **Net profit** is 7,514 thousand euro, over three times profit realized as at 09/30/05 (it was 2,304 thousand euro); third quarter net profit is 3,021 thousand euro (1,527 thousand euro in third quarter 2005). To this extent, it is necessary to remember that results as at 09/30/06 can count reduced fiscal charges, mostly connected with major contribution to the consolidated result from PRIMA North America, benefiting from carry-forward fiscal losses to be used in the period.

Subsequently **profit per share** for the period, counting average treasury stock held by the company, amount to 1.63 euro per share (against 0.50 euro per share as at 09/30/05).

Profitability increase is net from higher **Research** expenses (6,111 thousand euro, growing by 11.0% against 09/30/05), entirely charged by the Group to P&L.

In particular, during the period, the development of new 3D machine RAPIDO EVOLUZIONE was completed and it has been introduced to the market during the Euroblech show in Hannover; first orders have already been received by the company for such new system.

The consolidated **order acquisition** as at 09/30/06 is 115,779 thousand euro, increasing by 41% against 82,034 thousand euro as at 09/30/05 confirming the favorable trend already recorded since second half 2005, which lead group order acquisition average in the first months of 2006 to one machine a day.

Order acquisition grew in all sectors of the group but it is mostly significant in 2D systems, thanks to the excellent performance of PLATINO systems and to the increasing contribution of the new SINCRONO.

Subsequently **backlog** as at 09/30/06, amounting to 54,575 thousand euro, improved by almost 50% against 36,749 thousand euro as at 09/30/05.

**Net financial position** (-5,277 thousand euro as at 09/30/06) experienced a reduction of almost 2.5 million euro against 12/31/05 (-7.733 thousand euro) and of almost 2.1 million euro against 06/30/06. The favorable quarter trend is essentially due to the net cash flow from operating activity.

Net financial position (mainly made of medium-long term financing including instalments expiring within 12 months) and net equity ratio is 0.14 against 0.22 as at 06/30/06.

As for parent company **Prima Industrie S.p.A.**, sales realized as at 09/30/06 (64,843 thousand euro) grew by 31.9% against 09/30/05 (49,156 thousand euro). Third quarter 2006 sales were 21,091 thousand euro against 18,589 thousand euro in third quarter 2005 (+13.4%).

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Operating profitability increased more than accordingly, from 2,156 thousand euro as at 09/30/05 to 3,127 thousand euro. Net result increased from 502 thousand euro as at 09/30/05 to 699 thousand euro as at 09/30/06.

Commenting results as at September 30, 2006, Gianfranco Carbonato, Chairman and C.E.O. of Prima Industrie S.p.A., said: *“We record with satisfaction the enduring favorable conditions of our reference markets. In particular the performance of the month of September, which brought the highest order acquisition ever reached in our history, and a backlog of over 50 million euro, allow us to look with optimism not only at the last part of this year but also to the first months of 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.

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**PRIMA INDUSTRIE S.p.A.**

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**CONSOLIDATED FINANCIAL STATEMENTS  
AT SEPTEMBER 30, 2006  
ACCOUNTING STATEMENTS**

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**PRIMA INDUSTRIE GROUP, CONSOLIDATED FINANCIAL STATEMENTS AT SEPTEMBER 30 '06**

**CONSOLIDATED BALANCE SHEET AT SEPTEMBER 30<sup>TH</sup>, 2006 & DECEMBER 31<sup>ST</sup>, 2005**

<i>VALUES IN EURO</i>	<b>Note</b>	<b>09/30/06</b>	<b>12/31/05</b>
Tangible fixed assets		6.223.628	5.778.520
Intangible fixed assets		2.610.855	2.738.927
Equity investments valued using the equity method		1.901.493	1.809.079
Equity investments valued using the cost method		301.832	51.832
Other financial assets		265.374	272.117
Tax assets - prepaid taxes		6.905.838	6.946.898
Other receivables		42.923	52.391
<b>TOTAL NON CURRENT ASSETS</b>		<b>18.251.943</b>	<b>17.649.764</b>
Inventories	<b>1</b>	40.719.979	36.319.402
Trade receivables	<b>2</b>	38.803.132	39.869.959
Other receivables	<b>3</b>	2.907.987	3.048.672
Other tax assets		1.232.303	1.357.085
Tax assets - prepaid taxes			4.595
Derivative financial instruments		-	-
Cash and cash equivalents		13.955.879	11.495.383
<b>TOTAL CURRENT ASSETS</b>		<b>97.619.280</b>	<b>92.095.096</b>
Non current assets held for sale		-	-
<b>TOTAL ASSETS</b>		<b>115.871.223</b>	<b>109.744.860</b>
Share Capital		11.500.000	11.500.000
Treasury stock		(104.670)	(92.872)
Treasury stock owned by subsidiaries		-	-
Other reserves		19.150.373	16.656.427
Conversion reserve		(139.895)	329.937
Profits (Losses) carried forward		(1.325.545)	(2.661.910)
Profit (loss) for the year		7.506.474	5.107.631
Total Group stockholders' equity		36.586.737	30.839.213
Minority interests		53.871	-
<b>TOTAL NET EQUITY</b>		<b>36.640.608</b>	<b>30.839.213</b>
Loans		15.698.684	5.570.596
Employee benefits		4.990.387	4.936.694
Deferred tax liabilities		2.641.735	2.502.156
Provision for risks and charges	<b>5</b>	29.110	29.110
Derivative financial instruments		41.812	15.970
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>23.401.728</b>	<b>13.054.526</b>
Trade payables	<b>4</b>	28.245.480	23.089.151
Advances	<b>4</b>	10.503.833	18.371.290
Other payables	<b>4</b>	5.211.371	4.668.838
Amounts due to banks and i.r.o loans		3.756.974	13.918.168
Tax liabilities - current taxes		3.330.431	2.027.955
Provision for risks and charges	<b>5</b>	4.780.798	3.775.719
Derivative financial instruments		-	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>55.828.887</b>	<b>65.851.121</b>
Liabilities due to non current assets held for sale		-	-
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>		<b>115.871.223</b>	<b>109.744.860</b>

**PRIMA INDUSTRIE GROUP, CONSOLIDATED FINANCIAL STATEMENTS AT SEPTEMBER 30 '06**
**CONSOLIDATED INCOME STATEMENT AT SEPTEMBER 30<sup>TH</sup>, 2006 AND SEPTEMBER 30<sup>TH</sup>, 2005**

(VALUES IN EURO)	09/30/2006	09/30/2005	III quarter 06	III quarter 05
Net revenues from sales and services	100.479.212	73.936.981	33.802.194	27.567.224
Other operating income	1.079.216	1.811.011	294.588	789.026
Changes in inventories of semifinished and finished products	(457.849)	4.253.363	(1.435.466)	1.367.825
Increases in fixed assets for internal work	98.850	40.181	48.451	7.550
Use of raw materials, consumables, supplies and goods	(45.455.203)	(38.707.469)	(13.761.755)	(14.437.788)
Personnel cost	(21.067.914)	(18.317.541)	(6.527.601)	(5.834.377)
Amortization	(966.187)	(896.175)	(323.518)	(316.070)
Amortization & Depreciation	-	-	-	-
Other operating costs	(22.823.268)	(17.117.910)	(7.915.308)	(6.421.573)
<b>OPERATING INCOME</b>	<b>10.886.857</b>	<b>5.002.441</b>	<b>4.181.585</b>	<b>2.721.817</b>
Financial income	428.620	361.415	263.249	34.360
Financial expenses	(1.210.504)	(1.556.701)	(489.826)	(599.992)
Net income from transactions in foreign exchange	71.990	12.713	(16.085)	(188.715)
Net income from associated companies & joint ventures	118.453	(58.241)	138.573	45.208
Net income from financial assets held for sale	-	-	-	-
<b>INCOME BEFORE TAX</b>	<b>10.295.416</b>	<b>3.761.627</b>	<b>4.077.496</b>	<b>2.012.678</b>
Current and deferred taxes	(2.781.392)	(1.457.886)	(1.056.839)	(485.828)
<b>NET RESULT</b>	<b>7.514.024</b>	<b>2.303.741</b>	<b>3.020.657</b>	<b>1.526.850</b>
Income from assets held for disposal	-	-	-	-
<b>NET PROFIT</b>	<b>7.514.024</b>	<b>2.303.741</b>	<b>3.020.657</b>	<b>1.526.850</b>
- Group stockholders' net profit	7.506.474	2.303.741	2.985.604	1.526.850
- Minorities net profit	7.550	-	35.053	-
<b>Earning per share (euro)</b>	<b>1,63</b>	<b>0,50</b>	<b>0,66</b>	<b>0,33</b>

**PRIMA INDUSTRIE GROUP, CONSOLIDATED FINANCIAL STATEMENTS AT SEPTEMBER 30 '06**  
**STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY AT SEPT 30, 2005 & SEPT. 30, 2006**

AMOUNTS IN EURO

**FROM JANUARY 1<sup>ST</sup> 2005 TO SEPTEMBER 30<sup>TH</sup> 2005**

	01/01/2005		Purchase/Sale of treasury stock	Gains on disposal of treasury stock	Losses on disposal of treasury stock	Allocation of result - Previous financial year	Distribution Dividends	Profit of the period	Conversion reserve	30/09/2005
Share Capital	11.500.000									11.500.000
Treasury stock	(170.606)		70.277							-100.329
Treasury stock owned by Subsidiaries	-									0
Share premium reserve	15.664.893									15.664.893
Legal reserve	729.550					41.360				770.910
Other reserve	0					79.554				79.554
Conversion reserve	(173.718)								315.271	141.553
Profit / (loss) for the period	(2.911.767)			93.712	(7.640)	279.348				(2.546.347)
Income for the period	1.043.212					(400.262)	(642.950)	2.303.741		2.303.741
<b>Total Net Equity</b>	<b>25.681.564</b>		<b>70.277</b>	<b>93.712</b>	<b>(7.640)</b>	<b>-</b>	<b>(642.950)</b>	<b>2.303.741</b>	<b>315.271</b>	<b>27.813.975</b>

**FROM JANUARY 1<sup>ST</sup>, 2006 TO SEPTMBER 30<sup>TH</sup>, 2006**

	01/01/2006	Variation of consolidation area	Purchase/Sale of treasury stock	Gains on disposal of treasury stock	Losses on disposal of treasury stock	Allocation of result - Previous financial year	Distribution Dividends	Profit of the period	Conversion reserve	30/09/2006
Share Capital	11.500.000									11.500.000
Treasury stock	(92.872)		(11.798)							(104.670)
Treasury stock owned by Subsidiaries	15.664.893									15.664.893
Legal reserve	770.910					1.529.090				2.300.000
Other reserve	220.624					964.856				1.185.480
Conversion reserve	329.937								(469.832)	-139.895
Profit / (loss) for the period	(2.661.910)	(28.370)		57.216	(20.252)	1.327.771				(1.325.545)
Income for the period	5.107.631					(3.821.717)	(1.285.914)	7.506.474		7.506.474
<b>Net Equity</b>	<b>30.839.213</b>	<b>(28.370)</b>	<b>(11.798)</b>	<b>57.216</b>	<b>(20.252)</b>	<b>-</b>	<b>(1.285.914)</b>	<b>7.506.474</b>	<b>(469.832)</b>	<b>36.586.737</b>
Minorities' interest										53.871
<b>Total Net Equity</b>										<b>36.640.608</b>

**PRIMA INDUSTRIE GROUP, CONSOLIDATED FINANCIAL STATEMENTS AT SEPTEMBER 30 '06**  
**CONSOLIDATED CASHFLOW STATEMENT AT SEPTEMBER 30<sup>TH</sup> 2006 TO SEPTEMBER 30<sup>TH</sup> 2005**

	09/30/2006	09/30/2005
<b>Cash flow derived from operating activity</b>		
Profit (Loss) before tax	10.295	3.762
Adjustments	2.258	2.631
Amortization for the financial year	966	896
Provisions raised to Employees' severance fund	700	494
Loss (Profit) on exchange rates for currency transactions	(72)	(13)
Loss (Income) from equity investments	(118)	58
Financial expenses	1.211	1.557
Financial (income)	(429)	(361)
	<u>12.553</u>	<u>6.393</u>
(Increase) /Decrease in trade and other receivables	2.190	(3.707)
(Increase) /Decrease in inventories	(4.024)	(9.673)
Increase / (Decrease) in trade payables	(3.163)	8.528
Increase / (Decrease) in other payables	(151)	82
<i>Cash flow from typical activity</i>	7.405	1.623
Interest payment	(1.158)	(1.500)
Tax payment	(482)	(218)
<i>Cash flow derived from operating activity</i>	<u>5.765</u>	<u>(95)</u>
<b>Cash flow derived from investment activity</b>		
Purchase of MLTA	(39)	
Purchase of PRIMA GmbH		(976)
Purchase of tangible fixed assets	(1.276)	(726)
Purchase of intangible fixed assets	18	(364)
Sale /(Purchase) of financial assets (at cost)	(250)	(16)
Sale /(Purchase) investments in associates	26	(415)
Receipts from sales of fixed assets	53	39
Interest encashed	429	361
<i>Net Cash flow derived from investment activity</i>	<u>(1.039)</u>	<u>(2.097)</u>
<b>Cash flow derived from financing activity</b>		
Variation in the conversion reserve	(470)	315
(Purchase)/sale of treasury stock	25	156
Variation of other reserves	18	
Changes in balance- derivative instruments (FV)	31	298
Stipulation of loans and financing	11.674	5.842
Repayments of loans and financing	(11.778)	(3.371)
(Repayments)/ Raising of financial leases	(173)	(181)
(Repayments)/ Raising of Sabatini transactions	(306)	(588)
Dividends paid	(1.286)	(643)
<i>Net Cash flow derived from financing activity</i>	<u>(2.265)</u>	<u>1.828</u>
<b>Increase (decrease) in the cash and cash equivalents</b>	2.461	(364)
<b>Cash and cash equivalents at the start of the period</b>	11.495	6.448
<b>Cash and cash equivalents at the end of the period</b>	13.956	6.084





**PRIMA INDUSTRIE S.p.A.**

**FINANCIAL STATEMENTS AT SEPTEMBER 30<sup>TH</sup>, 2006**

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**FINANCIAL STATEMENTS AT SEPTEMBER 30<sup>TH</sup>, 2006**
**BALANCE SHEET AT SEPTEMBER 30<sup>TH</sup>, 2006 & DECEMBER 31<sup>ST</sup>, 2005**

<i>(VALUES IN EURO)</i>	<b>30/09/06</b>	<b>31/12/05</b>
Tangible fixed assets	3.082.480	3.038.861
Intangible fixed assets	152.780	98.697
Equity investments in subsidiaries	12.840.913	12.840.913
Equity investments valued using the equity method	1.249.778	1.249.778
Equity investments valued using the cost method	51.832	51.832
Loans to related parties	2.746.148	2.898.962
Other financial assets	265.190	258.484
Tax assets - prepaid taxes	3.369.280	3.859.224
Other receivables	9.153	9.446
<b>TOTAL NON CURRENT ASSETS</b>	<b>23.767.554</b>	<b>24.306.197</b>
Inventories	23.202.448	18.081.051
Trade receivables	34.826.347	33.997.642
Other receivables	2.141.233	2.652.279
Other tax assets	1.224.764	1.264.262
Derivative financial instruments		4.595
Cash and cash equivalents	9.028.179	7.138.093
<b>TOTAL CURRENT ASSETS</b>	<b>70.422.971</b>	<b>63.137.922</b>
<b>TOTAL NET EQUITY</b>	<b>94.190.525</b>	<b>87.444.119</b>
Share Capital	11.500.000	11.500.000
Treasury stock	(104.670)	(92.872)
Other reserves	19.150.373	16.656.427
Profits (Losses) carried forward	(1.019.349)	(1.181.405)
Profit (loss) for the year	699.032	3.904.952
Total Group stockholders' equity	30.225.386	30.787.102
<b>TOTAL NET EQUITY</b>	<b>30.225.386</b>	<b>30.787.102</b>
Loans	14.703.154	4.535.931
Employee benefits	3.592.892	3.616.835
Provision for risks and charges	28.000	28.000
Deferred tax liabilities	1.983.037	2.014.840
Derivative financial instruments	41.812	15.970
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>20.348.895</b>	<b>10.211.576</b>
Trade payables	25.723.427	20.521.385
Advances	6.927.601	8.726.329
Other payables	2.830.121	2.510.061
Amounts due to banks and i.r.o loans	3.341.290	11.386.273
Tax liabilities - current taxes	2.123.505	1.405.393
Provision for risks and charges	2.670.300	1.896.000
Derivative financial instruments		-
<b>TOTAL CURRENT LIABILITIES</b>	<b>43.616.244</b>	<b>46.445.441</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>94.190.525</b>	<b>87.444.119</b>

## FINANCIAL STATEMENTS AT SEPTEMBER 30<sup>TH</sup>, 2006

### INCOME STATEMENT AT SEPTEMBER 30<sup>TH</sup> 2006 AND SEPTEMBER 30<sup>TH</sup>, 2005

(VALUES IN EURO)	09/30/2006	09/30/2005	III quarter 2006	III quarter 2005
Net revenues from sales and services	64.843.453	49.156.446	21.091.564	18.589.820
Other operating income	1.086.138	1.600.482	300.280	611.145
Changes in inventories of semifinished and finished products	1.038.019	3.406.372	(88.420)	927.386
Increases in fixed assets for internal work	74.850	21.181	45.451	5.550
Use of raw materials, consumables, supplies and goods	(35.745.991)	(28.857.883)	(10.967.545)	(10.761.829)
Personnel cost	(11.218.524)	(9.918.912)	(3.427.551)	(3.073.172)
Amortization & Depreciation	(470.745)	(468.430)	(158.432)	(165.145)
Impairment and writedowns		(69.293)	-	(8.717)
Other operating costs	(16.480.114)	(12.713.843)	(5.824.432)	(4.749.768)
<b>OPERATING INCOME</b>	<b>3.127.086</b>	<b>2.156.120</b>	<b>970.915</b>	<b>1.375.270</b>
Financial income	439.242	451.111	245.989	76.835
Financial expenses	(1.050.596)	(1.276.786)	(468.839)	(507.064)
Net income from transactions in foreign exchange	142.951	115.490	10.168	(57.650)
Net income from associated companies & joint ventures		(58.241)	-	45.208
Net income from transactions in foreign exchange				
<b>INCOME BEFORE TAX</b>	<b>2.658.683</b>	<b>1.387.694</b>	<b>758.233</b>	<b>932.599</b>
Current and deferred taxes	(1.959.651)	(886.056)	(657.466)	(238.061)
<b>NET RESULT</b>	<b>699.032</b>	<b>501.638</b>	<b>100.767</b>	<b>694.538</b>

## FINANCIAL STATEMENTS AT SEPTEMBER 30<sup>TH</sup>, 2006

### STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY AT SEPTEMBER 30<sup>TH</sup>, 2006 & SEPTEMBER 30<sup>TH</sup>, 2005

#### FROM JANUARY 1<sup>ST</sup>, 2005 TO SEPTEMBER 30<sup>TH</sup>, 2005

	01/01/2005	Purchase/Sale of treasury stock	Gains on disposal of treasury stock	Losses on disposal of treasury stock	Allocation of result - Previous financial year	Distribution Dividends	Profit of the period	30/09/2005
Share Capital	11.500.000							11.500.000
Treasury stock	(170.606)	70.277						(100.329)
Treasury stock owned by Subsidiaries	-							-
Share premium reserve	15.664.893							15.664.893
Legal reserve	729.550				41.360			770.910
Other reserve	0	70.277			142.890			213.167
Conversion reserve	-							-
Profit / (loss) for the period	(1.319.776)	(70.277)	93.712	(7.640)	104.535			(1.199.446)
Income for the period	931.735				(288.785)	(642.950)	501.638	501.638
<b>Net Equity</b>	<b>27.335.796</b>	<b>70.277</b>	<b>93.712</b>	<b>(7.640)</b>	<b>-</b>	<b>(642.950)</b>	<b>501.638</b>	<b>27.350.833</b>

#### FROM JANUARY 1<sup>ST</sup>, 2006 TO SEPTEMBER 30<sup>TH</sup>, 2006

	01/01/2006	Purchase/Sale of treasury stock	Gains on disposal of treasury stock	Losses on disposal of treasury stock	Allocation of result - Previous financial year	Distribution Dividends	Profit of the period	30/06/2006
Share Capital	11.500.000							11.500.000
Treasury stock	(92.872)	(11.798)						(104.670)
Treasury stock owned by Subsidiaries	15.664.893							15.664.893
Legal reserve	770.910				1.529.090			2.300.000
Other reserve	220.624				964.856			1.185.480
Conversion reserve	-							0
Profit / (loss) for the period	(1.181.405)		57.216	(20.252)	125.092			(1.019.349)
Income for the period	3.904.952				(2.619.038)	(1.285.914)	699.032	699.032
<b>Net Equity</b>	<b>30.787.102</b>	<b>(11.798)</b>	<b>57.216</b>	<b>(20.252)</b>	<b>-</b>	<b>(1.285.914)</b>	<b>699.032</b>	<b>30.225.386</b>

## FINANCIAL STATEMENTS AT SEPTEMBER 30<sup>TH</sup>, 2006

### CASH FLOW STATEMENT AT SEPTEMBER 2006 AND SEPTEMBER 2005

<i>(values in euro thousand)</i>	<b>30/09/2006</b>	<b>30/09/2005</b>
<b>Cash flow derived from operating activity</b>		
<b>Profit (Loss) before tax</b>	<b>2.659</b>	<b>1.388</b>
<b>Adjustments</b>	<b>1.357</b>	<b>1.325</b>
Amortization for the financial year	471	468
Provisions raised to Employees' severance fund	418	274
Loss (Profit) on exchange rates for currency transactions	(143)	(115)
Loss (Income) from equity investments	-	(128)
Financial expenses	1.051	1.277
Financial (income)	(439)	(451)
	<b>4.015</b>	<b>2.712</b>
(Increase) /Decrease in trade and other receivables	212	1.672
(Increase) /Decrease in inventories	(5.121)	(6.314)
Increase / (Decrease) in trade payables	3.403	4.738
Increase / (Decrease) in other payables	(405)	(633)
<i>Cash flow from typical activity</i>	<b>2.104</b>	<b>2.175</b>
Interest payment	(908)	(1.161)
Tax payment	(412)	(145)
<i>Cash flow derivante dall'attività operativa</i>	<b>784</b>	<b>869</b>
<b>Cash flow derived from operating activity</b>		
Purchase of tangible fixed assets	(462)	(299)
Purchase of intangible fixed assets	(126)	(90)
Sale /(Purchase) of financial assets (at cost)	146	393
Sale /(Purchase) investments in associates	-	(2.113)
Receipts from sales of fixed assets	20	-
Interest encashed	439	451
<i>Cash flow derived from operating activity</i>	<b>17</b>	<b>(1.657)</b>
<b>Cash flow derived from investment activity</b>		
Variation in the conversion reserve		
(Purchase)/sale of treasury stock	25	156
Changes in balance- derivative instruments (FV)	30	327
Stipulation of loans and financing	11.674	5.842
Repayments of loans and financing	(8.876)	(3.610)
(Repayments)/ Raising of financial leases	(173)	(181)
(Repayments)/ Raising of Sabatini transactions	(306)	(588)
Dividends paid	(1.286)	(643)
<i>Net Cash flow derived from financing activity</i>	<b>1.089</b>	<b>1.304</b>
<b>Increase (decrease) in the cash and cash equivalents</b>	<b>1.890</b>	<b>515</b>
<b>Cash and cash equivalents at the start of the period</b>	<b>7.138</b>	<b>3.141</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>9.028</b>	<b>3.656</b>

*On behalf of  
the Board of Directors Chairman*

  
*Gianfranco Carbonato*