

PRESS RELEASE

ITALIAN STOCK EXCHANGE - STAR SEGMENT

PRIMA INDUSTRIE

THE SHAREHOLDERS' MEETING:

- **APPROVES 2006 ANNUAL REPORT**
- **RESOLVES A DIVIDEND PAYMENT OF 0.65 EURO PER SHARE**
- **APPROVES A NEW BUY- BACK RESOLUTION**
- **APPOINTS THE NEW STATUTORY AUDITORS BOARD AND INCREASES NUMBER OF DIRECTORS FROM 7 TO 9**

THE BOARD OF DIRECTORS:

- **APPROVES THE QUARTERLY REPORT AS AT MARCH 31, 2007:**
 - **CONSOLIDATED TURNOVER INCREASING BY 4.7% AT 35.0 MILLION EURO (33.5 million euro as at 03/31/2006);**
 - **EBITDA AT 4,823 THOUSAND EURO (4,346 thousand euro as at 31/03/2006);**
 - **EBIT AT 4,498 THOUSAND EURO (4,041 thousand euro as at 31/03/2006);**
 - **EBT AT 4,096 THOUSAND EURO (3,700 thousand euro as at 03/31/2006);**
 - **NET RESULT AT 2,136 THOUSAND EURO (3,044 thousand euro as at 03/31/2006, quarter benefiting from carry forward tax losses in the US));**
 - **POSITIVE NET FINANCIAL POSITION AT 6.0 MILLION EURO (+3.1 AS AT 12/31/2006 and -9.8 as at 03/31/2006);**
 - **ORDER BACKLOG AT 61.5 MILLION EURO (+37.1% against 44.9 million euro as at 03/31/2006 and +10.7% against 55.6 million euro as at 12/31/2006)**

Collegno (Turin), May 14, 2007 – The Shareholders' meeting of PRIMA INDUSTRIE S.p.A, a leading company in the high technology sector of laser systems for industrial applications, today approved the Annual Report as at 12/31/2006 and also acknowledged that the Group consolidated accounts had a turnover of 147.6 million euro, up 33.1% with respect to 2005, and close with a net profit of 13,720 thousand euro (5,108 thousand euro in 2005).

The Shareholders' Meeting also approved a new buy back resolution, cancelling the previous resolution approved on 11 May 2006.

The previous resolution could not be used anymore, as the stock market price is higher than the price established for buying treasury stock (euro 30).

Therefore the new resolution establishes a minimum price equal to the face value, with a maximum price of Euro 60.

The maximum stock quantity allowed to be purchased and sold (once or more times) is 200,000 shares (i.e. 4.35% of Prima Industrie Share Capital) with a counter value of maximum euro 12,000,000.

The plan validity is for 18 months from today.

Stock sales will take place at any moment, wholly or partially, one or more times, also outside the regulated stock markets. Sales outside the markets can take place also within share exchange plans for extraordinary strategic operations and it should not produce any capital loss for the Company.

The operation, in fact, besides allowing the specialist activity and the stabilization when deemed necessary in order to stabilize the stock value on the market (according to current Market authorities regulation), would allow:

- to supply an instrument for the company cash investments.
- to timely support the possible adoption of stock-options plans;
- to use the stock purchased on the market for possible extraordinary strategic operations.

The Shareholders' meeting also appointed the new Statutory Auditors Board for the period 2007/2009, confirming Mr. Riccardo Formica as Chairman and Mr. Roberto Pettrignani and Andrea Mosca as Effective Auditors.

Lastly the Shareholders' Meeting resolved the increase in number of Board members from 7 to 9, appointing as new directors Mr. Michael Mansour and Mr. Stefano Devescovi (independent director).

Also today Prima Industrie S.p.A. Board of Directors approved the quarterly report as at 03/31/2007.

Consolidated sales amount to 35,026 thousand euro, increasing by 4.7% against 33,462 thousand euro as at 03/31/2006. The **value of production** as at 03/31/2007 was 40,571 thousand euro, strongly increasing by 27.2% against same period previous year (31,883 thousand euro), due to the presence of a certain number of laser systems already delivered but not accepted yet but their customer as at 03/31/2007.

By geography during first quarter 2007 sales carried out in Italy increased significantly, both in terms of volumes (+80% against first quarter 2006) and percentage, thanks to the excellent contribution offered by the parent company Prima Industrie S.p.A. performance.

As for foreign sales, against a substantial steadiness in volumes invoiced in Europe during the quarter, the Group highlights a reduction in North American sales due to the fact that the first quarter 2006 benefited from a high number of Laserdyne systems delivered in 2005, but accepted by customers and so accounted as revenues at the beginning of 2006; such systems weighted in the first quarter 2006 for about 10% of consolidated revenues.

Also sales in Asia and rest of the world showed a fairly good increase, in spite of the non consolidated turnover of the Chinese JVs.

In terms of products, sales in 2D sector continued to expand, altogether with a good increase in sales coming from electronics and after sale services, while sales of 3D systems were substantially steady; in such segment, though, the Group acknowledged some signs of recovery from the automotive market.

All profitability margins recorded strong growth against same values of the previous year, also as a consequence of the operating leverage and economies of scale and learning curves performed during the quarter.

Group **EBITDA**, 4,823 thousand euro (+13.8% on sales), grows by 11.0% against 4,346 thousand euro as at 03/31/2006 (13.0% on sales).

Consolidated **EBIT** (4,498 thousand euro, that is 12.8% on sales) grew by 11.3% against 4,041 thousand euro as at 03/31/2006.

Increase in operating profitability reflected also on result before taxes as at 03/31/2007, which amounts to 4,096 thousand euro, against 3,700 thousand euro as at 03/31/2006 (+10.7%).

Group net result as at 03/31/2007 is 2,136 thousand euro, against 3,044 thousand euro as at 03/31/2006 as a consequence of the higher tax rate against same period of previous year which benefited, on the opposite, of strong carry forward tax losses relevant to PRIMA North America.

Net financial position (positive for 6,015 thousand euro as at 03/31/2007) recorded a further improvement of about 2.9 million euro against 12/31/2006 (3,076 thousand euro) and of about 15.8 thousand euro against 03/31/2006. The favourable trend of the quarter is substantially due to the net operating cash flow.

Both consolidated order acquisition and backlog outstanding as at 03/31/2007 are significantly higher than same period previous year, so confirming the continuing growth trend; consolidated **order acquisition** for the first quarter 2007 was 41,165 thousand euro, increasing 12% against 36,759 thousand euro in same period of 2006, whilst **backlog** as at 03/31/2007 was 61,520 thousand euro, increasing 37.1% against 44,868 thousand euro as at 03/31/2006 and 10.7% against 55,568 thousand euro as at 12/31/2006.

During the quarter the Group continued to invest heavily in **Research & Development**. As at 03/31/2007 costs charged to P&L for R&D were 2,338 thousand euro, that is 6.7% on sales, against 2,097 thousand euro as at 03/31/2006.

Very good was also the performance carried out by the **parent company Prima Industrie S.p.A.**, whose sales as at 03/31/2007 were 24,576 thousand euro, growing by 33.2% against 03/31/2006 (18,446 thousand euro).

Operating profitability grows almost three times increasing from 836 thousand euro as at 03/31/2006 to 2,533 thousand euro as at 03/31/2007.

The Board of Director also acknowledged the resignation of the director Fabrizio Lugaresi, thanking him for his important cooperation over the past two years, and co-opted as new director Mr. Ezio Basso, present Managing Director of Prima Industrie S.p.A.

Commenting the first quarter 2007 results, Mr. Gianfranco Carbonato, Chairman and C.E.O. of Prima Industrie S.p.A., said: *“We are obviously satisfied with results of the first quarter which further improve against 03/31/2006. This happened also thanks to the situation of our reference market which continues to be excellent, except for some light sign of slow down in the US.*

Cash generation continued over the quarter and this allows us to be proactive towards external growth opportunities, of which the acquisition of OSAI S.p.A., disclosed to the market on 03/28/2007, represents a first step”.

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 550 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 over 2500 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.

**CONSOLIDATED FINANCIAL STATEMENTS
AT MARCH 31, 2007
ACCOUNTING STATEMENTS**

**THE PRIMA INDUSTRIE GROUP,
Consolidated Financial Statements at March 31, 07**

CONSOLIDATED BALANCE SHEET AT MARCH 31, 2006 AND MARCH 31, 2005

VALUES IN EURO	NOTE	31/03/2007	31/12/2006
Tangible fixed assets		6.524.673	6.427.108
Intangible fixed assets		2.632.020	2.511.075
Equity investments valued using the equity method		1.547.229	1.787.906
Equity investments valued using the cost method		801.885	801.885
Other financial assets		267.999	267.999
Tax assets for prepaid taxes		8.179.329	7.525.805
Other receivables		24.762	38.791
TOTAL NON CURRENT ASSETS		19.977.897	19.360.569
Inventories		42.332.368	33.870.201
Trade receivables		41.866.496	38.960.582
Other receivables		2.884.403	2.802.967
Other tax assets		2.416.314	1.643.701
Derivative financial instruments		-	-
Trading securities valued at fair value		-	-
Cash and cash equivalents		24.040.922	20.702.707
TOTAL CURRENT ASSETS		113.540.503	97.980.158
TOTAL ASSETS		133.518.400	117.340.727
Share Capital		11.500.000	11.500.000
Treasury stock		(87.880)	(109.034)
Treasury stock owned by subsidiaries		(77.809)	-
Legal reserve		2.300.000	2.300.000
Other reserves		16.849.034	16.849.034
Conversion reserve		(819.406)	(639.537)
Profits (Losses) carried forward		12.458.742	(1.307.575)
Profit (losses) for the year		2.135.698	13.705.921
Total Group stockholders' equity		44.258.379	42.298.809
Minority interests		-	60.266
TOTAL NET EQUITY		44.258.379	42.359.075
Loans		14.026.051	12.657.033
Employee benefits		4.893.331	5.544.236
Deferred tax liabilities		3.313.185	2.384.507
Provisions for risks and charges		26.988	33.500
Derivative financial instruments		6.456	6.071
TOTAL NON CURRENT LIABILITIES		22.266.011	20.625.347
Trade payables		33.317.243	26.054.651
Advances		12.544.167	7.387.989
Other payables		5.823.534	5.905.438
Amounts due to banks and in respect of loans		4.261.506	5.231.281
Tax liabilities - current taxes		6.550.578	5.066.445
Provision for risks and charges		4.496.834	4.709.897
Derivative financial instruments		148	604
TOTAL CURRENT LIABILITIES		66.994.010	54.356.305
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		133.518.400	117.340.727

**THE PRIMA INDUSTRIE GROUP,
Consolidated Financial Statements at March 31, 07**

CONSOLIDATED INCOME STATEMENT AT MARCH 31, 2007 & MARCH 31, 2006

VALUES IN EURO	31/03/2007	31/03/2006
Net revenues from sales and services	35.025.870	33.462.128
Other operating income	874.991	467.920
Changes in inventories of semifinished and finished products	4.614.616	(2.073.534)
Increases in fixed assets for internal work	55.148	26.736
Use of raw materials, consumables, supplies and goods	(19.363.713)	(13.302.890)
Personnel cost	(7.941.669)	(7.253.830)
Amortization & Depreciation	(325.462)	(305.134)
Impairment & Writedowns	-	-
Other operating costs	(8.441.400)	(6.980.370)
OPERATING INCOME	4.498.381	4.041.026
Financial income	138.281	89.161
Financial expenses	(289.839)	(419.723)
Net income from transactions in foreign exchange	(11.385)	(21.089)
Net income from associated companies & joint ventures	(239.212)	10.185
Risultato netto derivante da attività finanziarie disponibili per la vendita	-	-
INCOME BEFORE TAX	4.096.226	3.699.560
Current and deferred taxes	(1.960.528)	(655.330)
NET PROFIT	2.135.698	3.044.230
NET PROFIT	2.135.698	3.044.230
- Group Stockholders' net profit	2.135.698	3.081.383
- Minorities net profit	-	(37.153)
EARNING PER SHARE (euro)	0,46	0,67

THE PRIMA INDUSTRIE GROUP, Consolidated Financial Statements at March 31, 07

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY AT MARCH 31, 2006 & MARCH 31, 2007

VALUES IN EURO	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 Previous Financial Year's income	Dividends Distribution	Profit of the period	Other	Conversion Reserve	31/03/2006
Share Capital	11.500.000										11.500.000
Treasury stock	(92.872)		53.533								(39.339)
Treasury stock owned by Subsidiaries	-		(192.134)								(192.134)
Share premium reserve	15.664.893										15.664.893
Legal reserve	770.910										770.910
Other reserve	220.624										220.624
Conversion reserve	329.937									(173.971)	155.966
Profit / (loss) carried forward	(2.661.910)	-		33.018	(1.181)	5.107.631					2.477.558
Income for the year	5.107.631					(5.107.631)		3.081.383			3.081.383
Net Equity	30.839.213		(138.601)	33.018	(1.181)	-	-	3.081.383		(173.971)	33.639.861
Minorities' interest	0										9.169
Total Net Equity	30.839.213										33.649.030

From 1 January 2007 to 31 March 2007

VALUES IN EURO	01/01/2007	Variation of Consolidation Area	Purchase/ Sale of treasury stock	Gains on disposal of treasury stock	Losses on disposal of treasury stock	Allocation of Previous Financial Year's income	Dividends Distribution	Profit of the period	Other	Conversion Reserve	31/03/2007
Share Capital	11.500.000										11.500.000
Treasury stock	(109.034)		21.154								(87.880)
Treasury stock owned by Subsidiaries	-		(77.809)								(77.809)
Share premium reserve	15.664.893										15.664.893
Legal reserve	2.300.000										2.300.000
Other reserve	1.184.141										1.184.141
Conversion reserve	(639.537)									(179.869)	(819.406)
Profit / (loss) carried forward	(1.307.575)			25.000	(1.146)	13.705.921			36.542		12.458.742
Income for the year	13.705.921					(13.705.921)		2.135.698			2.135.698
Net Equity	42.298.809	-	(56.655)	25.000	(1.146)	-	-	2.135.698	36.542	(179.869)	44.258.379
Minorities' interest	60.266								(60.266)		0
Total Net Equity	42.359.075										44.258.379

**THE PRIMA INDUSTRIE GROUP,
Consolidated Financial Statements at March 31, 07**

CONSOLIDATED CASH FLOW AT MARCH 31, 2007 & MARCH 31, 2006

THOUSAND OF EURO	31/03/2007	31/03/2006
Profit (Loss) before tax	4.096.226	3.699.560
Adjustments for non-monetary elements	755.740	908.089
Amortization for the financial year	325.462	305.134
Provisions raised to Employees' severance fund	28.123	261.489
Loss (Profit) on foreign currency transactions	11.385	21.089
Loss (Income) from equity investments	239.212	(10.185)
Financial expenses	289.839	419.723
Financial (income)	(138.281)	(89.161)
	4.851.966	4.607.649
(Increase) /Decrease in trade and other receivables	(4.399.458)	5.596.514
(Increase) /Decrease in inventories	(8.462.167)	(1.154.317)
Increase / (Decrease) in trade payables	12.418.770	(9.223.976)
Increase / (Decrease) in other payables	(588.370)	(324.950)
Cash flow from typical activity	3.820.741	(499.081)
Interest payment	(241.078)	(369.153)
Tax payment	-	-
Cash flow derived from operating activity	3.579.663	(868.234)
Cash flow derived from investment activity	-	-
Purchase of MLTA S.r.l.	-	(38.622)
Purchase of PRIMA INDUSTRIE GmbH	(388.212)	(370.714)
Purchase of tangible fixed assets	(83.906)	(28.370)
Purchase of intangible fixed assets	(86.608)	(55.685)
Sale /(Purchase) of financial assets (at cost)	-	-
Sale /(Purchase) investments in associates	1.465	27.017
Receipts from sales of fixed assets	14.754	-
Interest encashed	138.281	89.161
Net Cash flow derived from investment activity	(404.226)	(377.213)
Cash flow derived from investment activity		
Variation in the conversion reserve	(179.869)	(174.140)
(Purchase)/sale of treasury stock	(32.801)	(106.801)
Variation of other reserves	(23.724)	46.371
Changes in balance- derivative instruments (FV)	(71)	6.637
Loan agreement	2.000.000	2.000.000
Repayments of loans and financing	(1.281.569)	(1.613.709)
(Repayments)/ Raising of financial leases	(262.861)	(58.897)
(Repayments)/ Raising of Sabatini transactions	(56.327)	(190.264)
Dividends paid	-	-
Net Cash flow derived from financing activity	162.778	(90.803)
Increase (decrease) in the cash and cash equivalents	3.338.215	(1.336.250)
Cash and cash equivalents at start of year	20.702.707	11.495.383
Cash and cash equivalents at year end	24.040.922	10.159.133



PRIMA INDUSTRIE S.p.A.

FINANCIAL STATEMENTS AT MARCH 31, 2007

FINANCIAL STATEMENTS AT MARCH 31, 2007

BALANCE SHEET AT MARCH 31, 2007 AND MARCH 31, 2006

VALUES IN EURO	31/03/2007	31/12/2006
Tangible fixed assets	3.149.758	3.153.790
Intangible fixed assets	194.806	161.036
Equity investments in subsidiaries	12.840.913	12.840.913
Equity investments valued using the equity method	664.135	1.009.794
Equity investments valued using the cost method	51.832	51.832
Loans to related parties	626.000	626.000
Other financial assets	267.999	267.999
Tax assets for prepaid taxes	2.663.976	2.784.368
Other receivables	-	8.800
TOTAL NON CURRENT ASSETS	20.459.419	20.904.532
Inventories	25.059.285	19.957.839
Trade receivables	36.286.125	33.666.729
Other receivables	2.176.709	2.340.099
Other tax assets	2.351.413	1.592.722
Derivative financial instruments		
Cash and cash equivalents	16.852.246	14.470.160
TOTAL CURRENT ASSETS	82.725.778	72.027.549
Attività non correnti destinate alla vendita	-	-
TOTAL NET EQUITY	103.185.197	92.932.081
Share Capital	11.500.000	11.500.000
Treasury stock	(87.880)	(109.034)
Legal reserves	2.300.000	2.300.000
Other reserve	16.849.034	16.849.034
Profits (Losses) carried forward	1.580.476	(1.601.378)
Profit (loss) for the year	3.109.562	3.158.000
Total Group Stockholders' equity	35.251.192	32.096.622
TOTAL NET EQUITY	35.251.192	32.096.622
Loans	13.148.883	11.680.253
Employee benefits	3.392.848	3.935.385
Provision for risks and charges	26.988	33.500
Deferred tax liabilities	1.747.382	1.661.121
Derivative financial instruments	6.456	6.071
TOTAL NON CURRENT LIABILITIES	18.322.557	17.316.330
Trade payables	28.293.814	23.765.426
Advances	7.169.746	5.299.076
Other payables	3.405.783	3.446.243
Amounts due to banks and in respect of loans	3.902.643	4.982.898
Tax liabilities for current taxes	4.574.714	3.666.882
Provision for risks and charges	2.264.600	2.358.000
Derivative financial instruments	148	604
TOTAL CURRENT LIABILITIES	49.611.448	43.519.129
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	103.185.197	92.932.081

FINANCIAL STATEMENTS AT MARCH 31, 2007

INCOME STATEMENT AT MARCH 31, 2007 & MARCH 31, 2006

VALUES IN EURO	31/03/2007	31/03/2006
Net revenues from sales and services	24.576.056	18.445.764
Other operating income	908.509	476.059
Changes in inventories of semifinished and finished products	2.341.127	819.694
Increases in fixed assets for internal work	38.148	20.736
Use of raw materials, consumables, supplies and goods	(14.533.610)	(10.328.947)
Personnel cost	(4.280.599)	(3.864.685)
Amortization & Depreciation	(172.723)	(149.916)
Impairment and writedowns	-	-
Other operating costs	(6.344.146)	(4.582.890)
OPERATING INCOME	2.532.762	835.815
Financial income	2.379.970	111.384
Financial expenses	(265.243)	(356.649)
Net income from transactions in foreign exchange	18.871	(888)
Net income from associated companies & joint ventures	(345.659)	-
Net income from transactions in foreign exchange	-	-
INCOME BEFORE TAX	4.320.701	589.662
Current and deferred taxes	(1.211.139)	(475.342)
NET PROFIT	3.109.562	114.320

FINANCIAL STATEMENTS AT MARCH 31, 2007

STATEMEN OF CHANGES IN STOCKHOLDERS' EQUITY AT MARCH 31, 2006 & MARCH 31, 2007

From 1st January 2006 to 31 March 2006

VALUES IN EURO	01/01/2006	Purchase/ Sale of treasury stock	Gains on disposal of treasury stock	Losses on disposal of treasury stock	Allocation of Previous Financial Year' income	Dividends Distribution	Profit of the period	31/03/2006
Share Capital	11.500.000	-	-	-	-	-	-	11.500.000
Treasury stock	(92.872)	53.533	-	-	-	-	-	(39.339)
Treasury stock owned by Subsidiaries	-	-	-	-	-	-	-	-
Share premium reserve	15.664.893	-	-	-	-	-	-	15.664.893
Legal reserve	770.910	-	-	-	-	-	-	770.910
Other reserve	220.624	-	-	-	-	-	-	220.624
Conversion reserve	-	-	-	-	-	-	-	-
Profit / (loss) carried forward	(1.181.405)	-	33.018	(1.177)	3.904.952	-	-	2.755.388
Income for the year	3.904.952	-	-	-	(3.904.952)	-	114.320	114.320
Net Equity	30.787.102	53.533	33.018	(1.177)	-	-	114.320	30.986.796

from 1st January 2007 to 31 March 2007

VALUES IN EURO	01/01/2007	Purchase/ Sale of treasury stock	Gains on disposal of treasury stock	Losses on disposal of treasury stock	Allocation of Previous Financial Year' income	Dividends Distribution	Profit of the period	31/03/2007
Share Capital	11.500.000	-	-	-	-	-	-	11.500.000
Treasury stock	(109.034)	21.154	-	-	-	-	-	(87.880)
Treasury stock owned by Subsidiaries	15.664.893	-	-	-	-	-	-	15.664.893
Legal reserve	2.300.000	-	-	-	-	-	-	2.300.000
Other reserve	1.184.141	-	-	-	-	-	-	1.184.141
Conversion reserve	-	-	-	-	-	-	-	-
Profit / (loss) carried forward	(1.601.378)	-	25.000	(1.146)	3.158.000	-	-	1.580.476
Income for the year	3.158.000	-	-	-	(3.158.000)	-	3.109.562	3.109.562
Net Equity	32.096.622	21.154	25.000	(1.146)	-	-	3.109.562	35.251.192

FINANCIAL STATEMENTS AT MARCH 31, 2007

CASH-FLOW STATEMENT AT MARCH 31, 2007 AND MARCH 31, 2006

VALUES IN EURO THOUSAND	31/03/2007	31/03/2006
Profit (Loss) before tax	4.320.701	589.662
Adjustments	(1.597.219)	504.269
Amortization for the financial year	172.723	149.916
Provisions raised to Employees' severance fund	17.997	108.200
Loss (Profit) on exchange rates for currency transactions	(18.871)	888
Loss (Income) from equity investments	(1.922.600)	-
Financial expenses	265.243	356.649
Financial (income)	(111.711)	(111.384)
	2.723.482	1.093.931
(Increase) /Decrease in trade and other receivables	(1.585.505)	3.647.316
(Increase) /Decrease in inventories	(5.101.446)	(3.572.480)
Increase / (Decrease) in trade payables	6.399.058	(387.704)
Increase / (Decrease) in other payables	(917.952)	33.241
Cash flow from typical activity	1.517.637	814.304
Interest payment	(246.372)	(306.967)
Tax payment	-	-
Cash flow derived from operating activity	1.271.265	507.337
Cash flow derived from investing activity		
Purchase of tangible fixed assets	(120.465)	(113.683)
Purchase of intangible fixed assets	(81.996)	(117.920)
Sale /(Purchase) of financial assets (at cost)	-	(242.690)
Sale /(Purchase) investments in associates	-	-
Receipts from sales of fixed assets	-	-
Dividends encashed	2.268.259	-
Interest encashed	111.711	111.384
Net Cash flow derived from investment activity	2.177.509	(362.909)
Cash flow derived from financing activity		
Variation in the conversion reserve	-	-
(Purchase)/sale of treasury stock	45.008	85.374
Changes in balance- derivative instruments (FV)	(71)	6.637
Stipulation of loans and financing	2.000.000	2.000.000
Repayments of loans and financing	(1.411.922)	(2.008.510)
(Repayments)/ Raising of financial leases	(56.327)	(190.264)
(Repayments)/ Raising of Sabatini transactions	(143.376)	-
(Repayments)/ Raising of infragroup financing	(1.500.000)	-
Dividends paid	-	-
Net Cash flow derived from financing activity	(1.066.688)	(106.763)
Increase (decrease) in the cash and cash equivalents	2.382.086	37.665
Cash and cash equivalents at the start of the period	14.470.160	7.138.093
Cash and cash equivalents at the end of the period	16.852.246	7.175.758



PRIMA INDUSTRIE S.p.A.

**CONSOLIDATED FINANCIAL STATEMENTS
AT DECEMBER 31, 2006
ACCOUNTING STATEMENTS**

**THE PRIMA INDUSTRIE GROUP,
Consolidated Financial Statements at December 31, 06**

CONSOLIDATED BALANCE SHEET AT DECEMBER 31, 2006 AND DECEMBER 31, 2005

VALUES IN EURO	NOTE	12/31/2006	12/31/2005
Tangible fixed assets	9.1	6.427.108	5.778.520
Intangible fixed assets	9.2	2.511.075	2.738.927
Equity investments valued using the equity method	9.3	1.787.906	1.809.079
Equity investments valued using the cost method	9.4	801.885	51.832
Other financial assets	9.5	267.999	272.117
Tax assets - prepaid taxes	9.6	7.525.805	6.946.898
Other receivables	9.7	38.791	52.391
TOTAL NON CURRENT ASSETS		19.360.569	17.649.764
Inventories	9.8	33.870.201	36.319.402
Trade receivables	9.9	38.960.582	39.869.959
Other receivables	9.10	2.802.967	3.048.672
Other tax assets	9.11	1.643.701	1.357.085
Tax assets - prepaid taxes	9.12		4.595
Derivative financial instruments		-	-
Cash and cash equivalents	9.13	20.702.707	11.495.383
TOTAL CURRENT ASSETS		97.980.158	92.095.096
Non current assets held for sale		-	-
TOTAL ASSETS		117.340.727	109.744.860
Share Capital		11.500.000	11.500.000
Treasury stock		(109.034)	(92.872)
Treasury stock owned by subsidiaries		-	-
Legal reserve		2.300.000	770.910
Other reserves		16.849.034	15.885.517
Conversion reserve		(639.537)	329.937
Profits (Losses) carried forward		(1.307.575)	(2.661.910)
Profit (loss) for the year		13.705.921	5.107.631
Total Group stockholders' equity		42.298.809	30.839.213
Minority interests		60.266	-
TOTAL NET EQUITY		42.359.075	30.839.213
Loans	9.14	12.657.033	5.570.596
Employee benefits	9.15	5.544.236	4.936.694
Deferred tax liabilities	9.16	2.384.507	2.502.156
Provision for risks and charges	9.17	33.500	29.110
Derivative financial instruments	9.12	6.071	15.970
TOTAL NON CURRENT LIABILITIES		20.625.347	13.054.526
Trade payables	9.18	26.054.651	23.089.151
Advances	9.18	7.387.989	18.371.290
Other payables	9.18	5.905.438	4.668.838
Amounts due to banks and i.r.o loans	9.14	5.231.281	13.918.168
Tax liabilities - current taxes	9.19	5.066.445	2.027.955
Provision for risks and charges	9.17	4.709.897	3.775.719
Derivative financial instruments	9.12	604	-
TOTAL CURRENT LIABILITIES		54.356.305	65.851.121
Liabilities due to non current assets held for sale		-	-
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		117.340.727	109.744.860

**THE PRIMA INDUSTRIE GROUP,
Consolidated Financial Statements at December 31, 06**

CONSOLIDATED INCOME STATEMENT AT DECEMBER 31, 2006 & DECEMBER 31, 2005

VALUES IN EURO	NOTE	31/12/06	31/12/05
Net revenues from sales and services		147.569.053	110.884.661
Other operating income	9.20	1.644.672	3.000.218
Changes in inventories of semifinished and finished products		(3.480.276)	1.903.152
Increases in fixed assets for internal work	9.21	138.510	62.886
Use of raw materials, consumables, supplies and goods		(64.817.871)	(55.422.679)
Personnel cost	9.22	(30.075.984)	(26.040.097)
Amortization & Depreciation	9.23	(1.330.386)	(1.208.232)
Impairment & Writedowns		-	-
Other operating costs	9.24	(31.181.168)	(25.263.299)
OPERATING INCOME		18.466.550	7.916.610
Financial income	9.25	667.089	475.513
Financial expenses	9.25	(1.580.007)	(1.638.575)
Net income from transactions in foreign exchange	9.25	12.628	22.758
Net income from associated companies & joint ventures	9.26	10.384	336.716
Net income from financial assets held for sale		-	-
INCOME BEFORE TAX		17.576.644	7.113.022
Current and deferred taxes	9.27	(3.856.779)	(2.005.391)
NET PROFIT		13.719.865	5.107.631
Income from assets held for disposal		-	-
NET PROFIT		13.719.865	5.107.631
- Group Stockholders' net profit		13.705.921	5.107.631
- Minorities net profit		13.944	-
EARNING PER SHARE (euro)		2,98	1,11

THE PRIMA INDUSTRIE GROUP, Consolidated Financial Statements at December 31, 2006

CHANGE IN STOCKHOLDERS' EQUITY AT DECEMBER 31, 2005 & DECEMBER 31, 2006

From January 1st, 2005 to December 31st, 2005

VALUES IN EURO	01/01/2005	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	12/31/2005
Share Capital	11.500.000									11.500.000
Treasury stock	(170.606)		77.734							(92.872)
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		77.735			142.889				220.624
Conversion reserve	(173.718)								503.655	329.937
Profit / (loss) carried forward	(2.911.767)		(77.735)	123.176	(11.597)	216.013				(2.661.910)
Income for the period	1.043.212					(400.262)	(642.950)	5.107.631		5.107.631
Patrimonio Netto	25.681.564		77.734	123.176	(11.597)	-	(642.950)	5.107.631	503.655	30.839.213

From January 1st, 2006 to December 31st, 2006

VALUES IN EURO	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	12/31/2006
Share Capital	11.500.000									11.500.000
Treasury stock	(92.872)		(16.162)							(109.034)
Treasury stock owned by Subsidiaries	15.664.893									15.664.893
Share premium reserve	770.910					1.529.090				2.300.000
Legal reserve	220.624					963.517				1.184.141
Other reserve	329.937								(969.474)	(639.537)
Conversion reserve	(2.661.910)	(28.370)		71.273	(16.339)	1.327.771				(1.307.575)
Profit / (loss) carried forward	5.107.631					(3.820.378)	(1.287.253)	13.705.921		13.705.921
Income for the period										
Net Equity	30.839.213	(28.370)	(16.162)	71.273	(16.339)	-	(1.287.253)	13.705.921	(969.474)	42.298.809
Minorities' interest										60.266
Total Net Equity										42.359.075

**THE PRIMA INDUSTRIE GROUP,
Consolidated Financial Statements at December 31, 2006**

CONSOLIDATED CASH FLOW AT DECEMBER 31, 2006 & DECEMBER 31, 2005

THOUSAND OF EURO	12/31/2006	12/31/2005
Profit (Loss) before tax	17.576.644	7.113.022
Adjustments	3.295.984	2.753.959
Amortization for the financial year	1.330.386	1.208.232
Provisions raised to Employees' severance fund	1.075.692	742.139
Loss (Profit) on exchange rates for currency transactions	(12.628)	(22.758)
Loss (Income) from equity investments	(10.384)	(336.716)
Financial expenses	1.580.007	1.638.575
Financial (income)	(667.089)	(475.513)
	<u>20.872.628</u>	<u>9.866.981</u>
(Increase) /Decrease in trade and other receivables	1.103.099	785.423
(Increase) /Decrease in inventories	2.825.901	(3.174.596)
Increase / (Decrease) in trade payables	(8.469.238)	4.224.541
Increase / (Decrease) in other payables	2.366.271	1.170.024
Cash flow from typical activity	<u>18.698.661</u>	<u>12.872.373</u>
Interest payment	(1.580.007)	(1.570.730)
Tax payment	(1.725.654)	(1.465.060)
Cash flow derived from operating activity	15.393.000	9.836.583
Cash flow derived from investment activity		
Purchase of MLTA	(38.622)	-
Purchase of PRIMA GmbH	-	(969.515)
Purchase of tangible fixed assets	(1.899.046)	(902.608)
Purchase of intangible fixed assets	58.727	(362.842)
Sale /(Purchase) of financial assets (at cost)	(745.935)	(51.600)
Sale /(Purchase) investments in associates	31.557	(502.795)
Receipts from sales of fixed assets	167.063	68.239
Interest encashed	667.089	475.513
Net Cash flow derived from investment activity	(1.759.167)	(2.245.608)
Cash flow derived from investment activity		
Variation in the conversion reserve	(969.474)	503.655
(Purchase)/sale of treasury stock	38.772	189.313
Variation of other reserves	17.952	
Changes in balance- derivative instruments (FV)	(4.700)	254.984
Stipulation of loans and financing	13.674.366	7.842.106
Repayments of loans and financing	(15.120.949)	(9.657.420)
(Repayments)/ Raising of financial leases	(262.861)	(776.027)
(Repayments)/ Raising of Sabatini transactions	(512.362)	(257.535)
Dividends paid	(1.287.253)	(642.950)
Net Cash flow derived from financing activity	(4.426.509)	(2.543.874)
Increase (decrease) in the cash and cash equivalents	9.207.324	5.047.101
Cash and cash equivalents at the start of the period	11.495.383	6.448.282
Cash and cash equivalents at the end of the period	20.702.707	11.495.383



PRIMA INDUSTRIE S.p.A.

FINANCIAL STATEMENTS AT DECEMBER 31, 2006

FINANCIAL STATEMENTS AT DECEMBER 31, 2006

BALANCE SHEET AT DECEMBER 31, 2006 AND DECEMBER 31, 2005

VALUES IN EURO	Nota	31/12/06	31/12/05
Tangible fixed assets	12.1	3.153.790	3.038.861
Intangible fixed assets	12.2	161.036	98.697
Equity investments in subsidiaries	12.3	12.840.913	12.840.913
Equity investments valued using the equity method	12.4	1.009.794	1.249.778
Equity investments valued using the cost method	12.5	51.832	51.832
Loans to related parties	12.6	626.000	2.898.962
Other financial assets	12.7	267.999	258.484
Tax assets - prepaid taxes	12.8	2.784.368	3.859.224
Other receivables	12.9	8.800	9.446
TOTAL NON CURRENT ASSETS		20.904.532	24.306.197
Inventories	12.10	19.957.839	18.081.051
Trade receivables	12.11	33.666.729	33.397.642
Other receivables	12.12	2.340.099	2.652.279
Other tax assets	12.13	1.592.722	1.264.262
Derivative financial instruments	12.14		4.595
Cash and cash equivalents	12.15	14.470.160	7.138.093
TOTAL CURRENT ASSETS		72.027.549	62.537.922
Non current assets held for sale		-	-
TOTAL NET EQUITY		92.932.081	86.844.119
Share Capital		11.500.000	11.500.000
Treasury stock		(109.034)	(92.872)
Other reserves		2.300.000	770.910
Conversion reserve		16.849.034	15.885.517
Profits (Losses) carried forward		(1.601.378)	(1.781.405)
Profit (loss) for the year		3.158.000	3.904.952
Total Group Stockholders' equity		32.096.622	30.187.102
TOTAL NET EQUITY		32.096.622	30.187.102
Loans	12.16	11.680.253	4.535.931
Employee benefits	12.17	3.935.385	3.616.835
Provision for risks and charges	12.18	33.500	28.000
Deferred tax liabilities	12.19	1.661.121	2.014.840
Derivative financial instruments	12.14	6.071	15.970
TOTAL NON CURRENT LIABILITIES		17.316.330	10.211.576
Trade payables	12.20	23.765.426	20.521.385
Advances	12.20	5.299.076	8.726.329
Other payables	12.20	3.446.243	2.510.061
Amounts due to banks and i.r.o loans	12.16	4.982.898	11.386.273
Tax liabilities - current taxes	12.21	3.666.882	1.405.393
Provision for risks and charges	12.18	2.358.000	1.896.000
Derivative financial instruments	12.14	604	-
TOTAL CURRENT LIABILITIES		43.519.129	46.445.441
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		92.932.081	86.844.119

FINANCIAL STATEMENTS AT DECEMBER 31, 2006

INCOME STATEMENT AT DECEMBER 31, 2006 & DECEMBER 31, 2005

VALUES IN EURO	Nota	12/31/2006	12/31/2005
Net revenues from sales and services	12.22	93.675.508	73.336.941
Other operating income	12.22	1.568.542	2.720.284
Changes in inventories of semifinished and finished products		(57.291)	442.382
Increases in fixed assets for internal work	12.23	97.298	27.776
Use of raw materials, consumables, supplies and goods		(50.231.382)	(39.451.173)
Personnel cost	12.24	(15.825.064)	(14.047.067)
Amortization & Depreciation	12.25	(654.019)	(628.539)
Impairment and writedowns			2.037.436
Other operating costs	12.26	(21.745.024)	(18.788.133)
OPERATING INCOME		6.828.568	5.649.907
Financial income	12.27	1.301.486	1.192.703
Financial expenses	12.27	(1.414.872)	(1.264.384)
Net income from transactions in foreign exchange	12.27	103.102	(4.922)
Net income from associated companies & joint ventures	12.28	(239.984)	(124.677)
Net income from transactions in foreign exchange			
INCOME BEFORE TAX		6.578.300	5.448.627
Current and deferred taxes	12.29	(3.420.300)	(1.543.675)
NET PROFIT		3.158.000	3.904.952

FINANCIAL STATEMENTS AT DECEMBER 31, 2006

CHANGE IN STOCKHOLDERS' EQUITY AT DECEMBER 31, 2005 & DECEMBER 31, 2006

From January 1st, 2005 to December 31st, 2005

VALUES IN EURO	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	12/31/2005
Share Capital	11.500.000							11.500.000
Treasury stock	(170.606)	77.734						(92.872)
Treasury stock owned by Subsidiaries	15.664.893							15.664.893
Share premium reserve	729.550				41.360			770.910
Legal reserve	0	77.734			142.890			220.624
Other reserve								0
Conversion reserve	(1.919.776)	(77.734)	123.176	(11.606)	104.535			(1.781.405)
Profit / (loss) carried forward	931.735				(288.785)	(642.950)	3.904.952	3.904.952
Income for the period								
Net Equity	26.735.796	77.734	123.176	(11.606)	-	(642.950)	3.904.952	30.187.102

From January 1st, 2006 to December 31st, 2006

VALORI IN EURO	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	12/31/2006
Share Capital	11.500.000							11.500.000
Treasury stock	(92.872)	(16.162)						(109.034)
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				963.517			1.184.141
Conversion reserve	-							-
Profit / (loss) carried forward	(1.781.405)		71.273	(16.338)	125.092			(1.601.378)
Income for the period	3.904.952				(2.617.699)	(1.287.253)	3.158.000	3.158.000
Net Equity	30.187.102	(16.162)	71.273	(16.338)	-	(1.287.253)	3.158.000	32.096.622

FINANCIAL STATEMENTS AT DECEMBER 31, 2006

CASH-FLOW STATEMENT AT DECEMBER 31, 2006 AND DECEMBER 31, 2005

VALUES IN EURO THOUSAND	12/31/2006	12/31/2005
Profit (Loss) before tax	6.578.300	5.448.627
Adjustments	1.401.825	(826.244)
Amortization for the financial year	654.019	628.539
Provisions raised to Employees' severance fund	497.538	381.373
Loss (Profit) on exchange rates for currency transactions	(103.102)	4.922
Loss (Income) from equity investments	239.984	(1.912.759)
Financial expenses	1.414.872	1.264.384
Financial (income)	(1.301.496)	(1.192.703)
	7.980.125	4.622.383
(Increase) /Decrease in trade and other receivables	790.135	1.229.863
(Increase) /Decrease in inventories	(1.876.788)	(853.549)
Increase / (Decrease) in trade payables	(183.212)	781.191
Increase / (Decrease) in other payables	1.437.818	444.662
Cash flow from typical activity	8.148.078	6.224.550
Interest payment	(1.311.770)	(1.269.306)
Tax payment	(1.725.654)	(603.765)
Cash flow derived from operating activity	5.110.654	4.351.479
Cash flow derived from investing activity		
Purchase of tangible fixed assets	(672.310)	(364.436)
Purchase of intangible fixed assets	(178.499)	(93.110)
Sale /(Purchase) of financial assets (at cost)	(9.515)	(9.006)
Sale /(Purchase) investments in associates	-	(2.518.150)
Receipts from sales of fixed assets	19.522	2.743
Interest encashed	1.301.486	1.192.703
Flusso di cassa netto dalla gestione di investimento	460.684	(1.789.256)
Cash flow derived from financing activity		
Variation in the conversion reserve	-	-
(Purchase)/sale of treasury stock	38.773	189.304
Changes in balance- derivative instruments (FV)	(4.700)	284.331
Stipulation of loans and financing	13.674.366	7.922.197
Repayments of loans and financing	(12.158.186)	(6.651.335)
(Repayments)/ Raising of financial leases	(262.871)	(257.535)
(Repayments)/ Raising of Sabatini transactions	(512.362)	(776.027)
(Repayments)/ Raising of infragroup financing	2.272.962	1.366.722
Dividends paid	(1.287.253)	(642.950)
Net Cash flow derived from financing activity	1.760.729	1.434.707
Increase (decrease) in the cash and cash equivalents	7.332.067	3.996.930
Cash and cash equivalents at the start of the period	7.138.093	3.141.163
Cash and cash equivalents at the end of the period	14.470.160	7.138.093