

*Collegno (Torino), May 11, 2001* – The Board of Directors of Prima Industrie S.p.A., a company operating in the high technology field of laser systems for industrial applications, held today, May 11th, 2001, has released the Group consolidated results as at March 31st, 2001.

At consolidated level, the first quarter of the year 2001 registers a turnover of 21.1 million euro (+26.6 on 2000, same period). This growth includes the consolidation of Convergent Prima, whose contribution is equal to 21.8%, the satisfactory results on all foreign markets (+20.7%) and the noticeable reduction of the home market (-29.0%) partly due to the market extremely good performances of the year 2000 and partly to the "wait and see" attitude that recently characterized the demand for capital goods in Italy.

In consequence of the dilution due to the consolidation of Convergent Prima (operating break-even) and to the reduction suffered by the sales in Italy, EBITDA and EBIT show a decrease on same period of the previous year (respectively -2.1% equal to 1.9 million euro and -14.9% equal to 1.9 million euro).

However, profit before taxes enjoys a small increase (+4.2%) thanks to the favorable balance of the currencies management, which takes advantage from the increased Company turnover on the Dollar area.

Identical considerations are applicable to the accounts of Prima Industrie only, whose invoicing for the period appears to be slightly reducing (-6.6%) up to 13 million euro, though registering a growth equal to +22% on foreign markets and a reduction of 31% on the domestic market where the Company confirmed its sector leadership. The gross profit is however improving by 11% to 1 million euro.

The Board acknowledged the acquisition of the Laserdyne Division from GSI-Lumonics. The contract was formally signed on April 2nd, 2001. The consolidation of this acquisition will start as from the second quarter of the current year. In order to finance the mentioned operation, it has been resolved a capital increase reserved to institutional investors in accordance with the Extraordinary Shareholders resolutions of May 14, 1999.

This will be made through the issuing of 65,000 new ordinary shares (260,000 after splitting) implying a dilution equal to 6.73% still maintaining a well balanced ratio between own financial means/third party means though expecting a further important increase of the Company business volume as a result of the acquisition.

The operation will be formalized during the month of June 2001 after the above splitting being carried-out.

The Board has further resolved the assignment of the second "tranche" of the stock-option plan for the two years 2001/2002 for the Group Management, extended to the American companies recently acquired.

The options have been assigned at current market values conditionally to the achievement of pre-established targets of growth and profitability.

A Shareholders meeting was held in Ordinary and Extraordinary sessions before this Board meeting. Under the Ordinary session, Prima Industrie S.p.A. balancesheet for the financial year ended December 31st, 2000 was approved acknowledging the Consolidated accounts for the Group which respectively closed with a net profit of 8 billion lire (+231%) and 10.5 billion lire (96.7%) so confirming the information made public with the Board report of the last quarter of the year 2000, related with sales for 122.7 billion lire (+28.5) and 174.2 billion lire (+51%) at consolidated level, so closing a year of remarkable internal and external growth for the Group.

The Ordinary Shareholders meeting has also:

- approved the adoption of the Corporate Governance text together with the Assembly regulation;
- appointed a new Statutory Auditors Committee for the years 2001/2003;
- approved the increase of the number of the Company Directors from 6 to 8 naming as new Directors dr. Sandro D'Isidoro (replacing Mr Rafic Mansour); dr. Giuseppe Morfino and dr. Paolo Mazzotto. The last two gentlemen appointed as independent Directors in accordance with the Corporate Governance rulings just passed.

The Extraordinary session of the meeting resolved on the subject of:

- Company capital translation from Lire into euro through a reduction of same as from 18.000.000.000 Lire to Lire 17.426.430.000 crediting the balance to the legal reserve.

The new Company capital is therefore fixed at 9.000.000 euro;

- Splitting of all Ordinary shares in circulation which will be cancelled and replaced by 3.600.000 new shares of 2.5 euro each (face value), to be exchanged with the Shareholders at the rate of 4 new shares for each of the old ones in their possession.

The effects of this operation will start as from June 4, 2001. Shareholders will learn more details through the press.

Commenting 2001 1st quarter results, Gianfranco Carbonato, Managing Director and C.E.O. of the Company declared:

*"We are pleased of the basically good holding of our reference market and of the Company performance though the general uncertainty of the international economy. The work that we are doing to consolidate Convergent Prima and Laserdyne Prima acquisitions makes us feel confident as to a medium term further growth".*

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