



PRESS RELEASE

JOINT-VENTURE IN CHINA FOR PRIMA INDUSTRIE

**THANKS TO A NEW JOINT-VENTURE WITH SHANGHAI UNITY BESTCHOICE,
THE ITALIAN GROUP WILL CONTROL A 50% OF THE MARKET
WITH THE HIGHEST GROWTH RATE IN THE WORLD
IN THE FIELD OF LASER SYSTEMS FOR INDUSTRIAL APPLICATIONS**

Torino, October 20, 2003 – Prima Industrie, a leader Company in the high-technology sector of laser systems for industrial applications, listed at the *Nuovo Mercato* of the Italian Stock Exchange, together with Shanghai Unity Bestchoice, the main Chinese manufacturer of laser systems, announce together the creation of a joint-venture on the market at high rate of growth of the People's Republic of China.

Shanghai Unity Bestchoice, established as a *start up* towards the end of 2000, exceeded the break-even in 2002 with a turnover of 2.6 million euro (+230% on 2001) and a net profit of about 100,000 euro.

The Company, whose first semester registered a turnover exceeding 1.5 million euro, currently holds a 40% share of the global Chinese market and more than 80% of that served by local manufacturers.

On the basis of such agreement, Shanghai Unity Bestchoice conveys its assets to a new Company denominated **Shanghai Unity Prima**, which will increase its capital as from approx. 500,000 euro to over 1.6 million euro. The capital increase will be subscribed by both present shareholders (Wuhan Unity, Shanghai Laser Group, the Company management) and by Prima Industrie.

Prima Industrie investment will be equal to 450,000 euro for a share participation of 27.5% to the new Company and shall be paid in cash for about 250,000 euro and by means of technology transfer for the remaining balance.

The operation will permit to Prima Industrie, already leader on the Chinese market of three-dimensional laser systems, to reach approx. a 50% share of the bi-dimensional laser systems, estimated at about 120 units sold per year and still growing.

The new Joint-Venture in Shanghai comes alongside with the already existing set-up at Shenyang (in the North of the country) and the sale and after-sale of the three-dimensional laser systems (mainly destined to automotive and aerospace industries) developed by Prima Industrie office located in Beijing.



As per the agreement, Prima Industrie and Shanghai Unity Prima will cooperate according to the following guide lines:

- Shanghai Unity Prima will manufacture and sell locally the DOMINO system of Prima Industrie in addition to its own products;
- Shanghai Unity Prima will purchase from Prima Industrie and from the other Group companies (Prima Electronics and Prima North America) technologic components (laser generators, numerical controls, cutting and welding heads) destined to its product line. Two contracts, for an overall value of approx. 500,000 euro, have already been initialized with Prima North America;
- Prima Industrie will manufacture in China, through the new Joint-Venture, some mechanical and electro-mechanical components for its own product lines.

In commenting the agreement, Gianfranco Carbonato, C.E.O. of Prima Industrie S.p.A., said: *“We are pleased to have favourably concluded this agreement, already authorized by the Shareholders’ Meeting of March 28, 2003. At present, China is the only market in the world strongly growing, where we are already present with a Joint-Venture at Shenyang and an office in Beijing. This second Joint-Venture will allow us to consolidate a strong leadership in this market, which is expected to keep growing at high rates. The strategic positioning in Shanghai, in the middle of the “world factory” will also consent to optimize some manufacturing costs, so improving the competitiveness of our products throughout the world”.*

*For additional information: Ad Hoc Communication Advisors
Giorgio Zambelletti, Marco Fraquelli, Sara Balzarotti Tel. ++39 02 7606741
Copy of this press release is also published on the web-sites
www.primaindustrie.com and www.adhoccommunication.it*