



## PRESS RELEASE

### ITALIAN STOCK EXCHANGE - STAR SEGMENT

### PRIMA INDUSTRIE

**THE BOARD of DIRECTORS APPROVED THE PROJECT FOR THE ANNUAL REPORT AT DECEMBER 31, 2006: EXCELLENT RESULTS IN TERMS OF BOTH SALES AND PROFITABILITY:**

- SALES at 147.6 million euro (+33.0% against 110.9 million euro as at 12/31/05).
- NET PROFIT at 13.7 million euro (+168% against 5.1 million euro as at 12/31/05).

**PROPOSAL FOR A GROSS DIVIDEND PAYMENT OF 0.65 EURO PER SHARE, MORE THAN DOUBLED IN RESPECT TO 2005 DIVIDEND.**

**PROPOSAL FOR A NEW BUY BACK RESOLUTION**

The economic and financial results for the Group and for Prima Industrie S.p.A. and historical comparison data included in this press release have been calculated according to the IAS/IFRS accounting principles.

*Collegno (Turin), March 26, 2007* – The Board of Directors of Prima Industrie S.p.A., a leading company in the high technology sector of laser systems for industrial applications, examined and approved today the project for the annual report at 12/31/2006.

Such results are slightly higher than what was announced on 02/13/2007 for the approval of the 2006 fourth quarter results.

**Consolidated sales** amount to 147,569 thousand euro, increasing by 33% against 110,885 thousand euro as at 12/31/2005.

Confirmed is also an increasing Group profitability with:

- **EBITDA** at 19,797 thousand euro (13.4% on sales), more than doubled against 2005;
- **EBIT** at 18,467 thousand euro (12.5% on sales) increased by 130% against 2005;
- **Net profit** at 13,720 thousand euro, increased by 168% against 2005, also thanks to reduced fiscal charges due to previous fiscal losses of PRIMA North America.

Other very positive items are the growing **consolidated order acquisition** (to 164,988 thousand euro, increasing almost by 40% on 118,821 thousand euro of 2005), balanced by a similar growth in end-of-year backlog (+36% to 55,568 thousand euro). **Backlog** figures as at 02/28/2007 (65,086 thousand euro) confirm such extremely positive trend.

All this was balanced by a headcount increased by almost 10% (from 498 units as at 12/31/2005 to 546 units as at 12/31/2006).

The relevant cash flow for the period (10.8 million euro) allowed the Group to reach at the end of 2006 a positive **net financial position** (3,076 thousand euro) for the first time in the Group history.

*For more detailed comments on the 2006 management of both Group and Parent Company Prima Industrie S.p.A., please, refer to press release issued on 02/13/2007 for the approval of 2006 fourth quarter results.*

Following the results approved, the Board of Directors resolved to propose to next Shareholders' Meeting a dividend payment of 0.65 euro per ordinary share (2.5 euro face value), with ex-dividend date on 05/28/2007 and payment date on 05/31/2007. Such dividend represents a doubled amount compared to dividend paid on 2005 results and follows the doubling from 0.14 to 0.28 euro already resolved for the previous year.

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The Board of Directors also proposed the cancelling of the previous buy back resolution of 05/11/2006 and the adoption of a new resolution on same subject indicating a minimum and a maximum purchasing and selling price having also regard to the specific requirements linked to the specialist activity.

Previous resolution, in fact, could not be used anymore being the market stock price higher than price established for buying treasury stock (euro 30) making it impossible for the specialist to trade on Prima Industrie stock since such operator works not with shares bought on its own but with treasury stock held by the Company.

Therefore the Board of Directors resolved a minimum price equal to stock face value and a maximum price of euro 60.

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

Plan validity is resolved in 18 months as from day of the Shareholders' resolution.

Stock sales will take place at any moment, as a whole or partially, in 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.

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The Board of Directors also resolved to propose to next Shareholders' Meeting the increase in the number of Board members from 7 to 9 and the appointment of two new directors for the three-year period in course.

Since three of the current directors have requirements to be qualified as independent according to art.148 par. III of Law Decree 58/1998 as well as according to Corporate governance codes promoted by Borsa Italiana S.p.A., shareholders do not have to appoint directors qualified as independent complying with said regulations.

The Board of Directors resolved therefore to call the Shareholders' Meeting on 04/27/2007 (first call) and 05/14/2007 (second call).

For further comments on the 2006 management the Chairman kindly suggests to read through the "Message to the Shareholders" in annex.

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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## Message to Shareholders

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Ladies and Gentlemen,

30 years ago, on 25 March 1977, the first Group company was founded, Prima Progetti S.p.A., which began operating in June 1977.

Thus, it is with great satisfaction that the Board of Directors, in the thirtieth anniversary of its founding, submits for your approval the best financial statements in the history of the Group, with sales of €147.6m up 33% on the previous year and a strong increase in profitability:

- EBITDA at € 19.8m (13.4% of turnover), more than double the 2005 value;
- EBIT at € 18.5m (12.5% of turnover) up 130% on 2005;
- Net profits of € 13.7m up 168% on 2005, thanks also to a reduction in tax rates due to previous tax losses of PRIMA North America.

Other major elements are a strong increase in order intake (+40% at €165m) with a corresponding increase in the year-end backlog (+36% at €55.6m). The considerable generation of cash during the year (€10.8m) rendered the net financial position positive by the end of the year (€3.1m) for the first time in the history of the company. This value highlights the balance between short-term liquidity of € 21m and mainly short- to medium-term financial indebtedness of €17.9m.

The 2006 results are the effect of external variables and an industrial vision that has inspired the business choices made over the last few years.

With regards to external factors, faced with a moderate but significant growth in GDP, finally registered also in Europe's "traditional" markets (particularly Germany, France and Italy), the industrial laser systems sector posted an increase of more than 20% during the year. This value, corroborated by external analyses (Optech Consulting), underlines the strength of the reference market in which the company operates, guided by solid growth drivers resulting from the high level of competitiveness of laser technologies over more traditional technologies. In this context, despite being subject to cyclical phases, as in all capital goods markets, this sector has in the past registered (and is expected to continue registering in the coming years) average growth rates above 10%. This average stems from rates rising above 20% in the years of positive economic cycles (such as last year), and from situations of zero growth (or marginal reductions) when the general situation is negative. It is nevertheless certain that, since mid-2005, even the economies of European countries, whose negative trend had until then diluted the strong growth of emerging countries, have picked up, thanks to exports (particularly towards eastern Europe), and investments.

However, it would be reductive to see the Group's excellent performance merely as the result of a good trend in its reference market. Indeed, even in strictly numerical terms, compared to 2005, growth outperformed (+33%, achieved almost completely domestically) the market, thanks to the right business strategies made particularly in the last few years, which we highlight below:

- *"Internalisation" of technological components fundamental for laser systems.* After the acquisition of Convergent Energy in 2000, the Group, which was already manufactured its own mechanical and electronic components and software, also gradually achieved independence for laser sources. In 2006, around 80% of the sources sold on systems delivered to customers were manufactured internally.

- *Continuous investment in Research, Development and Innovation.*  
 Even in the most difficult years, the group continued to set aside a portion of resources, expensed in the financial statements, for competitive renewal of the product range. Sincrono, the revolutionary 2D cutting system, at the end of 2005, and Rapido Evoluzione, a new performance benchmark in 3D systems, at the end of 2006, represent the latest significant examples of this policy;
- *Increased direct presence in the main geographical markets.*  
 During the year, in addition to confirming its presence in terms of sales and customer service in Western Europe, North America and China, the Group laid the ground for improving its footing in Eastern Europe and Asia. This consolidation will continue throughout the current year and the coming year;
- *Continuous emphasis on the quality and training of human resources.*  
 In 2006 the Group's workforce increased by approximately 50 units (10% of the total, not including the joint ventures in China). As usual, by far the largest portion of new entries concerned young graduates and/or school-leavers, for whose recruitment and training the Group invests concern and resources.

During the year, the company benefited from a significant improvement in its image on the markets, both in industrial and financial terms, as a result of the increasing success of its products worldwide.

In particular, prestigious recognition was obtained in Germany and the United Kingdom for the innovative Sincrono system, which also received enthusiastic appreciation from the best in world competition.

The continuous improvement in company performance, communicated progressively to the market through quarterly reports, was reflected in the share value, which rose from €12.74 per share at 01/01/06 to €22.46 per share at 31/12/06. For this performance, PRIMA INDUSTRIE shares received the Value Creators Prize 2006 for the best share of the year in Borsa Italiana's Mid Caps segment.

The additional acceleration of results, posted in the last quarter and communicated to the market in the quarterly report of 13/02/07, further improved appreciation of the company by investors with a consequent intense increase in capitalization during the first months of 2007.

For the current year, the group proposes to consolidate the strong internal growth achieved during 2006, also as a result of the substantial orders backlog at 31/12/06 and the ongoing positive situation in the markets, confirmed during January and February 2007. The sizeable liquidity will also enable the company to follow up any external growth opportunities arising in the areas of business in which the Group operates (laser systems, complementary machinery and industrial electronics).

In light of the above, the Board of Directors has decided to submit for approval to the next General Meeting of Shareholders a dividend equal to €0.65 per share, which follows the doubling of dividends from €0.14 to €0.28 already approved in the previous year.

While preparing for celebrations of the company's 30<sup>th</sup> birthday, the Board and the Management would like to thank Shareholders, Customers and Partners for the support received, and express their heartfelt congratulations to all Group employees for the brilliant results achieved last year.



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

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

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**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
<b>TOTAL NON CURRENT ASSETS</b>		<b>19.360.569</b>	<b>17.649.764</b>
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
<b>TOTAL CURRENT ASSETS</b>		<b>97.980.158</b>	<b>92.095.096</b>
Non current assets held for sale		-	-
<b>TOTAL ASSETS</b>		<b>117.340.727</b>	<b>109.744.860</b>
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		<b>42.298.809</b>	<b>30.839.213</b>
Minority interests		60.266	-
<b>TOTAL NET EQUITY</b>		<b>42.359.075</b>	<b>30.839.213</b>
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
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>20.625.347</b>	<b>13.054.526</b>
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	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>54.356.305</b>	<b>65.851.121</b>
Liabilities due to non current assets held for sale		-	-
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>		<b>117.340.727</b>	<b>109.744.860</b>

**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	<b>9.20</b>	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	<b>9.21</b>	138.510	62.886
Use of raw materials, consumables, supplies and goods		(64.817.871)	(55.422.679)
Personnel cost	<b>9.22</b>	(30.075.984)	(26.040.097)
Amortization & Depreciation	<b>9.23</b>	(1.330.386)	(1.208.232)
Impairment & Writedowns		-	-
Other operating costs	<b>9.24</b>	(31.181.168)	(25.263.299)
<b>OPERATING INCOME</b>		<b>18.466.550</b>	<b>7.916.610</b>
Financial income	<b>9.25</b>	667.089	475.513
Financial expenses	<b>9.25</b>	(1.580.007)	(1.638.575)
Net income from transactions in foreign exchange	<b>9.25</b>	12.628	22.758
Net income from associated companies & joint ventures	<b>9.26</b>	10.384	336.716
Net income from financial assets held for sale		-	-
<b>INCOME BEFORE TAX</b>		<b>17.576.644</b>	<b>7.113.022</b>
Current and deferred taxes	<b>9.27</b>	(3.856.779)	(2.005.391)
<b>NET PROFIT</b>		<b>13.719.865</b>	<b>5.107.631</b>
Income from assets held for disposal		-	-
<b>NET PROFIT</b>		<b>13.719.865</b>	<b>5.107.631</b>
- Group Stockholders' net profit		<b>13.705.921</b>	<b>5.107.631</b>
- Minorities net profit		13.944	-
<b>EARNING PER SHARE (euro)</b>		<b>2,98</b>	<b>1,11</b>

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

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

From January 1<sup>st</sup>, 2005 to December 31<sup>st</sup>, 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
<b>Patrimonio Netto</b>	<b>25.681.564</b>		<b>77.734</b>	<b>123.176</b>	<b>(11.597)</b>	<b>-</b>	<b>(642.950)</b>	<b>5.107.631</b>	<b>503.655</b>	<b>30.839.213</b>

From January 1<sup>st</sup>, 2006 to December 31<sup>st</sup>, 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										
<b>Net Equity</b>	<b>30.839.213</b>	<b>(28.370)</b>	<b>(16.162)</b>	<b>71.273</b>	<b>(16.339)</b>	<b>-</b>	<b>(1.287.253)</b>	<b>13.705.921</b>	<b>(969.474)</b>	<b>42.298.809</b>
Minorities' interest										60.266
<b>Total Net Equity</b>										<b>42.359.075</b>

**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)
<b>Cash flow derived from operating activity</b>	<b>15.393.000</b>	<b>9.836.583</b>
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
<b>Net Cash flow derived from investment activity</b>	<b>(1.759.167)</b>	<b>(2.245.608)</b>
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)
<b>Net Cash flow derived from financing activity</b>	<b>(4.426.509)</b>	<b>(2.543.874)</b>
<b>Increase (decrease) in the cash and cash equivalents</b>	<b>9.207.324</b>	<b>5.047.101</b>
<b>Cash and cash equivalents at the start of the period</b>	<b>11.495.383</b>	<b>6.448.282</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>20.702.707</b>	<b>11.495.383</b>



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

**FINANCIAL STATEMENTS AT DECEMBER 31, 2006**

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## 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
<b>TOTAL NON CURRENT ASSETS</b>		<b>20.904.532</b>	<b>24.306.197</b>
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
<b>TOTAL CURRENT ASSETS</b>		<b>72.027.549</b>	<b>62.537.922</b>
Non current assets held for sale		-	-
<b>TOTAL NET EQUITY</b>		<b>92.932.081</b>	<b>86.844.119</b>
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
<b>TOTAL NET EQUITY</b>		<b>32.096.622</b>	<b>30.187.102</b>
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
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>17.316.330</b>	<b>10.211.576</b>
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	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>43.519.129</b>	<b>46.445.441</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>		<b>92.932.081</b>	<b>86.844.119</b>

## 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)
<b>OPERATING INCOME</b>		<b>6.828.568</b>	<b>5.649.907</b>
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			
<b>INCOME BEFORE TAX</b>		<b>6.578.300</b>	<b>5.448.627</b>
Current and deferred taxes	12.29	(3.420.300)	(1.543.675)
<b>NET PROFIT</b>		<b>3.158.000</b>	<b>3.904.952</b>

## FINANCIAL STATEMENTS AT DECEMBER 31, 2006

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

#### From January 1<sup>st</sup>, 2005 to December 31<sup>st</sup>, 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								
<b>Net Equity</b>	<b>26.735.796</b>	<b>77.734</b>	<b>123.176</b>	<b>(11.606)</b>	<b>-</b>	<b>(642.950)</b>	<b>3.904.952</b>	<b>30.187.102</b>

#### From January 1<sup>st</sup>, 2006 to December 31<sup>st</sup>, 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
<b>Net Equity</b>	<b>30.187.102</b>	<b>(16.162)</b>	<b>71.273</b>	<b>(16.338)</b>	<b>-</b>	<b>(1.287.253)</b>	<b>3.158.000</b>	<b>32.096.622</b>

## 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)
<b>Cash flow derived from operating activity</b>	<b>5.110.654</b>	<b>4.351.479</b>
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
<b>Flusso di cassa netto dalla gestione di investimento</b>	<b>460.684</b>	<b>(1.789.256)</b>
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)
<b>Net Cash flow derived from financing activity</b>	<b>1.760.729</b>	<b>1.434.707</b>
<b>Increase (decrease) in the cash and cash equivalents</b>	<b>7.332.067</b>	<b>3.996.930</b>
<b>Cash and cash equivalents at the start of the period</b>	<b>7.138.093</b>	<b>3.141.163</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>14.470.160</b>	<b>7.138.093</b>