



**PRESS RELEASE**

***ITALIAN STOCK EXCHANGE - STAR SEGMENT***

**PRIMA INDUSTRIE**

**PRIMA ELECTRONICS SpA, A PRIMA INDUSTRIE SpA SUBSIDIARY, ANNOUNCES  
THE ACQUISITION OF 100% OF OSAI SpA , AN ITALIAN COMPANY DIRECTLY  
PRESENT IN UK, GERMANY AND THE US – WITH CONSOLIDATED REVENUES OF  
ALMOST 20 MILLION EURO- LEADER IN THE SECTOR OF AUTOMATION  
CONTROL AND NUMERIC CONTROL.**

*Moncalieri (Turin), March 28, 2007* – The Board of Directors of Prima Electronics S.p.A., a company of Prima Industrie Group, operating in design and manufacturing of industrial grade electronics dedicated to specific customer applications in the sector of automation, energy, CNC and motion control – resolved yesterday evening, March 27, 2007, to acquire 100% of OSAI S.p.A., a leading company in the field of numeric control particularly applied to marble, wood and glass processing machines, which is a sector complementary to those of the parent company Prima Industrie S.p.A.

Following the resolution the parties signed the preliminary contract for the shares exchange.

**Target description**

OSAI S.p.A., located in Barone Canavese (Turin), works in the niche sector of the numeric control for machine tools destined to non metal materials processing (in particular wood, marble and glass), whose market in Italy accounts for 40 million euro per year and has a very high expected growth rate, due to the fact that such market is still far from a full maturity. Moreover, different from the market of sheet metal processing machines, such market is concentrated mostly in the Western Countries, in particular Italy, Germany where OSAI has a direct presence.

OSAI SpA leads a Group including three 100% controlled companies: OSAI USA Llc in the United States (commercial company), OSAI GmbH in Germany (commercial company), and Techmark srl in Italy which controls itself 61% of E-Motion GmbH, a German company specialized in small servo drives and automation systems manufacturing and selling; OSAI S.p.A., moreover, owns 82% of OSAI – UK Ltd, commercial and afters sales Group branch in the United Kingdom.

OSAI S.p.A. in 2005 had a turnover of 18 million euro (according to the last approved annual report) with a gross operating margin of 1.2 million euro (6.5% on sales) and an EBIT of 0.7 million euro (3.8% on sales). Preliminary data for 2006 confirm a good growth of the company.

### **Ratio and expected synergies**

Through this operation Prima Group strengthen its own industrial electronics segment, increasing its pro-forma 2006 turnover to almost 41 million euro.

Advantages of this operation are, also, a wider presence in a reduced cyclic sector, a strengthening of the Group strategy of improving its leadership in a sector where it is already present and where it has high competences, though acquiring both complementary products and know how, besides a direct presence and an after sales network in the US, the UK and Germany with the upside of a more efficient marketing of Prima Electronics products on a global scale.

On a steady state (about 18 months after acquisition) expected synergies should amount to almost 1 million euro in terms of gross operating margin coming from the Procurement area (higher contractual strength in electronic components buying), Production (OSAI electronic boards in sourcing), Sales and Marketing (common sales force with a wider product range), besides other product optimization in the R&D area and savings in terms of general costs.

### **Description and details of the operation**

The property exchange will take place on July 2<sup>nd</sup> 2007 (execution date).

The price for the acquisition, based on expected results for 2006, is estimated at about 8.5 million euro, besides the Net Financial Position as at 12/31/2006 (positive for about 0.8 million euro) and will be precisely settled at the time of 2006 consolidated accounts approval.

It was also agreed the payment of an integration as earn-out is equal to 3 times 2007/2006 EBITDA growth, with a floor to zero and a cap to 1.5 million euro.

The price will be paid cash on execution date, corresponding with the beginning of the second half of 2007 (after the approval of the OSAI S.p.A. annual report), same time as the shares sale, while the integration will be paid within 15 days after the 2007 consolidated annual report approval.

### **Suspensive conditions**

The conclusion of the operation depends on some suspensive conditions where the most important are: regular approval of the company and group annual report as at 12/31/2006, the lack, since 1/1/07 and until the execution date, of significant changes in the economic, financial and management situation having a substantial negative impact on the profitability and financial situation of both the company and its subsidiaries.

Whenever one of the previous conditions should not occur or should be expressly renounced by Prima electronics, the contract would be deemed as cancelled.

Commenting the operation, Domenico Peiretti, Prima Electronics S.p.A. C.E.O. declared: *“It’s a long time that Prima Group had, among its strategic priorities, the will to develop its business segment of industrial electronics. The OSAI acquisition by Prima Electronics fulfils completely such*

*strategic guideline because it allows the turnover doubling, increasing its 2006 pro-forma revenues to almost 41 million euro. The integration between OSAI and Prima Group will allow a better control over international markets where both Groups are present, in particular in the sector of electronics”*

PRIMA ELECTRONICS S.p.A., founded in 1978, is owned by PRIMA INDUSTRIE S.p.A., a public company on the Italian STAR Segment. With more than 100 employees and revenues of 22 millions euro in 2006, PRIMA ELECTRONICS designs and manufactures industrial-grade electronic boards and modules dedicated to specific customer applications. CNC and Motion-control, automation, energy and transportations are within the main markets where the company is engaged with major Italian and international customers.

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.

For further information:

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