

**PRESS RELEASE**

**“NUOVO MERCATO –TECHSTAR SEGMENT”  
OF THE ITALIAN STOCK EXCHANGE**

**PRIMA INDUSTRIE**

**PRIMA INDUSTRIE CONFIRMS THE SALES GROWTH  
AND THE IMPROVEMENT OF PROFITABILITY AS AT 30/09/2004**

- **Consolidated sales at 69.7 million Euro, with a growth of 5% compared with September 30<sup>th</sup>, 2003.**
- **Further improvement of Group profitability:**
  - **EBITDA at 4.1 million Euro (1.8 million Euro as at 30/9/2003)**
  - **EBIT at 2.5 million Euro (0.1 million Euro as at 30/9/2003)**
  - **EBT a 1.6 million Euro (-1.6 million Euro as at 30/9/2003)**
- **Net Financial Position improvement: -19.0 million Euro as at 30/09/2004 (-22.3 million Euro as at 31/12/2003 e -24.0 million Euro as at 30/9/2003)**

*Collegno (Torino), November 12<sup>th</sup>, 2004* – The Board of Directors of Prima Industrie S.p.A, a leader Company in the high–technology sector of laser systems for industrial applications, approved today the company consolidated accounts as at September 30<sup>th</sup>, 2004.

The consolidated sales of the first nine months of 2004 (equal to 69,695 thousand Euro) grow by approx. 5% as against previous year, same period (equal to 66,513 thousand Euro), notwithstanding the dollar depreciation, a currency which covers almost the 30% of the Group sales.

The sales geographical breakdown shows, besides the recovery of the Italian market, affected during year 2003 by the exhausting of the “*Tremonti-bis*” effects, the growth of overseas markets (in particular China, Israel and Brazil) which count for 13% of consolidated sales. As already noticed as at 30/06/04, the traditional European markets still remain weak, and are only partially balanced by the good trend of the “new” European markets (Turkey, Russia, Poland) which nowadays represent approximately 16% of the Group turnover in Europe.

In terms of product mix, in the last nine months the improvement of the 2D sector, already recorded during the whole year 2004, is connected to the growing demand from USA, Eastern Europe and Overseas Countries.

During the period, the Group order acquisition, which is particularly satisfactory, amounts to 69,561 thousand Euro (+11,4% on previous year, same period), thanks to the good trend of the foreign orders (coming, as already said, from USA, Eastern Europe and overseas emerging countries such as China, Brazil, Australia and Israel).

The orders' backlog as at 30/09/2004 is 17,774 thousand Euro, which is in line with 30/09/2003 (17,673 thousand Euro). This confirms the customers' inclination to require very fast deliveries, which do not bring a backlog increase, leading immediately to a turnover amount.

Concerning the consolidated profitability, the Group realized an improvement during the whole current year. EBITDA is 4,103 thousand Euro (as against 1,758 thousand Euro as at 30/09/2003), EBIT at 2,475 thousand Euro (as against 143 thousand Euro as at 30/09/2003 and EBT (earning before taxes) 1,615 thousand Euro (as against -1,629 thousand Euro as at 30/09/2003).

The improved profitability has been reached thanks to the positive trend of Italian activities and to the noticeable margins obtained by Prima North America which, for the second quarter in a row, has reached positive margins both in terms of EBIT (125 thousand Euro as against one loss of 422 thousand Euro during the third quarter 2003) and earnings before taxes (38 thousand Euro as against a loss of 632 thousand Euro in the third quarter 2003).

Such results were due to the excellent performance realized by Laserdyne Division as well as the improvement of Convergent Lasers, already close to operating break-even point.

The Net Financial Position, which is -18,991 thousand Euro, in line with -18,814 thousand Euro as at 30/06/2004, has strongly improved in respect to -24,007 thousand Euro as at 30/09/2003, thanks to a better efficiency obtained in the net working capital management.

The parent company Prima Industrie S.p.A. in the first nine months of 2004 realized a turnover equal to 44,944 thousand Euro, +4% as against September 30th, 2003 thanks to the good trend of 2D sector, which allowed the company to increase its market share in emerging countries. Also the profitability is improving, with EBITDA and EBIT respectively equal to 1,975 thousand Euro and 1,185 thousand Euro (as against 683 thousand Euro and 335 thousand Euro as at September 30<sup>th</sup>, 2003).

Commenting the above results of the third quarter 2004, Gianfranco Carbonato, C.E.O. of Prima Industrie S.p.A., said: *"We notice with satisfaction the continuous company's progress towards the return to those profitability values which distinguished Prima Industrie up to year 2000. This is due to recurring investments in Research and Development, never decreased even during hard times, to the reassuring signs of recovery from the world markets as well as from the countries recently entered into the European Union, on which we have firmly operated to get a wider and more consolidated presence. We are satisfied about the enduring growth and the noticeable economical improvement of our activities in the USA, which confirm the strategic validity, in the medium period, of the investments chosen upon the quotation at the Stock Exchange"*

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*Copy of this press release is also published on the web-sites  
www.primaindustrie.com and www.adhoccommunication.it*

**THE PRIMA INDUSTRIE GROUP**

**ACCOUNTING STATEMENT AT SEPTEMBER 30, 2004**

(amounts expressed in thousands of Euro)

**BALANCE SHEET**

	<b>09/30/2004</b>	<b>06/30/2004</b>	<b>12/31/2003</b>
	Not subject to audit	Subject to limited audit	Subject to audit
<b>ASSETS</b>			
<b>Fixed assets</b>			
Intangible fixed assets	3,547	3,763	3,845
Tangible fixed assets	5,184	5,311	5,054
Financial fixed assets	1,565	1,259	1,533
<b>Total fixed assets</b>	<b>10,296</b>	<b>10,333</b>	<b>10,432</b>
<b>Current assets</b>			
Inventories	25,195	23,944	21,565
Receivables	38,436	39,951	40,351
Other sundry assets	9,909	9,707	9,620
Cash and cash equivalents	4,468	4,853	3,607
<b>Total current assets</b>	<b>78,008</b>	<b>78,455</b>	<b>75,143</b>
Accrued income and prepaid expenses	119	225	165
<b>Total assets</b>	<b>88,423</b>	<b>89,013</b>	<b>85,740</b>
<b>LIABILITIES</b>			
<b>Stockholders' equity</b>			
Group stockholders' equity	(*) 29,374	(*) 28,514	27,729
Minority interest in capital and reserves	-	-	-
<b>Total Group stockholders' equity</b>	<b>29,374</b>	<b>28,514</b>	<b>27,729</b>
Employees' severance pay	4,084	3,944	4,164
Provision for risk and charges	5,133	5,484	5,027
<b>Payables</b>			
Medium/long-term borrowings	17,107	17,078	15,392
Short-term borrowings	6,602	6,589	10,538
Trade payables	20,427	21,297	17,566
Other payables	4,981	5,373	4,877
<b>Total payables</b>	<b>49,117</b>	<b>50,337</b>	<b>48,373</b>
Accrued expenses and deferred income	715	734	447
<b>Total liabilities</b>	<b>88,423</b>	<b>89,013</b>	<b>85,740</b>

(\*) gross of the tax effect for the period

**THE PRIMA INDUSTRIE GROUP**

**ACCOUNTING STATEMENT AT SEPTEMBER 30, 2004**

(amounts expressed in thousands of Euro)

**INCOME STATEMENT**

	At 09/30/2004	At 09/30/2003	Third quarter 2004	Third quarter 2003
Revenues from sales and services	69,695	66,513	22,132	22,723
Changes in inventories of semifinished and finished products	2,665	(289)	1,661	(2,411)
Increases in fixed assets for internal work	145	350	23	19
Other income and revenues	1,864	558	647	248
<b>TOTAL VALUE OF PRODUCTION</b>	<b>74,369</b>	<b>67,132</b>	<b>24,463</b>	<b>20,579</b>
Purchase of materials (net change invent.)	(37,501)	(33,462)	(12,504)	(9,266)
Acquisition of services	(13,596)	(12,940)	(4,436)	(4,048)
Leases and rentals	(1,146)	(1,273)	(434)	(411)
Sundry operating expenses (net)	(860)	(322)	(15)	(465)
<b>TOTAL COSTS OF PRODUCTION</b>	<b>(53,103)</b>	<b>(47,997)</b>	<b>(17,389)</b>	<b>(14,190)</b>
<b>ADDED VALUE</b>	<b>21,266</b>	<b>19,135</b>	<b>7,074</b>	<b>6,389</b>
Personnel	(17,163)	(17,377)	(5,282)	(5,521)
<b>GROSS OPERATING INCOME (EBITDA)</b>	<b>4,103</b>	<b>1,758</b>	<b>1,792</b>	<b>868</b>
Amortization, depreciation and writedowns	(1,628)	(1,615)	(628)	(461)
<b>OPERATING INCOME (LOSS) (EBIT)</b>	<b>2,475</b>	<b>143</b>	<b>1,164</b>	<b>407</b>
Net financial income and expenses	(657)	(1,046)	(291)	(264)
Adjustments to the value of financial assets (net)	(122)	-	-	-
Net extraordinary items	(81)	(726)	8	89
<b>INCOME (LOSS) BEFORE TAX</b>	<b>1,615</b>	<b>(1,629)</b>	<b>881</b>	<b>232</b>
<b>-minority interest</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>- Group</b>	<b>1,615</b>	<b>(1,629)</b>	<b>881</b>	<b>232</b>

**PRIMA INDUSTRIE SPA**

**ACCOUNTING STATEMENTS AT SEPTEMBER 30,  
2004**

**PRIMA INDUSTRIE SPA**

**ACCOUNTING STATEMENT AT SEPTEMBER 30, 2004**

(amounts expressed in thousands of Euro)

**BALANCE SHEET**

	<b>09/30/2004</b>	<b>06/30/2004</b>	<b>12/31/2003</b>
	Not subject to audit	Subject to limited audit	Subject to audit
<b>ASSETS</b>			
<b>Fixed assets</b>			
Intangible fixed assets	469	492	479
Tangible fixed assets	1,664	1,735	1,692
Financial fixed assets	15,311	15,093	14,943
<b>Total fixed assets</b>	<b>17,444</b>	<b>17,320</b>	<b>17,114</b>
<b>Current assets</b>			
Inventories	14,142	12,502	11,391
Receivables	29,601	31,366	32,601
Other sundry receivables	7,645	7,535	7,594
Cash and cash equivalents	3,029	3,753	2,229
<b>Total current assets</b>	<b>54,417</b>	<b>55,1565</b>	<b>53,815</b>
Accrued income and prepaid expenses	224	338	377
<b>Total assets</b>	<b>72,085</b>	<b>72,814</b>	<b>71,306</b>
<b>LIABILITIES</b>			
<b>Stockholders' equity</b>			
Stockholders' equity	(*) 28,318	(*) 28,077	28,065
Employees' severance pay	2,856	2,757	3,046
Provision for risk and charges	3,805	3,896	4,166
<b>Payables</b>			
Medium/long-term borrowings	2,939	11,076	9,077
Short-term borrowings	10,758	3,249	6,701
Trade payables	19,632	20,047	16,319
Other payables	3,373	3,214	3,532
<b>Total payables</b>	<b>36,702</b>	<b>37,586</b>	<b>35,629</b>
Accrued expenses and deferred income	404	498	400
<b>Total liabilities</b>	<b>72,085</b>	<b>72,814</b>	<b>71,306</b>

(\*) gross of the tax effect for the period

**PRIMA INDUSTRIE SPA****ACCOUNTING STATEMENT AT SEPTEMBER 30, 2004**

(amounts expressed in thousands of Euro)

**INCOME STATEMENT**

	<b>At 09/30/2004</b>	<b>At 09/30/2003</b>	<b>Third quarter 2004</b>	<b>Third quarter 2003</b>
Revenues from sales and services	44,944	43,114	13,830	14,957
Changes in inventories of semifinished and finished products	2,582	393	1,287	(1,683)
Increases in fixed assets for internal work	86	313	7	12
Other income and revenues	1,791	578	656	202
<b>TOTAL VALUE OF PRODUCTION</b>	<b>49,403</b>	<b>44,398</b>	<b>15,780</b>	<b>13,488</b>
Purchase of materials (net change in invent.)	(26,992)	(23,652)	(8,731)	(6,585)
Acquisition of services	(10,444)	(9,766)	(3,374)	(2,783)
Leases and rentals	(754)	(801)	(275)	(255)
Sundry operating expenses (net)	(189)	168	23	(243)
<b>TOTAL COSTS OF PRODUCTION</b>	<b>(38,379)</b>	<b>(34,052)</b>	<b>(12,357)</b>	<b>(9,866)</b>
<b>ADDED VALUE</b>	<b>11,024</b>	<b>10,346</b>	<b>3,423</b>	<b>3,622</b>
Personnel	(9,049)	(9,103)	(2,740)	(2,811)
<b>GROSS OPERATING INCOME (EBITDA)</b>	<b>1,975</b>	<b>1,243</b>	<b>683</b>	<b>811</b>
Amortization, depreciation and writedowns	(790)	(494)	(348)	(167)
<b>OPERATING INCOME (LOSS) (EBIT)</b>	<b>1,185</b>	<b>749</b>	<b>335</b>	<b>644</b>
Net financial income and expenses	(373)	(617)	(156)	(156)
Adjustments to the value of financial assets (net)	(544)	(2,574)	47	(576)
Net extraordinary items	(15)	(430)	15	5
<b>INCOME (LOSS) BEFORE TAXES</b>	<b>253</b>	<b>(2,872)</b>	<b>241</b>	<b>(83)</b>