

PRESS RELEASE

NUOVO MERCATO OF THE ITALIAN STOCK EXCHANGE

PRIMA INDUSTRIE

APPROVED BY THE BOARD OF DIRECTORS THE CONSOLIDATED ACCOUNTS AS AT 03/31/02

- *Consolidated sales increased of 2.1% to Euro 21.5 million*
- *Backlog holds on at about Euro 29 milion*
- *For the parent Company Prima Industrie SpA results better than the average of its reference market (EBIT of Euro 408 thousand) and excellent results for Prima Electronics SpA (EBIT of Euro 910 thousand), in spite of the non-favourable market conditions.*
- *EBIT negative at consolidated level (Euro -1,033 thousand), because of the results of the U.S. companies*

IN ADVANCED STAGE THE REORGANISATION OF THE U.S. COMPANIES

- *Payroll reduced by almost 30%, to about 120 units actually*
- *Business concentrated in a main plant by January 2003*
- *Mass production starting of CP4000 laser, already successfully introduced to the market*

Collegno (Turin), May 14, 2002 – The Board of Directors of Prima Industrie SpA, a leader Company in the high-technology sector of laser systems for industrial applications, examined and approved today the consolidated accounts as at 03/31/02 as well as the reorganisation plan of the U.S. companies, which is in a stage of advanced implementation.

The Group turnover (Euro 21.5 million) increased by 2.1% compared with previous year showing remarkable increase both in 2D laser systems (+19%) and in after-sales services (+15%). The 3D laser systems show a stagnation, due to difficult market conditions (automotive, namely in Italy and U.S.A., and aerospace, after September 11th).

In spite of the capital goods slow down in the two last quarters (–18% and –28% respectively, according to the UCIMU official data) the backlog remains at Euro 29.1 million (Euro 30.0 million as at 12/31/01).

Satisfactory results achieved by Prima Industrie with sales at Euro 12.6 million (Euro 13.0 million as at 03/31/01) and EBIT at Euro 0.4 million (Euro 0.9 million as at 03/31/01). Excellent was the quarterly result for Prima Electronics, wholly-owned since last December, with sales amounting at Euro 4.2 million (Euro 3.9 million as at 03/31/01) and EBIT at Euro 0.9 million (Euro 0.7 million as at 03/31/01).



The results of the U.S. companies affect the consolidated accounts turning negative consolidated EBITDA (Euro -0.4 million), EBIT (Euro -1.0 million) and EBT (Euro -1.4 million). The first quarter was mostly affected by the North-American situation following September 11th events, mainly in the aerospace and automotive sectors. However some signs of recovery have been noticed since March. Also payroll reduction (over 50 units) was completed during March/April, obviously affecting only partially the first quarter.

The Board of Directors acknowledged the progress of the reorganization of the U.S operations with the concentration of Prima Industrie products and Convergent Prima lasers in a new plant in Chicopee (Massachusetts) and the relocation of the Laserdyne activity in a smaller plant in the Minneapolis area, with a strong reduction of the running costs as from 2003.

Being an essential asset for the future growth, the Convergent Prima laser, which will equip most of Prima Industrie systems, has been successfully introduced to a large number of U.S customers (26 companies) visiting Italy this month. The CP4000 production has consequently started with increasing volumes expected in the second part of the current year.

Commenting the first quarter results, Mr. Carbonato, C.E.O. of Prima Industrie S.p.A. said: *“While our business in Europe holds reasonably well in spite of actual difficult market conditions, it was impossible to act quicker against the impact of September 11th events in North America. The early signs of market recovery, the technical and marketing success of our laser and the reorganisation in progress make us confident to basically recover a break-even of our U.S. operations during the last quarter of the current year”*.

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www.primaindustrie.com and www.adhoccommunication.it*