



PRIMA INDUSTRIE

PRESS RELEASE

NUOVO MERCATO OF THE ITALIAN STOCK EXCHANGE

THE BOARD OF DIRECTORS APPROVES THE COMPANY ACCOUNTS AS AT MARCH 31ST, 2003

- **Group profitability improving (EBITDA 0.9 million euro and EBIT 0.4 million euro);**
- **U.S. operations (Prima North America, Inc.) close to break-even at operating level;**
- **Important improvement of the net financial position.**

Collegno (Torino), May 15, 2003 – Prima Industrie S.p.A. Board of Directors, a company operating in the high technology sector of laser systems for industrial applications, met today to approve the consolidated accounts as at March 31st, 2003.

The consolidated sales (21.5 million euro) appear to be stable in respect of 2002, same period, though penalized by the dollar depreciation.

By product category, laser 3D systems increased (+5.4%) mainly in North America whilst 2D systems increased (+6.1%) basically by the Group leader.

Geographically, sales considerably moved towards foreign markets and, in particular, towards U.S.A., where was reached 32% of the consolidated total (as at 31/3/02 was 23%). In Europe, whose weight is grown from 40% to 43%, the most important market have been Germany and Spain (50% between these two of the overall European market).

On the other hand, a considerable drop in turnover was acknowledged on the Italian market (weight reduced from 30 to 11%), mainly because of the exhaustion of the benefits granted by the “Tremonti-bis” law which generated a concentration of investments towards the end of 2002.

As for the consolidated profitability, EBITDA and EBIT are both positive: respectively 925 thousands euro (4.3% of sales) and 387 thousands euro (1.8% of sales) as against previous year, both negative for 425 thousand euro (-2% of sales) and 1.033 thousands euro (-4.8% of sales).

Also the margins of profit are better than those of last quarter of 2002 (respectively 701 thousand euro and 136 thousand euro) notwithstanding the first quarter of the year historically suffers from reduced volumes of business in respect of the rest of the year.

The important increase of the consolidated profits is the consequence of the improving trend of Prima North America, now very close to the operating break-even due to a more active market and to the cost reduction obtained through the Companies re-organization process, now completed.

The period gross return is also improving, though still negative for about 796 thousand euro (as at 31/03/02 was negative for 1.358 thousand euro) mostly because of extraordinary charges such as:

- 398 thousands euro concerning various expenses and advices paid by Prima Industrie S.p.A. in connection with the OPA launched by Newco Laser S.p.A. on February 11, 2003 and negatively concluded for the offering party on April 11, 2003;
- 268 thousand euro of extraordinary costs met by Prima North America in order to settle down in new premises.

Particularly positive was the evolution of the net financial position.

Overall debts reduced to 31.688 thousand euro (31/12/02 = 39.254 thousand euro and 31/03/02 = 34.413 thousand euro). This was possible because of the Company capital increase paid-in on February 11, 2003 (3.982 thousands euro) and because of cash generated in consequence of a better management of the revolving capital.

The consolidated orders backlog as at 31/03/03 was 21.985 thousand euro (26.182 thousand euro as at 31/03/02). This, though remaining approximately equal to 3 months sales, suffered a slow-down during March because of the international events (Iraq war).

The Board also acknowledged:

- Prima North America re-capitalization executed in April 2003 by transforming credits of Prima Industrie S.p.A. towards its affiliate for a total of 3 million dollars.
- Approval of the assignment of stock-options to be exercised in 2004 if certain sales and profitability targets are reached for the year 2003.

In commenting the first quarter 2003, Gianfranco Carbonato, Prima Industrie S.p.A. C.E.O., said: *“After the slow-down in orders acquisition suffered in March, the month of April gave some signals of re-starting making possible a recovery of about 3 million euro for the consolidated orders backlog, net from the period turnover. We are pleased of Prima North America getting better and we are working, as resolved by the Shareholders Meeting of March 28, 2003, to strengthen our presence on the Chinese market. Notwithstanding the world-economy weakness we trust to keep going as we have done during the last two quarters”*.