

PRESS RELEASE

Italian Stock Exchange - STAR SEGMENT

PRIMA INDUSTRIE

**RECORD RESULTS
FOR FIRST-HALF 2006 RESULTS**

- **SALES at 66.7 million euro (46.4 million euro as at June 30, 2005)**
- **EBITDA at 7.3 million euro (2.9 million euro as at June 30, 2005)**
- **EBIT at 6.7 million euro (2.3 million euro as at June 30, 2005)**
- **NET PROFIT at 4.5 million euro (0.8 million euro as at June 30, 2005)**
- **NET FINANCIAL POSITION at -7.4 million euro (-7.7 at 12/31/05 and -9.8 at 03/31/06)**
- **BACKLOG at 56.5 million euro (+44.7% against 39.1 million euro as at June 30, 2005)**

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

The attached financial statements have been subject to limited review.

Reconciliations as per para. 39 and 40 of the IFRS n°1 have been completely audited.

Collegno (Torino), September 21, 2006 – The Board of Directors of Prima Industrie S.p.A., leader company in the high-technology sector of laser systems for industrial applications, approved today the consolidated accounts for the first half 2006, which confirm the excellent trend of the Group and of the parent Company Prima Industrie.

The period under examination has shown a strong improvement of all economic and financial figures. Particularly important the high increase of the profitability and of the net result of first six months at 4.5 million euro, to be compared to the consolidated net profit of the whole year 2005 which was at 5.1 million euro.

The **consolidated sales** (66,677 thousand euro), are up 43.8% as against 46,370 thousand euro of same period last year, with an export quota of 77%.

Order acquisition continued to record, despite of the vacation period, a positive trend which increased **backlog** as at 08/31/2006 to 62.1 million euro against 56.5 million euro as at 06/30/2006 and 39.1 million euro as at 06/30/2005.

Profitability recorded a net improvement in respect to same period last year: **consolidated EBITDA** and **EBIT** are respectively at 7,348 thousand euro, i.e. 11% of sales (it was 2,861 thousand euro at 06/30/2005) and 6,705 thousand euro, i.e. 10% of sales (it was 2,281 thousand euro at 06/30/2005) while the **Gross Profit** is at 6,218 thousand euro in respect to 1,749 thousand euro at 06/30/2005. More important the improvement of the **Net Result** (4,494 thousand euro as against 777 thousand euro at 06/30/2005), also thanks to a lower taxation relevant to Prima North America, which currently takes advantage of carry-forward tax losses.

Also the **Net Financial Position** registered an improvement from -7,733 thousand euro as at 12/31/2005 to -7,376 thousand euro.

As for the parent company, **Prima Industrie S.p.A.**, sales at 06/30/2006 increased to 43,752 thousand euro (+43.1%), with an operating profitability of 2,156 thousand euro (781 thousand euro at 06/30/2005) and a net result of 598 thousand euro as against 193 thousand euro at 06/30/2005.

The Company will attend in autumn the most important exhibitions of the sector, such as Euroblech in Hannover on October 24 to 28, Fabtech in Atlanta on November 1 to 4 and Jimtof in Tokyo on November 1 to 8.

At the Euroblech, in particular, the Company will introduce several important product novelties confirming the highly dynamic technological development (4.1 million euro of R&D expenses, completely charged to P&L as at 06/30/2006, amounting to 6.2% of turnover).

Commenting the first half 2006 results, Gianfranco Carbonato, Chairman and C.E.O. of Prima Industrie S.p.A., said: *“The excellent course of the first half 2006 and the positive trend which continued through the following months allow us to look with optimism at the last part of 2006. We expect, in fact, to achieve record results for the year, overcoming those of 2005, which have already been particularly satisfactory for the Group. To this regard we particularly appreciated the positive investment recommendations recently published regarding the Company outlook”.*

The Company management will meet the financial community during the STAR Conference 2006 event to be held by Borsa Italiana in London next September 27 and 28.

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 500 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 2000 systems installed worldwide with more than 1000 customers in the automotive, aerospace and in a wide range of other industries.

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PRIMA INDUSTRIE S.p.A.

**CONSOLIDATED FINANCIAL STATEMENTS
AT JUNE 30, 2006**

PRIMA INDUSTRIE GROUP, CONSOLIDATED BALANCE SHEET AT JUNE 30 2006

CONSOLIDATED BALANCE SHEET AT JUNE 30, 2006 & DECEMBER 31, 2005

<i>(Amounts in euro)</i>	Note	30/06/06	31/12/05
Tangible fixed assets		6.238.123	5.778.520
Intangible fixed assets		2.629.576	2.738.927
Equity investments valued using the equity method		1.762.556	1.809.079
Equity investments valued using the cost method		301.832	51.832
Other financial assets		258.668	272.117
Tax assets - prepaid taxes		7.048.133	6.946.898
Other receivables		48.307	52.391
TOTAL NON CURRENT ASSETS		18.287.195	17.649.764
Inventories	1	40.380.925	36.319.402
Trade receivables	2	38.370.917	39.869.959
Other receivables	3	2.972.003	3.048.672
Other tax assets		851.527	1.357.085
Tax assets - prepaid taxes		-	-
Derivative financial instruments		-	4.595
Cash and cash equivalents		14.978.872	11.495.383
TOTAL CURRENT ASSETS		97.554.244	92.095.096
Non current assets held for sale		-	-
TOTAL ASSETS		115.841.439	109.744.860
Capital stock		11.500.000	11.500.000
Treasury stock		(144.265)	(92.872)
Treasury stock owned by subsidiaries		(145.096)	
Other reserves		19.150.373	16.656.427
Conversion reserve		(158.091)	329.937
Profits (Losses) carried forward		(1.330.450)	(2.661.910)
Profit (loss) for the year		4.520.870	5.107.631
Total Group stockholders' equity		33.393.341	30.839.213
Minority interests		18.820	-
TOTAL NET EQUITY		33.412.161	30.839.213
Loans		15.318.029	5.570.596
Employee benefits		5.009.047	4.936.694
Deferred tax liabilities		2.554.729	2.502.156
Provision for risks and charges	5	29.110	29.110
Derivative financial instruments		3.960	15.970
TOTAL NON CURRENT LIABILITIES		22.914.875	13.054.526
Trade payables	4	28.152.717	23.089.151
Advances	4	12.004.347	18.371.290
Other payables	4	4.596.473	4.668.838
Amounts due to banks and i.r.o loans		7.291.552	13.918.168
Tax liabilities - current taxes		2.998.230	2.027.955
Provision for risks and charges	5	4.471.084	3.775.719
Derivative financial instruments		-	-
TOTAL CURRENT LIABILITIES		59.514.403	65.851.121
Liabilities due to non current assets held for sale		-	-
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		115.841.439	109.744.860

PRIMA INDUSTRIE GROUP, CONSOLIDATED BALANCE SHEET AT JUNE 30 2006
CONSOLIDATED INCOME STATEMENT FROM 1ST JANUARY 2006 TO JUNE 30TH, 2006 & 2005

(VALUES IN EURO)	30/06/06	30/06/05
Net revenues from sales and services	66.677.018	46.369.757
Other operating income	784.628	1.021.985
Changes in inventories of semifinished and finished products	977.617	2.885.538
Increases in fixed assets for internal work	50.399	32.631
Use of raw materials, consumables, supplies and goods	(31.693.448)	(24.269.681)
Personnel cost	(14.540.313)	(12.483.164)
Amortization & Depreciation	(642.669)	(580.105)
Other operating costs	(14.907.960)	(10.696.337)
OPERATING INCOME	6.705.272	2.280.624
Financial income	165.371	327.055
Financial expenses	(720.678)	(956.709)
Net income from transactions in foreign exchange	88.075	201.428
Net income from associated companies & joint ventures	(20.120)	(103.449)
INCOME BEFORE TAX	6.217.920	1.748.949
Current and deferred taxes	(1.724.553)	(972.058)
NET RESULT	4.493.367	776.891
Income from assets held for disposal	-	-
NET PROFIT	4.493.367	776.891
- Group stockholders' net profit	4.520.870	776.891
- Minorities net profit	(27.503)	-
Earning per share (euro)	0,98	0,17

PRIMA INDUSTRIE GROUP, CONSOLIDATED BALANCE SHEET AT JUNE 30, 2006

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY AT JUNE 30, 2006 & JUNE 30, 2005

AMOUNTS IN EURO

FROM JANUARY 1ST 2005 TO JUNE 30TH 2005

	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	Conversion Reserve	30/06/2005
Capital stock	11.500.000								11.500.000
Treasury stock	(170.606)	(63.336)							(233.942)
Share premium reserve	15.664.893				0				15.664.893
Legal reserve	729.550				41.360				770.910
Other reserves	-				79.554				79.554
Conversion reserve	(173.718)							230.799	57.081
Profits (losses) carried forward	(2.911.768)			15.645	922.298	(642.950)			(2.616.775)
Income (Loss) for the period	1.043.212				(1.043.212)		776.891		776.891
Group stockholders' Equity	25.681.563	(63.336)		15.645	0	(642.950)	776.891	230.799	25.998.612
Minorities interest									
Total Net Equity									25.998.612

FROM JANUARY 1ST, 2006 TO JUNE 30TH, 2006

	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	Conversion Reserve	30/06/2006
Capital stock	11.500.000								11.500.000
Treasury stock	(92.872)	(196.489)							(289.361)
Share premium reserve	15.664.893								15.664.893
Legal reserve	770.910				1.529.090				2.300.000
Other reserves	220.624				964.856				1.185.480
Conversion reserve	329.937							(488.028)	(158.091)
Profits (losses) carried forward	(2.661.910)		(28.372)	32.061	1.327.771	(1.285.914)	4.520.870		(1.330.450)
Income (Loss) for the period	5.107.631				(3.821.717)				4.520.870
Group stockholders' Equity	30.839.213	(196.489)	(28.372)	32.061	-	(1.285.914)	4.520.870	(488.028)	33.393.341
Minorities interest									18.820
Total Net Equity									33.412.161

PRIMA INDUSTRIE GROUP, CONSOLIDATED BALANCE SHEET AT JUNE 30 2006 AND 2005
CONSOLIDATED CASHFLOW STATEMENT FROM 1ST JANUARY 2006 TO JUNE 30TH, 2006 & 2005

<i>(VALUES IN EURO)</i>	30/06/2006	30/06/2005
Cash flow derived from operating activity		
Profit (Loss) before tax	6.217.920	1.748.949
Adjustments	1.736.554	1.441.034
Amortization for the financial year	642.669	580.105
Provisions raised to Employees' severance fund	606.533	329.254
Loss (Profit) on exchange rates for currency transactions	(88.075)	(201.428)
Loss (Income) from equity investments	20.120	103.449
Financial expenses	720.678	956.709
Financial (income)	(165.371)	(327.055)
	7.954.474	3.189.983
(Increase) /Decrease in trade and other receivables	2.784.058	3.624.190
(Increase) /Decrease in inventories	(3.684.823)	(7.397.143)
Increase / (Decrease) in trade payables	(1.754.814)	4.262.521
Increase / (Decrease) in other payables	(608.501)	(941.304)
Cash flow from typical activity	4.690.394	2.738.247
Interest payment	(678.078)	(874.540)
Tax payment	(102.869)	-
Cash flow derived from operating activity	3.909.447	1.863.707
Cash flow derived from investment activity		
Purchase of MLTA	(38.622)	-
Purchase of tangible fixed assets	(952.526)	(662.266)
Purchase of intangible fixed assets	37.471	(371.148)
Sale /(Purchase) of financial assets (at cost)	(236.551)	(16.373)
Sale /(Purchase) investments in associates	26.403	-
Receipts from sales of fixed assets	-	111.135
Interest encashed	165.371	327.055
Net Cash flow derived from investment activity	(998.454)	(611.597)
Cash flow derived from financing activity		
Variation in the conversion reserve	(488.028)	230.799
(Purchase)/sale of treasury stock	(164.428)	(47.691)
Variation of other reserves	18.820	-
Changes in balance- derivative instruments (FV)	(7.415)	447.356
Stipulation of loans and financing	11.000.000	4.999.999
Repayments of loans and financing	(8.302.865)	(1.837.165)
(Repayments)/ Raising of financial leases	(117.777)	(113.057)
(Repayments)/ Raising of Sabatini transactions	(79.897)	(400.628)
Dividends paid	(1.285.914)	(642.950)
Net Cash flow derived from financing activity	572.496	2.636.663
Increase (decrease) in the cash and cash equivalents	3.483.489	3.888.773
Cash and cash equivalents at the start of the period	11.495.383	6.448.282
Cash and cash equivalents at the end of the period	14.978.872	10.337.055



PRIMA INDUSTRIE S.p.A.

FINANCIAL STATEMENTS AT JUNE 30, 2006

FINANCIAL STATEMENTS AT JUNE 30, 2006
BALANCE SHEET AT JUNE 30, 2006 & DECEMBER 31, 2005

(VALUES IN EURO)

	30/06/06	31/12/05
Tangible fixed assets	3.095.525	3.038.861
Intangible fixed assets	167.728	98.697
Equity investments in subsidiaries	12.840.913	12.840.913
Equity investments valued using the equity method	1.249.778	1.249.778
Equity investments valued using the cost method	51.832	51.832
Loans to related parties	3.037.541	2.898.962
Other financial assets	258.484	258.484
Tax assets - prepaid taxes	3.647.549	3.859.224
Other receivables	9.213	9.446
TOTAL NON CURRENT ASSETS	24.358.563	24.306.197
Inventories	22.397.141	18.081.051
Trade receivables	34.706.808	33.997.642
Other receivables	2.460.853	2.652.279
Other tax assets	748.152	1.264.262
Derivative financial instruments		4.595
Cash and cash equivalents	11.887.676	7.138.093
TOTAL CURRENT ASSETS	72.200.630	63.137.922
TOTAL ASSETS	96.559.193	87.444.119
Capital stock	11.500.000	11.500.000
Treasury stock	(144.265)	(92.872)
Other reserves	19.150.373	16.656.427
Profits (Losses) carried forward	(1.024.252)	(1.181.405)
Profit (loss) for the year	598.265	3.904.952
Total Group stockholders' equity	30.080.121	30.787.102
TOTAL NET EQUITY	30.080.121	30.787.102
Loans	14.322.499	4.535.931
Employee benefits	3.530.401	3.616.835
Provision for risks and charges	28.000	28.000
Deferred tax liabilities	2.014.260	2.014.840
Derivative financial instruments	3.960	15.970
TOTAL NON CURRENT LIABILITIES	19.899.120	10.211.576
Trade payables	26.753.610	20.521.385
Advances	7.523.578	8.726.329
Other payables	2.570.708	2.510.061
Amounts due to banks and i.r.o loans	5.567.263	11.386.273
Tax liabilities - current taxes	1.752.593	1.405.393
Provision for risks and charges	2.412.200	1.896.000
Derivative financial instruments		-
TOTAL CURRENT LIABILITIES	46.579.952	46.445.441
Liabilities due to non current assets held for sale	-	-
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	96.559.193	87.444.119

FINANCIAL STATEMENTS AT JUNE 30, 2006

INCOME STATEMENT FROM JANUARY 1ST TO JUNE 30TH 2006 AND 2005

(VALUES IN EURO)	30/06/06	30/06/05
Net revenues from sales and services	43.751.889	30.566.626
Other operating income	785.858	989.337
Changes in inventories of semifinished and finished products	1.126.439	2.478.986
Increases in fixed assets for internal work	29.399	15.631
Use of raw materials, consumables, supplies and goods	(24.778.446)	(18.096.054)
Personnel cost	(7.790.973)	(6.845.740)
Amortization & Depreciation	(312.313)	(303.285)
Impairment and writedowns		(60.576)
Other operating costs	(10.655.682)	(7.964.075)
OPERATING INCOME	2.156.171	780.850
Financial income	193.253	374.276
Financial expenses	(581.757)	(769.722)
Net income from transactions in foreign exchange	132.783	173.140
Net income from associated companies & joint ventures		(103.449)
Net income from transactions in foreign exchange		
INCOME BEFORE TAX	1.900.450	455.095
Current and deferred taxes	(1.302.185)	(647.995)
NET RESULT	598.265	(192.900)

FINANCIAL STATEMENTS AT JUNE 30, 2006

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY AT JUNE 30, 2006 & JUNE 30, 2005

FROM JANUARY 1st, 2005 TO JUNE 30th, 2005

	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	30/06/2005
Capital stock	11.500.000							11.500.000
Treasury stock	(170.606)	(63.336)						(233.942)
Share premium reserve	0							0
Legal reserve	15.664.893							15.664.893
Other reserves	729.550				41.360			770.910
Conversion reserve	0	(63.336)			142.890			79.554
Profits (losses) carried forward	0							0
Income (Loss) for the period	(1.319.776)	63.336	19.090	(3.447)	104.535	(642.950)	(192.900)	(1.136.262)
	931.735				(288.785)			(192.900)
Net Equity	27.335.796	(63.336)	19.090	(3.447)	0	(642.950)	(192.900)	26.452.253

FROM JANUARY 1st, 2006 TO JUNE 30th, 2006

	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	30/06/2006
Capital stock	11.500.000							11.500.000
Treasury stock	(92.872)	(51.393)						(144.265)
Share premium reserve	15.664.893							15.664.893
Legal reserve	770.910				1.529.090			2.300.000
Other reserves	220.624				964.856			1.185.480
Conversion reserve	0							0
Profits (losses) carried forward	(1.181.405)		39.805	(7.744)	125.092			(1.024.252)
Income (Loss) for the period	3.904.952				(2.619.038)	(1.285.914)	598.265	598.265
Net Equity	30.787.102	(51.393)	39.805	(7.744)	0	(1.285.914)	598.265	30.080.121

FINANCIAL STATEMENTS AT JUNE 30, 2006**CASH FLOW STATEMENT FROM JANUARY 1ST TO JUNE 30TH 2006 AND 2005***(Values in euro)*

	30/06/2006	30/06/2005
Cash flow derived from operating activity		
Profit (Loss) before tax	1.900.450	455.095
Adjustments	779.820	811.515
Amortization for the financial year	312.313	303.285
Provisions raised to Employees' severance fund	211.786	182.475
Loss (Profit) on exchange rates for currency transactions	(132.783)	(173.140)
Loss (Income) from equity investments	0	103.449
Financial expenses	581.757	769.722
Financial (income)	(193.253)	(374.276)
	2.680.270	1.266.610
(Increase) /Decrease in trade and other receivables	210.045	3.588.793
(Increase) /Decrease in inventories	(4.316.090)	(4.159.038)
Increase / (Decrease) in trade payables	5.029.474	3.537.605
Increase / (Decrease) in other payables	(483.693)	(711.954)
Cash flow from typical activity	3.120.006	3.522.016
Interest payment	(538.926)	(873.587)
Tax payment	(103.060)	-
Cash flow derived from operating activity	2.478.020	2.648.429
Cash flow derived from investment activity		
Purchase of tangible fixed assets	(340.507)	(193.180)
Purchase of intangible fixed assets	(117.023)	(82.510)
Sale /(Purchase) of financial assets (at cost)	(138.579)	(893.485)
Sale /(Purchase) investments in associates		
Receipts from sales of fixed assets	19.522	2.743
Interest encashed	193.253	374.276
Net Cash flow derived from investment activity	(383.334)	(792.156)
Cash flow derived from financing activity		
Variation in the conversion reserve		
(Purchase) /Sale of treasury stock	(19.332)	(47.693)
Other changes in net equity	-	-
Changes in balance- derivative instruments (FV)	(7.415)	476.703
Stipulation of loans and financing	11.000.000	5.192.796
Repayments of loans and financing	(6.834.768)	(1.974.141)
(Repayments)/ Raising of financial leases	(117.777)	(113.057)
(Repayments)/ Raising of Sabatini transactions	(79.897)	(400.628)
Dividends paid	(1.285.914)	(642.950)
Net Cash flow derived from financing activity	2.654.897	2.491.030
Increase (decrease) in the cash and cash equivalents	4.749.583	4.347.303
Cash and cash equivalents at the start of the period	7.138.093	3.141.163
Cash and cash equivalents at the end of the period	11.887.676	7.488.466

*On behalf of
the Board of Directors Chairman*



Gianfranco Carbonato