



PRESS RELEASE

NUOVO MERCATO OF THE ITALIAN STOCK EXCHANGE

PRIMA INDUSTRIE SpA

**APPROVED BY THE BOARD OF DIRECTORS
THE SIX MONTHS REPORT AS AT JUNE 30TH, 2003**

- ***Consolidated sales at 43.8 million Euro, basically stable in respect of 06/30/02***
- ***Improving Group profitability***
 - ***EBITDA at 0.9 million Euro (-0.9 million Euro as at 06/30/02)***
 - ***EBIT at -0.3 million Euro (-2.2 million Euro as at 06/30/02)***
- ***Positive performance of the working capital and significant improvement of the net financial position (from -39.8 million Euro as at 12/31/02 to -24.5 million Euro)***

Collegno (Torino), August 28, 2003 – The Board of Directors of Prima Industrie, a leader company in the high technology sector of laser systems for industrial applications, listed at *Nuovo Mercato* of the Italian Stock Exchange, discussed and approved today the Company Consolidated Accounts as at June 30th, 2003.

Consolidated sales (43.8 million Euro) slightly reduced (-5%) in respect of the same period of 2002. The reduction is due to the quota of turnover expressed in US Dollars mostly realized by Prima North America which represents over 30% of total sales and suffers from the dollar depreciation towards the Euro (over 20%) compared with last year same period.

83% of sales have been realized abroad. The main foreign markets have been the USA (21%), Germany (13%), Spain (11%) and China (6%).

On the other side remains the weakness of the Italian market (Tremonti-bis effect and stagnation of the machine tools sector). The product mix confirms a slight recovery in the 3D (higher profitability) oriented to the automotive and aerospace sectors, also in terms of order acquisition and backlog. Still weak the 2D segment, where the general economic situation generated an extreme competition, faced by the Group with a careful and selective attitude.

The Group profitability appears to be improving in respect of 2002. EBITDA is at 0.9 million Euro (against -0.9 million Euro as at 06/30/02). EBIT is basically at break-even (-0.3 million Euro) as against -2.2 million Euro as at 06/30/02.



In addition to the general market weakness, the Group profitability suffers from the delay in the start-up of the production of the new laser generators from Prima North America - Convergent Division, whose results remain consequently negative, though substantially improving on 2002.

The gross result for the period (-1.9 million Euro) remains negative also because of the extraordinary charges (0.8 million Euro) in connection with the take-over bid, Prima North America relocation and the retrofitting campaign on a product of new generation. The EBT however significantly improves in respect of 06/30/02.

Important improvements have been achieved in working capital management with positive impact on the Net Financial Position which also benefited of a share capital increase of 4 million Euro (02/11/03), reducing to -24.5 million Euro as against -31.7 million Euro as at 03/31/03 and -39.8 million Euro as at 02/31/02. The Debt/Equity ratio as at 06/30/03 consequently reduces under 0.8.

Consolidated backlog as at 06/30/03 is 22.1 million Euro, slightly higher than March 31, 2003, representing 3 months sales, notwithstanding the persisting market weakness.

Prima Industrie S.p.A. during the six months period achieved sales for 28.2 million Euro (29.7 as at 06/30/02) with EBITDA and EBIT both positive respectively at 0.4 and 0.1 million Euro. The turnover (and, consequently, profitability) reduction reflects the difficult situation of the Italian market, which for the six months counts for 6.0 million Euro as against 10.0 million Euro as at 06/30/02.

Excellent performance was that of Prima Electronics S.p.A., whose sales were stable at 7.8 million Euro with an operating result of 1.6 million Euro against 1.3 million Euro as at 06/30/02.

In commenting the first 6 months of the year 2003, the C.E.O. of Prima Industrie S.p.A., Gianfranco Carbonato, said: *“In a very critical phase of the investment goods sector, the Group holds in terms of sales and orders. We hope that the slight signs of recovery for the 3D segment, where the Company is worldwide leader, will be confirmed whilst we are engaged to improve the potential which will come from our laser generator. The remarkable progress in the net financial position and the consequent strengthening of our financial structure grant us to face with confidence the end of this long difficult economic cycle”*

*For additional information: Ad Hoc Communication Advisors
Giorgio Zambelletti, Marco Fraquelli, Sara Balzarotti - Tel. ++39 02 7606741*

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