Our Group: business sectors

Machinery Division

Laser and sheet metal fabrication machinery: 2D and 3D laser cutting, welding and drilling, punching, combined punching/laser or punching/shearing, bending, automation and FMS.

Electronics & laser technologies

Industrial electronics (power and control electronics, numerical controls).
High power CO$_2$ and Nd:YAG laser sources for industrial applications.
Revenues: ~ 312 M€ (gross of inter sector items)

Revenues: ~ 55 M€ (gross of inter sector items)
Manufacturing plants: 1 plant = 1 mission

- **Kauhava** - Finland
  - Laserdyne and 3D Laser systems

- **Collegno (TO)** - Italy
  - 2D - 3D Laser systems - Automation

- **Champlin (MN)** - USA
  - Punching & Combi systems

- **Moncalieri (TO)** - Italy
  - Panel benders & press-brakes

- **Cologna V.ta (VR)** - Italy
  - Electronics: R&D lab and board processing

- **Chicopee (MA)** - USA
  - Convergent laser sources

- **Shanghai** - CHINA (JV 15%)
  - 2D laser systems for Chinese market

- **Barone C.se (TO)** - Italy
  - Electronics: OSAI and DOTS products assembly & testing

Legend:
- Blue = Prima Power plant
- Green = Prima Electro plant
Our people

1,500 + Employees worldwide
Our people

Headcount by function
- Operations: 37%
- After sales & Service: 30%
- Marketing & Sales: 11%
- R&D: 13%
- Staff: 9%

Headcount by geographic area
- Europe: 33%
- North America: 15%
- Italy: 47%
- Asia & R.o.W.: 5%
Revenues

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenues (€/mio)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>367</td>
</tr>
<tr>
<td>2009</td>
<td>232</td>
</tr>
<tr>
<td>2010</td>
<td>250</td>
</tr>
<tr>
<td>2011</td>
<td>310</td>
</tr>
<tr>
<td>2012</td>
<td>349</td>
</tr>
<tr>
<td>2013*</td>
<td>365</td>
</tr>
</tbody>
</table>

EBITDA

<table>
<thead>
<tr>
<th>Year</th>
<th>EBITDA (€/mio)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>31.8</td>
</tr>
<tr>
<td>2009</td>
<td>6.2</td>
</tr>
<tr>
<td>2010</td>
<td>10.4</td>
</tr>
<tr>
<td>2011</td>
<td>22.4</td>
</tr>
<tr>
<td>2012</td>
<td>29.0</td>
</tr>
<tr>
<td>2013*</td>
<td>34.8</td>
</tr>
</tbody>
</table>

* = according to Banca IMI research dated March 14, 2013
Geographic trends

Revenues breakdown

2008

- Italy: 24%
- Europe: 43%
- Asia & R.o.W.: 16%
- North America: 17%
- Extra-Europe: 33%

2012

- Italy: 13%
- Europe: 36%
- Asia & R.o.W.: 28%
- North America: 23%
- Extra-Europe: 51%
Revenues by industry
2012

- Automotive: 17%
- Aerospace: 3%
- Industrial Machinery*: 12%
- Building & Housing equipment**: 16%
- Electrical equipment: 8%
- Subcontractors & Miscellaneous: 18%
- Vending & Distributor equipment: 4%
- After Sales: 22%

* = including agricultural, construction & industrial machinery
** = including HVAC, elevators, furniture & home appliances

Revenues by product line
2012

- DOTS: 37%
- Osai: 22%
- Convergent: 25%
- Service: 16%
Revenues and orders - quarterly trend

Quarterly revenues
1Q08 through 4Q12

Quarterly order acquisition
1Q08 through 4Q12
Net financial position trend

* = according to Banca IMI research dated March 14, 2013, which does not account for warrants exercise (~19 M€)
MARKET EVOLUTION
AND
GROWTH DRIVERS
Market Forecast - 3 years

Machine Tool Market Evolution

EXCLUDING CHINA

CAGR 11.15

YoY 20% 15.2% 10.2% 8.7% 11.5%

(Source: Oxford Economics)
Investments in emerging markets 2009-2012

- **The Gulf:** Establishment of a branch in Sharjah (U.A.E.) in 2009
- **Russia:** Establishment of a subsidiary in Moscow in 2010
- **India:** Establishment of a subsidiary in Mumbai in 2011
- **Brazil:** Establishment of a subsidiary in Sao Paulo in 2011
- **Turkey:** Establishment of a subsidiary in Istanbul in 2011
- **Korea:** Establishment of a branch in Seoul in 2012
Main potential growth drivers for 2013

• New TTC (Technology and Training Center) in China & U.A.E.

• New planned subsidiaries:
  - Australia & New Zealand
  - Singapore - Malaysia - Indonesia
  - Mexico & Central America
The Chinese market

High Power Laser Materials Processing systems

Machine Tool Market forecast

- Expected to account for half of worldwide machine tool consumption by 2015 (44%)
- 2011-2015 CAGR is 16%. RoW CAGR is 11%

From pyramid to diamond: the “good enough” concept

Chinese market breakdown

(Source: Bain & Co.)
Machine tool market by geography

**World: Machine tool consumption in 2016**

- China: 53%
- Other countries: 47%

**Apparent consumption**

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>54.5</td>
<td>52.8</td>
</tr>
<tr>
<td>RoW</td>
<td>45.4</td>
<td>47.2</td>
</tr>
</tbody>
</table>

Source: Oxford Economics

Autumn 2012

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Prima Power strategy for the Chinese machine tool market

The “diamond” structure

**TOP RANGE**
- From Italy & USA
- IMPORTS
- PUC

**HIGH RANGE**
- From Italy & Finland
- IMPORTS

**MID RANGE**
- MID/LOW RANGE
- 2D LASERS
- SCLF-X1530F
- SCLF-X1530D
- SHANGHAI UNITY PRIMA (SUP) (15% OWNED)
- SHANGHAI

**BOTTOM-END**
- LOW END

**THE “GOOD ENOUGH” MARKET**
- MID/LOW RANGE
- 2D LASERS
- SCLF-X1530F
- SCLF-X1530D
- SHANGHAI UNITY PRIMA (SUP) (15% OWNED)
- SHANGHAI

**3D LASERS**
- FOR AUTOMOTIVE & AEROSPACE
- Rapida®
- Optima®

**SHEET METAL FABRICATION**
- LEEPORT LTD.
  - • HONG KONG
- SGe
- BCe
- Systems

**PRIMA POWER CHINA**
- • BEIJING
- • SHANGHAI

**LEEPORT LTD.**
- • HONG KONG
- SGe
- BCe
- Systems

**SHANGHAI UNITY PRIMA (SUP)**
- (15% OWNED)
- • SHANGHAI

**PLATINO®**
- (CO2 & Fiber)
- E5X
- E6X
Product Unit in China (PUC) Business Model

Head

Laser generator

CNC

Turret

CNC

LOCAL SUPPLIERS

2D Laser

Punching

Leeport

Bounded area

Leeport
FINANCIALS
## BALANCE SHEET

(figures in Euro thousand)

<table>
<thead>
<tr>
<th></th>
<th>31/12/2012</th>
<th>31/12/2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tangible assets</strong></td>
<td>24,345</td>
<td>24,473</td>
</tr>
<tr>
<td><strong>Intangible assets</strong></td>
<td>151,395</td>
<td>152,630</td>
</tr>
<tr>
<td><strong>Other non current assets</strong></td>
<td>7,124</td>
<td>16,634</td>
</tr>
<tr>
<td><strong>Non current assets held for sale</strong></td>
<td>4,130</td>
<td>1,012</td>
</tr>
<tr>
<td><strong>NON CURRENT ASSETS</strong></td>
<td><strong>186,994</strong></td>
<td><strong>194,749</strong></td>
</tr>
<tr>
<td><strong>Inventory</strong></td>
<td>81,084</td>
<td>84,250</td>
</tr>
<tr>
<td><strong>Trade receivables (net of down payments)</strong></td>
<td>53,710</td>
<td>55,928</td>
</tr>
<tr>
<td><strong>Trade payables</strong></td>
<td>(72,404)</td>
<td>(79,797)</td>
</tr>
<tr>
<td><strong>Other current assets</strong></td>
<td>11,357</td>
<td>11,998</td>
</tr>
<tr>
<td><strong>Other liabilities</strong></td>
<td>(43,436)</td>
<td>(43,829)</td>
</tr>
<tr>
<td><strong>Employee’s severance indemnity</strong></td>
<td>(7,077)</td>
<td>(6,793)</td>
</tr>
<tr>
<td><strong>NET WORKING CAPITAL</strong></td>
<td><strong>23,234</strong></td>
<td><strong>21,757</strong></td>
</tr>
<tr>
<td><strong>NET DEBT</strong></td>
<td><strong>126,279</strong></td>
<td><strong>136,385</strong></td>
</tr>
<tr>
<td><strong>NET EQUITY</strong></td>
<td><strong>83,949</strong></td>
<td><strong>80,121</strong></td>
</tr>
</tbody>
</table>
## Financial statements as at Dec. 31, 2012

### PROFIT & LOSS

<table>
<thead>
<tr>
<th>(figures in Euro thousand)</th>
<th>31/12/2012</th>
<th>31/12/2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SALES</strong></td>
<td>349,308</td>
<td>309,699</td>
</tr>
<tr>
<td><strong>VALUE OF PRODUCTION</strong></td>
<td>362,963</td>
<td>327,534</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>29,007</td>
<td>22,440</td>
</tr>
<tr>
<td>% on sales</td>
<td>8.3%</td>
<td>7.2%</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>17,622</td>
<td>12,496</td>
</tr>
<tr>
<td>% on sales</td>
<td>5.0%</td>
<td>4.0%</td>
</tr>
<tr>
<td><strong>EBT</strong></td>
<td>9,046</td>
<td>4,543</td>
</tr>
<tr>
<td>% on sales</td>
<td>2.6%</td>
<td>1.5%</td>
</tr>
<tr>
<td><strong>NET INCOME</strong></td>
<td>5,307</td>
<td>1,933</td>
</tr>
<tr>
<td>% on sales</td>
<td>1.5%</td>
<td>0.6%</td>
</tr>
</tbody>
</table>
**Net debt & covenants**

<table>
<thead>
<tr>
<th></th>
<th>2011 Covenants</th>
<th>2011 Actual</th>
<th>2012 Covenants</th>
<th>2012 Actual</th>
<th>2013 Covenants</th>
<th>2013 Expected*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EBITDA</strong></td>
<td>≥ 2</td>
<td>2,39</td>
<td>≥ 2,5</td>
<td>3,54</td>
<td>≥ 3</td>
<td>4,77</td>
</tr>
<tr>
<td><strong>NET FINANCIAL CHARGES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>NET FINANCIAL POSITION</strong></td>
<td>≤ 7,9</td>
<td>6,08</td>
<td>≤ 5,5</td>
<td>4,25</td>
<td>≤ 4,1</td>
<td>3,36</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>NET FINANCIAL POSITION</strong></td>
<td>≤ 2</td>
<td>1,7</td>
<td>≤ 1,8</td>
<td>1,5</td>
<td>≤ 1,6</td>
<td>1,25</td>
</tr>
<tr>
<td><strong>EQUITY</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* = figures calculated on the basis of Banca IMI research dated March 14, 2013; figures do not include the effect of the warrants exercise;
THE RASHANIMA TRUST (through Erste International SA) 26.15%

YUNFENG GAO (through Sharp focus International Ltd) 28.02%

CREDIT AGRICOLE SUISSE 4.25%

LEE Joseph (held directly or through World Leader Ltd.) 6.30%

CAMBRIA SA (through Cambria kop Cooperatief U.A.) 4.90%
PRODUCTS & CUSTOMERS
Prima Power: product range

The Punch

The Laser

The Bend

The Combi

The System

The Software
Prima Power - selected customers

**Miscellanea**

- Still
- Nissan Forklift
- Linde
- Jurup
- Toro
- Electrolux
- Whirlpool
- Haakon Industries
- Rielo
- Miele
- Imperial
- Halton
- Kessebohmer
- Ariston
- Dantherm Filtration
- Systemair
- Signa
- Abloy
- Ide Technologies Ltd.
- Otis
- Infrico
- IDE
- ORF

**Contract manufacturing**

- Eaton
- Mecanova
- Lars Höglund AB
- Nu-Way Industries, Inc.
- IKEA
- Laseralan
- Foxconn
- Siderstamp
- Verona Lamier
- Sideururgica Loghese
- Dinamic
- ENC Plát
- Anaconda
Prima Electro: product range

Prima Electro designs, manufactures and markets for its customers industrial-grade dedicated electronics and laser sources at competitive prices and fast time-to-market.