Here to stay

2016 FACTS AND FIGURES
Today, Prima Industrie has acquired all of the significant enabling technologies that make up Industry 4.0. During the past record fiscal year, the Company invested in the new Headquarters and Technology Center which is quickly becoming the premier training and development center for the entire sector.
8 production sites in 3 continents
Producing where our customers produce to better understand and respond their needs

USA
- Champlin, MN
- Chicopee, MA

ITALY
- Collegno (TO)
- Cologna Veneta (VR)
- Moncalieri (TO)
- Barone (TO)

FINLAND
- Kauhava

CHINA
- Suzhou

Branches and subsidiaries in 26 countries worldwide
A direct presence supervising the activity of the sales and after-sales forces while providing an easier interaction with customers

SALES AND SERVICE FOOTPRINT
Speaking our customers’ language and understanding the world is moving forward

- 414 Service engineers
- 164 Sales force

Close to our customers both physically and virtually, thanks to a highly-qualified sales and service network combined with constant investments in the evolution of customer care.

More details about our presence in the world are available online:
primindustrie.com/our-presence-in-the-world
Following the retroactive application as from 1/1/2013 of emended IAS 19, comparative figures for the year 2012 in financial statements, whereas necessary, have been restated in accordance with IAS 1.

### Financial highlights

<table>
<thead>
<tr>
<th>Year ended December 31st</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
<th>2013</th>
<th>2012*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NET SALES</strong> (Euro thousand)</td>
<td>393,886</td>
<td>364,466</td>
<td>350,464</td>
<td>335,841</td>
<td>349,308</td>
</tr>
<tr>
<td><strong>GROSS OPERATING MARGIN (EBITDA)</strong></td>
<td>35,409</td>
<td>31,402</td>
<td>33,780</td>
<td>30,568</td>
<td>29,007</td>
</tr>
<tr>
<td><strong>OPERATING RESULT (EBIT)</strong></td>
<td>18,528</td>
<td>17,487</td>
<td>22,299</td>
<td>18,681</td>
<td>17,622</td>
</tr>
<tr>
<td><strong>RESULT BEFORE TAXES (EBT)</strong></td>
<td>11,347</td>
<td>8,132</td>
<td>14,842</td>
<td>8,842</td>
<td>9,046</td>
</tr>
<tr>
<td><strong>NET RESULT FOR THE YEAR</strong></td>
<td>10,160</td>
<td>5,606</td>
<td>9,389</td>
<td>5,358</td>
<td>5,307</td>
</tr>
<tr>
<td><strong>MINORITY INTERESTS</strong></td>
<td>58</td>
<td>(411)</td>
<td>(374)</td>
<td>(71)</td>
<td>-</td>
</tr>
<tr>
<td><strong>NET RESULT FOR THE YEAR-GROUP</strong></td>
<td>10,102</td>
<td>6,017</td>
<td>9,763</td>
<td>5,429</td>
<td>5,307</td>
</tr>
</tbody>
</table>

### BALANCE SHEET

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
<th>2013</th>
<th>2012*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FIXED ASSETS (net)</strong></td>
<td>204,027</td>
<td>197,766</td>
<td>193,691</td>
<td>185,327</td>
<td>187,151</td>
</tr>
<tr>
<td><strong>WORKING CAPITAL (net)</strong></td>
<td>19,140</td>
<td>34,893</td>
<td>19,106</td>
<td>20,695</td>
<td>22,682</td>
</tr>
<tr>
<td><strong>SHAREHOLDERS' EQUITY AND MINORITY INTERESTS</strong></td>
<td>138,952</td>
<td>130,912</td>
<td>120,708</td>
<td>106,061</td>
<td>83,554</td>
</tr>
<tr>
<td><strong>FINANCIAL POSITION (net)</strong></td>
<td>84,215</td>
<td>101,747</td>
<td>92,089</td>
<td>99,961</td>
<td>126,279</td>
</tr>
</tbody>
</table>

### PER SHARE DATA

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
<th>2013</th>
<th>2012*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NUMBER OF OUTSTANDING SHARES</strong></td>
<td>10,483,274</td>
<td>10,483,274</td>
<td>10,483,274</td>
<td>10,483,274</td>
<td>8,642,621</td>
</tr>
<tr>
<td><strong>WEIGHTED AVERAGE OUTSTANDING SHARES</strong></td>
<td>10,483,274</td>
<td>10,483,274</td>
<td>10,483,274</td>
<td>10,483,274</td>
<td>8,642,621</td>
</tr>
<tr>
<td><strong>NET RESULT PER SHARE (ON WEIGHTED AVERAGE OF SHARES)</strong></td>
<td>13.25</td>
<td>12.49</td>
<td>11.51</td>
<td>12.20</td>
<td>9.71</td>
</tr>
<tr>
<td><strong>BOOK VALUE PER SHARE (ON WEIGHTED AVERAGE OF SHARES)</strong></td>
<td>0.30</td>
<td>0.25</td>
<td>0.20</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>DIVIDEND PER SHARE</strong></td>
<td>0.30</td>
<td>0.25</td>
<td>0.20</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

### OTHER KEY INFORMATION

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RESEARCH AND DEVELOPMENT EXPENSES</strong></td>
<td>22,917</td>
<td>23,564</td>
<td>20,850</td>
<td>18,364</td>
<td>17,814</td>
</tr>
<tr>
<td><strong>YEAR-END ORDER BACKLOG</strong></td>
<td>143,400</td>
<td>117,700</td>
<td>94,500</td>
<td>75,200</td>
<td>88,000</td>
</tr>
<tr>
<td><strong>NUMBER OF EMPLOYEES</strong></td>
<td>1,664</td>
<td>1,643</td>
<td>1,579</td>
<td>1,530</td>
<td>1,521</td>
</tr>
</tbody>
</table>

* Following the retroactive application as from 1/1/2013 of emended IAS 19, comparative figures for the year 2012 in financial statements, whereas necessary, have been restated in accordance with IAS 1.
In 2016 Prima Industrie inaugurated its new Headquarters and Technology Center, which is structured in a total of 5,000 square meters of which 2,500 is dedicated to corporate offices and divisional offices of Prima Power and 2,500 is dedicated to the demo room and customers’ hospitality. A structure that can easily accommodate 4 guests delegations simultaneously, with an 80-seat training room, a demo room dedicated to customers from all parts of the world, in which 11 of our machines are operating, including an entire production line.

It is a building equipped with the latest technologies for energy efficiency, ranging from thermal isolation to energy production through photovoltaic panels, solar panels, and a geothermal plant. Even lighting management is automated with a home automation system in order to reduce waste. In other words, this will mean reducing CO₂ emissions by approximately 300 tons per year. A philosophy closely linked to the “Green Means” technology that Prima Industrie applies to all product lines and that allows significant reduction in consumption compared to conventional technologies.
Prima Industrie is compliant with the Industry 4.0 guidelines, helping its customers turn their production sites into smart factories: smart and interconnected machines (also from a cloud-based point of view), increasingly powerful software, connected with factory systems, and an even more sophisticated remote machine diagnostics will allow a predictive maintenance with important benefits in terms of time and money saved. Moreover, photonics and laser are Key Enabling Technology for Industry 4.0, as defined by the EU, and that makes Prima Industrie a key player of the 4th Industrial revolution.
Outstanding performances

We believe that delivering good results is the best way to address the expectations of our shareholders and create value. 2016 was a record year in the history of the Group, with the highest revenues, EBITDA, and order collection ever.

This positive performance was the result of the significant investments made by the Group during the recent years and in particular those in research and development aimed to the renewal of the product range, to the development of the proprietary fiber laser source, as well as investments to strengthen its presence in several geographic markets of particular importance, among which is China.

However, the main driver for 2016 growth has been our new HQTC (Headquarters & Technology Center) in Collegno (Torino), where all the Group product lines are exhibited, contributing significantly to the Group order acquisition.

2016 FACTS AND FIGURES

- Increase in REVENUES: +8%
- Increase in NET PROFIT: +82%
- Increase in EBITDA: +13%

Data compared with 2015
Ladies and Gentlemen,

2016 has been a successful year for your Company and has confirmed that our mid-term targets (€ 500 million of revenues in 2019, as per our Business Plan) are achievable.

Also thanks to the generally positive situation of our main markets, in particular USA and China, our 2016 revenues have reached € 393.9 million, up 8.1% compared to previous year.

This value is the highest achieved in the 40 years of history of our Group and the growth rate is double of that achieved in 2015.

The profitability has also significantly improved with EBITDA at € 35.4 million, up 13% and Net Profit at € 10.2 million up 80%.

The improvement is significant also considering that our Consolidated Accounts have been diluted, as expected, by the results of Prima Electro Division, which had to face a decline of revenues due to lower orders by one of its main customers and to phase-out/phase-in between CO₂ and Fiber Lasers.

Important drivers of our growth, which we believe has been stronger than the reference market, have been the investments in new products (Laser Next has become a reference in 3D laser market) and in market coverage (Prima Power Suzhou and new sales/service organization in China).

Our performance has been outstanding in the North American market (our first in size) where we have registered a growth of 18% year-over-year and, even more, in China, where growth has been 35%.

The main accelerator of 2016 has been, however, our new HQTC (Headquarters & Technology Center) in Collegno (Torino).

HQTC was inaugurated in late May, and in the first 6 months of operation over 1,000 customers from 40 countries have visited it.

With 9 Stand Alone machines/Flexible Manufacturing Cells and one complete PSBB line (Punching Shearing Buffering Bending) exhibited, HQTC has become a real European Hub for Laser and Sheet Metal Fabrication customers after those already established in Chicago for North America and in Suzhou for China and Asia Pacific.

Thanks to the solid order intake, our year-end backlog has increased by 22% to € 143.4 million, which represents a satisfactory base for further growth in the current year.
R&D activity has been, as usual, very intense (5.8% on revenues) and several new products have been introduced to the market in the main exhibition of the year, EuroBlech, held in Hannover in October 2016. Among them, Laser Next 2130 (bigger size version of our Laser Next 3D laser family), BCE Smart (compact and automatic Panel Bending machine), Combi Genius (a new high performance Punching/Laser combi machine) and CF-4000 (the 4 kW model of our CF fiber laser family).

As far as our CF fiber lasers, we are pleased by the performance of the many dozens of lasers delivered in 2016, and are still investing to increase power level beyond 4 kW and to improve manufacturing costs and production efficiency. Also a lower power (1 kW) version has been developed, to target, among others, Additive Manufacturing applications, where we are getting more and more experience by participating in several EU and national research projects.

From the financial viewpoint, we have managed to keep well under control our working capital notwithstanding the increase of revenues and our Net Financial Position at year-end was € 84.2 million, strongly improved from previous year. This is the lowest level of net debt since the Finn-Power acquisition in 2008 and leads to financial ratios significantly improved (PFN/EBITDA=2.4, PFN/Net Equity=0.6) which are largely compliant to the covenants agreed for Banks and Bond financing.

In conclusion, we are pleased to propose to our next General Meeting to increase to € 0.30/share (from € 0.25/share in 2016) the dividend to our shareholders. We also would like to thank all our stakeholders and friends for their continuing confidence and support.

Yours sincerely,

Gianfranco Carbonato
Executive Chairman
Green Means. More profit with smaller footprint

The Prima Power range has a long tradition of continuous development, greater flexibility and operating economy through versatility, high automation level and low energy and maintenance cost. Also for a long time, the ecological aspects have been included among design criteria.

Under the banner Green Means® this translates into technology and knowhow which meet the requirements of both productivity and more sustainable manufacturing. We are, for example, the only company in the field with a fully servo-electric product family.

Green means a win-win for you and sustainable development

Sustainability adds to manufacturing efficiency and productivity

Your customers, your employees and the community you operate in demand it more and more

Sustainability & social responsibility are characteristics of a modern company and add to competitiveness

They make a difference between the best and the rest

And you make better sheet metal components at lower cost

Technology and solutions for Industry 4.0

Thanks to big data analytics, planning the manufacturing process and monitoring it in real time allows the refining of complicated processes and the management of the supply chain leading to lean production. This translates to huge benefits for the customers in terms of time and cost reduction. Prima Industrie 4.0 products and software has the potential of boosting competitiveness for small and medium size companies. Analysis of machine condition and performance allows us to know in advance when a machine needs an update or when a visit to the customer is necessary. As a result, annual maintenance operations and scheduled visits are planned and integrated in advance granting an improved operational efficiency and savings of money and time for the customer.
Prima Power / 2D Laser machines

**LASER GENIUS**
Best quality, high accuracy and productivity on the whole thickness range.

**PLATINO CO₂**
Flexibility and high quality in all thicknesses and applications. User-friendly machine with an excellent price/performance ratio.

**MAXIMO**
2D laser cutting machine with customizable working area on customer’s requirements or processing big size sheets.

3D Laser machines

**PLATINO FIBER**
Productive, efficient and easy to use fiber laser cutting machine. The best compromise in terms of flexibility and high-quality in all thicknesses and applications.

**RAPIDO**
Three-dimensional cutting and welding. The fully tried-and-tested “workhorse” for every application with fiber and CO₂ laser.

**OPTIMO**
The higher-class, three-dimensional machine for the cutting and welding of large workpieces with superior quality and accuracy.

**LASERDYNE 430**
The flexible laser machining platform for a wide range of high-precision applications.

**LASERDYNE 606D**
Incorporates two completely independent 5 to 7 axis laser cutting, welding, and drilling systems in a single structure.

**LASERDYNE 795**
The premier multi-axis laser processing system for drilling, welding, and cutting precision components.

**LASER NEXT**
First-class performance 3D fiber laser machine designed, developed, manufactured, and tested for the mass production of automotive components.
Prima Power / Punching & Combi machines

**COMBI GENIUS**
Servo-electric Combi Genius punching and fiber laser cutting cell provides energy efficiency, low maintenance requirements, high-speed operation, including large tool capacity and easy and fast set-up change.

**EX SERIES**
Ex Series is a servo-electric turret punch press series, offering state-of-the-art in servo-electric punching technology in a flexible and affordable package.

**SHEAR BRILLIANCE**
Shear Brilliance is a servo-electric punching/shearing cell based on the very latest in composite materials, servo-electric technology, and linear drives to achieve outstanding performance values.

**PUNCH GENIUS**
Punch Genius, the full-featured, high-performance servo-electric punching solution with numerically controlled, servo-electric axes for enhanced productivity.

**SHEAR GENIUS®**
Shear Genius® SGe is a servo-electric punching/shearing cell based on integrated punching and shearing, automatic loading, intelligent right-angle shear, and component exit offering more capacity, quality, and cost efficiency.

Bending machines

**FastBend - FBe**
Highly-flexible, efficient, productive and user-friendly servo-electric bending solution.

**BCe SMART**
New semi-automatic bending process by Prima Power with manual material handling in a single ergonomic sequence.

**BCe**
Automatic bending process by Prima Power with shorter cycle time for medium-small production batches.

**EBe FM**
Fully automatic servo-electric panel bender with a best-in-class automation and customization.

**eP SERIES**
Servo-electric Prima Power eP-brake represents the state of the art in combining safety, productivity, and precision.
**Prima Power / Systems & Automation**

**PSBB**
The compact PSBB line processes blank sheets from an automatic storage into ready-bent, high-quality components automatically. PSBB stands for punching, shearing, buffering and bending.

**LPBB**
The compact LPBB line processes blank sheets from an automatic storage into ready-bent, high-quality components automatically. The manufacturing line integrates punching, laser cutting, bending and intelligent part handling.

**COMBO TOWER**
Combo Tower is a flexible and compact storage system to automate the material flow. Different materials are made available at the working point quickly and in a practical way.

**LOADING AND STACKING ROBOTS**
High-performance loading, unloading and stacking robots for material and part handling in an accurate and efficient way.

**NIGHT TRAIN FMS®**
Night Train FMS® automates the material flows and information systems of a facility and combines individual manufacturing stages into a single flexible process. Systems are customized using the wide Prima Power range of high-performance machine tools, integrated cells, automatic material handling solutions, and software.

**CAM**
Prima Power CAM programming software solutions are user-friendly, efficiently-optimized, and provide high productivity and material savings. They can be connected to customer ERP.

**HMI**
HMI Tulus® manages machine operations, through an easy and intuitive interface. Tulus® MUPS improves efficiency, monitoring machine status remotely, inside or outside the factory.

**PLANNING & MONITORING**
Tulus® Office is a powerful tool for work planning and machine capacity controlling. With Tulus® Mobile Information System it’s possible to check at once the status of your production wherever you are.

**REPORTING**
Prima Power Tulus® Production and Performance Reporting creates reports used for production planning and further analysis. Reports include information on production process, programs, components and materials.

**MANUFACTURING EXECUTION SYSTEM**
Tulus® Power Processing is a flexible M.E.S. It offers 2 ways ERP connection. The whole production process is always under control, from automatic orders import to the finished product and reporting.

**INDUSTRY 4.0**
Collection of smart interconnected machines and software collecting data through sensors and cameras. Machine diagnostics, predictive maintenance and production performance analysis services are available.
The Convergent Photonics laser products are the result of intense research and development by an international team of engineers and continuous improvement of the assembly and test processes as well as component design. Convergent Photonics laser sources enhance their status as a versatile solution, universally recognized as superior in all the most demanding metal processing applications.

**Laser technology**

- **CF3000/CF4000** Highly resistant to back reflection, the new 3kW/4kW Fiber Laser allows superior cutting up to 20 mm mild steel.
- **CT6000** High Power Twin Laser. Innovative concept laser equipped with two different process fibers for both welding/brazing and cutting applications.
- **CM4000** CO2 lasers equipped with magnetic bearing turbine, smart gas feed system and reliable power supply.
- **CF1000** Compact 1 kW Fiber Laser for cutting, welding and additive manufacturing applications.

**Prima Electro / Electronics**

The electronics BU of Prima Electro designs and produces industrial-grade electronics for several markets such as Motion Control & Automation, Industry, Energy, Offshore & Marine and Transport. Always at the forefront of the most significant evolution in terms of technology and performance, Prima Electro is also a top player in the CNC market thanks to the Osai brand.

- **OD700** OD700 servo-drives with EtherCAT fieldbus, available in six different sizes with nominal current ranging from 3A up to 36A, with integrated safety function STD (Safe Torque Off).
- **OPENcontrol CNC** Highly scalable CNC based on several powerful hardware platforms able to manage up to 24 and 64 axes, of which 12 simultaneously interpolated.
- **HMI** Operator console for laser cutting machines.
- **CPU BOARDS** CPU boards for energy applications.
- **OPTICAL POWER SUPPLY** Optical power supply for metering applications in railway market.
- **POWER SUPPLY** 15kW AC/DC power supply for industrial applications.
- **OD7000** OD7000 servo-drives with EtherCAT fieldbus, available in six different sizes with nominal current ranging from 3A up to 36A, with integrated safety function STD (Safe Torque Off).
2016 Events

5th Edition of the Master in Industrial Automation
11 January / Turin, Italy

Friendly Match Between Prima Power and Customer’s Hockey Team
18 February / Tolyatti, Russia

Milan Star Conference
15 March / Milan, Italy

The Italian Trade Agency’s I3 Forum
30 March / Chicago, USA

Opening Ceremony of the New Prima Industrie HQTC
25 May / Collegno, Italy

Chinese Open House
31 May - 2 June / Suzhou, China

Opening Ceremony Rio 2016 Olympic Games
6 August / Rio de Janeiro, Brazil

2016 Technology Day
9 September / Kauhava, Finland

Small Cap Conference 2016
20 September / Milan, Italy

Corporate Excellence Award 2016
Gea Management Consultants and Harvard Business Review Italy
18 October / Milan, Italy

13th International Business Awards
21 October / Rome, Italy

WhiteR Project Final Meeting
10 November / Turin, Italy

Summit Forum - Global Laser and Intelligent Manufacturing
9 - 10 December / Shenzhen, China

Italy-Germany Industry 4.0 Stakeholders Meeting
16 December / Milan, Italy
LAMIERA / Bologna, Italy

STEELFAB
17 - 20 January / Sharjah, UAE

IMTEX
21 - 23 January / Bangalore, India

MNE
3 - 6 February / Kortrijk, Belgium

STOM-BLECH
9 - 11 February / Kielce, Poland

WIN EURASIA METALWORKING
11 - 14 February / Istanbul, Turkey

LASER WORLD OF PHOTONICS CHINA
15 - 17 March / Shanghai, China

FORMATOOL
13 - 18 September / Celje, Slovenia

ALHANKINTA
27 - 29 September / Tampere, Finland

TIEE
3 - 7 October / Teheran, Iran

FABTECH
22 - 24 March / Toronto, Canada

BLECH RUSSIA
24 - 26 March / St. Petersburg, Russia

INDUSTRIE PARIS
4 - 8 April / Paris, France

BIAM
19 - 22 April / Zagreb, Croatia

PCIM
10 - 12 May / Nuremberg, Germany

ELMIA PLÅT
10 - 13 May / Jönköping, Sweden

LAMIERA
11 - 14 May / Bologna, Italy

TECHNICAL FAIR
16 - 20 May / Belgrade, Serbia

FERIA MECANICA
17 - 21 May / Sao Paulo, Brazil

METALLOOBRABOTKA
23 - 27 May / Moskva, Russia

XYLENTO
24 - 28 May / Milan, Italy

BIEMH
30 May - 4 June / Bilbao, Spain

ITM MACHTOOL
7 - 10 June / Poznari, Poland

IWF
26 - 27 August / Atlanta, USA

ELECTRA MINING
12 - 16 September / Johannesburg, S. Africa

FORMATOOL
15 - 18 September / Celje, Slovenia

ALHANKINTA
27 - 29 September / Tampere, Finland

TIEE
3 - 7 October / Teheran, Iran

FABTECH INTERNATIONAL
1 - 5 November / Las Vegas, USA

METAL MADRID
16 - 17 November / Madrid, Spain

METALEX
23 - 26 November / Bangkok, Thailand

EMAF
23 - 26 November / Oporto, Portugal

MACHTECH
26 - 29 November / Cairo, Egypt

MIDEST
14 - 17 December / Casablanca, Morocco

MSV
3 - 7 October / Brno, Czech Republic

EUROBLECH
25 - 29 October / Hannover, Germany

MWCS
1 - 5 November / Shanghai, China

FABTECH INTERNATIONAL
1 - 5 November / Las Vegas, USA

METAL MADRID
16 - 17 November / Madrid, Spain

METALEX
23 - 26 November / Bangkok, Thailand

EMAF
23 - 26 November / Oporto, Portugal

MACHTECH
26 - 29 November / Cairo, Egypt

MIDEST
14 - 17 December / Casablanca, Morocco
## CONSOLIDATED INCOME STATEMENT

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
<th>2013</th>
<th>2012*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PRODUCTION VALUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues from Sales and Services (Net Sales)</td>
<td>393,886</td>
<td>364,466</td>
<td>350,464</td>
<td>335,841</td>
<td>349,308</td>
</tr>
<tr>
<td>Changes in work-in-progress, semi-finished and finished goods</td>
<td>(1,296)</td>
<td>9,467</td>
<td>3,952</td>
<td>(8,855)</td>
<td>1,876</td>
</tr>
<tr>
<td>Increases in fixed assets for internal work</td>
<td>10,450</td>
<td>11,751</td>
<td>11,502</td>
<td>9,323</td>
<td>6,575</td>
</tr>
<tr>
<td>Other operating income</td>
<td>4,218</td>
<td>4,773</td>
<td>6,491</td>
<td>5,564</td>
<td>5,205</td>
</tr>
<tr>
<td><strong>TOTAL PRODUCTION VALUE</strong></td>
<td>407,258</td>
<td>390,657</td>
<td>372,409</td>
<td>341,873</td>
<td>362,964</td>
</tr>
<tr>
<td><strong>PRODUCTION COSTS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchases of raw material, consumables and supplies (net)</td>
<td>(179,096)</td>
<td>(173,263)</td>
<td>(161,559)</td>
<td>(145,143)</td>
<td>(163,611)</td>
</tr>
<tr>
<td>Other operating costs</td>
<td>(90,054)</td>
<td>(85,769)</td>
<td>(83,240)</td>
<td>(76,678)</td>
<td>(80,959)</td>
</tr>
<tr>
<td><strong>TOTAL PRODUCTION COSTS</strong></td>
<td>(269,150)</td>
<td>(259,032)</td>
<td>(244,799)</td>
<td>(221,821)</td>
<td>(244,570)</td>
</tr>
<tr>
<td><strong>ADDED VALUE</strong></td>
<td>138,108</td>
<td>131,625</td>
<td>127,610</td>
<td>120,052</td>
<td>118,394</td>
</tr>
<tr>
<td>Personnel cost</td>
<td>(102,699)</td>
<td>(100,223)</td>
<td>(93,831)</td>
<td>(89,485)</td>
<td>(89,387)</td>
</tr>
<tr>
<td>EBITDA</td>
<td>35,409</td>
<td>31,402</td>
<td>30,798</td>
<td>29,567</td>
<td>29,007</td>
</tr>
<tr>
<td>Amortization &amp; Depreciation</td>
<td>(16,881)</td>
<td>(13,915)</td>
<td>(11,481)</td>
<td>(11,984)</td>
<td>(11,385)</td>
</tr>
<tr>
<td>OPERATING RESULT (EBIT)</td>
<td>18,528</td>
<td>17,487</td>
<td>22,298</td>
<td>18,681</td>
<td>17,622</td>
</tr>
<tr>
<td>Financial income and expenses</td>
<td>(8,230)</td>
<td>(9,311)</td>
<td>(7,258)</td>
<td>(8,828)</td>
<td>(8,915)</td>
</tr>
<tr>
<td>Adjustment to financial assets</td>
<td>1,049</td>
<td>44</td>
<td>(199)</td>
<td>(1,011)</td>
<td>359</td>
</tr>
<tr>
<td>RESULT BEFORE INCOME TAXES (EBT)</td>
<td>11,347</td>
<td>8,132</td>
<td>14,842</td>
<td>9,842</td>
<td>9,046</td>
</tr>
<tr>
<td>Income taxes</td>
<td>(1,187)</td>
<td>(2,536)</td>
<td>(5,453)</td>
<td>(3,484)</td>
<td>(1,779)</td>
</tr>
<tr>
<td><strong>NET RESULT FOR THE YEAR</strong></td>
<td>10,160</td>
<td>5,606</td>
<td>9,389</td>
<td>5,358</td>
<td>5,307</td>
</tr>
<tr>
<td>Minority interests</td>
<td>58</td>
<td>(411)</td>
<td>(374)</td>
<td>(71)</td>
<td>-</td>
</tr>
<tr>
<td><strong>NET RESULT FOR THE YEAR-GROUP</strong></td>
<td>10,102</td>
<td>6,017</td>
<td>9,763</td>
<td>5,429</td>
<td>5,307</td>
</tr>
<tr>
<td><strong>EARNINGS PER SHARE</strong></td>
<td>0.96</td>
<td>0.57</td>
<td>0.93</td>
<td>0.62</td>
<td>0.61</td>
</tr>
</tbody>
</table>

* Following the retrospective application as from 1/1/2013 of emended IAS 19, comparative figures for the year 2012 in financial statements, whereas necessary, have been restated in accordance with IAS 1.

## CONSOLIDATED BALANCE SHEET

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
<th>2013</th>
<th>2012*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FIXED ASSETS (NET)</strong></td>
<td>204,027</td>
<td>197,766</td>
<td>193,691</td>
<td>185,327</td>
<td>187,151</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>155,713</td>
<td>157,771</td>
<td>155,552</td>
<td>151,572</td>
<td>151,395</td>
</tr>
<tr>
<td>Tangible assets</td>
<td>35,281</td>
<td>28,466</td>
<td>26,912</td>
<td>24,201</td>
<td>24,344</td>
</tr>
<tr>
<td>Other fixed assets</td>
<td>13,033</td>
<td>11,529</td>
<td>11,227</td>
<td>9,554</td>
<td>11,227</td>
</tr>
<tr>
<td>NET WORKING CAPITAL</td>
<td>89,561</td>
<td>93,993</td>
<td>77,504</td>
<td>66,214</td>
<td>81,084</td>
</tr>
<tr>
<td>Inventories</td>
<td>18,850</td>
<td>16,881</td>
<td>15,106</td>
<td>20,695</td>
<td>22,682</td>
</tr>
<tr>
<td>Trade receivables (net of advances from Customers)</td>
<td>62,348</td>
<td>65,029</td>
<td>68,730</td>
<td>65,253</td>
<td>53,710</td>
</tr>
<tr>
<td>Other current assets</td>
<td>11,480</td>
<td>15,048</td>
<td>12,895</td>
<td>10,214</td>
<td>11,357</td>
</tr>
<tr>
<td><strong>FINANCIAL POSITION (NET)</strong></td>
<td>88,448</td>
<td>78,322</td>
<td>77,594</td>
<td>68,118</td>
<td>72,404</td>
</tr>
<tr>
<td>Trade payables</td>
<td>(88,448)</td>
<td>(78,322)</td>
<td>(77,594)</td>
<td>(68,118)</td>
<td>(72,404)</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>(8,670)</td>
<td>(8,670)</td>
<td>(8,670)</td>
<td>(8,670)</td>
<td>(8,670)</td>
</tr>
<tr>
<td>Employees’ severance indemnity</td>
<td>(8,100)</td>
<td>(7,913)</td>
<td>(7,822)</td>
<td>(7,732)</td>
<td>(7,629)</td>
</tr>
<tr>
<td><strong>FINANCIAL POSITION (NET)</strong></td>
<td>84,251</td>
<td>70,410</td>
<td>69,722</td>
<td>60,386</td>
<td>64,775</td>
</tr>
<tr>
<td>Cash and banks</td>
<td>84,251</td>
<td>70,410</td>
<td>69,722</td>
<td>60,386</td>
<td>64,775</td>
</tr>
<tr>
<td><strong>TOTAL CONSOLIDATED SHAREHOLDERS’ EQUITY</strong></td>
<td>138,952</td>
<td>130,912</td>
<td>120,708</td>
<td>106,061</td>
<td>83,554</td>
</tr>
<tr>
<td>Minority interests</td>
<td>1,212</td>
<td>1,196</td>
<td>1,151</td>
<td>1,581</td>
<td></td>
</tr>
<tr>
<td><strong>Shareholders’ equity-Group</strong></td>
<td>137,740</td>
<td>129,716</td>
<td>119,557</td>
<td>104,576</td>
<td>82,554</td>
</tr>
</tbody>
</table>

* Following the retrospective application as from 1/1/2013 of emended IAS 19, comparative figures for the year 2012 in financial statements, whereas necessary, have been restated in accordance with IAS 1.