

GEFRAN GROUP
INTERIM FINANCIAL STATEMENTS
TO 31 MARCH 2015

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1. CORPORATE BODIES

Board of Directors

Chairman and Chief Executive Officer	Ennio Franceschetti
Chief Executive Officer	Maria Chiara Franceschetti
Vice-chairman	Romano Gallus
Director	Marco Mario Agliati (*)
Director	Andrea Franceschetti
Director	Giovanna Franceschetti
Director	Daniele Piccolo (*)
Director	Monica Vecchiati (*)
Director	Cesare Giovanni Vecchio (*)

Board of Statutory Auditors

Chairman	Marco Gregorini
Standing auditor	Primo Ceppellini
Standing auditor	Alessandra Zunino de Pignier
Deputy auditor	Guido Ballerio
Deputy auditor	Rossella Rinaldi

Internal Control Committee

- Marco Mario Agliati
- Monica Vecchiati
- Cesare Giovanni Vecchio

Remuneration Committee

- Romano Gallus
- Daniele Piccolo
- Cesare Giovanni Vecchio

External auditor

BDO S.p.A.

On 26 April 2007, the ordinary shareholders' meeting of Gefran S.p.A. engaged auditing firm BDO S.p.A. to audit the separate annual and interim financial statements of Gefran S.p.A., as well as the consolidated annual and interim financial statements of the Gefran Group for a period of nine years until the approval of the financial statements for 2015, in accordance with Legislative Decree 39/2010.

(*) independent directors pursuant to the Consolidated Law on Finance (TUF) and the Code of Conduct

2. ALTERNATIVE PERFORMANCE INDICATORS

In addition to the conventional financial tables and indicators required under IFRS, this document includes restated tables and alternative performance indicators. These are intended to allow a better assessment of the Group's economic and financial management. However, these tables and indicators must not be considered as a substitute for those required under IFRS.

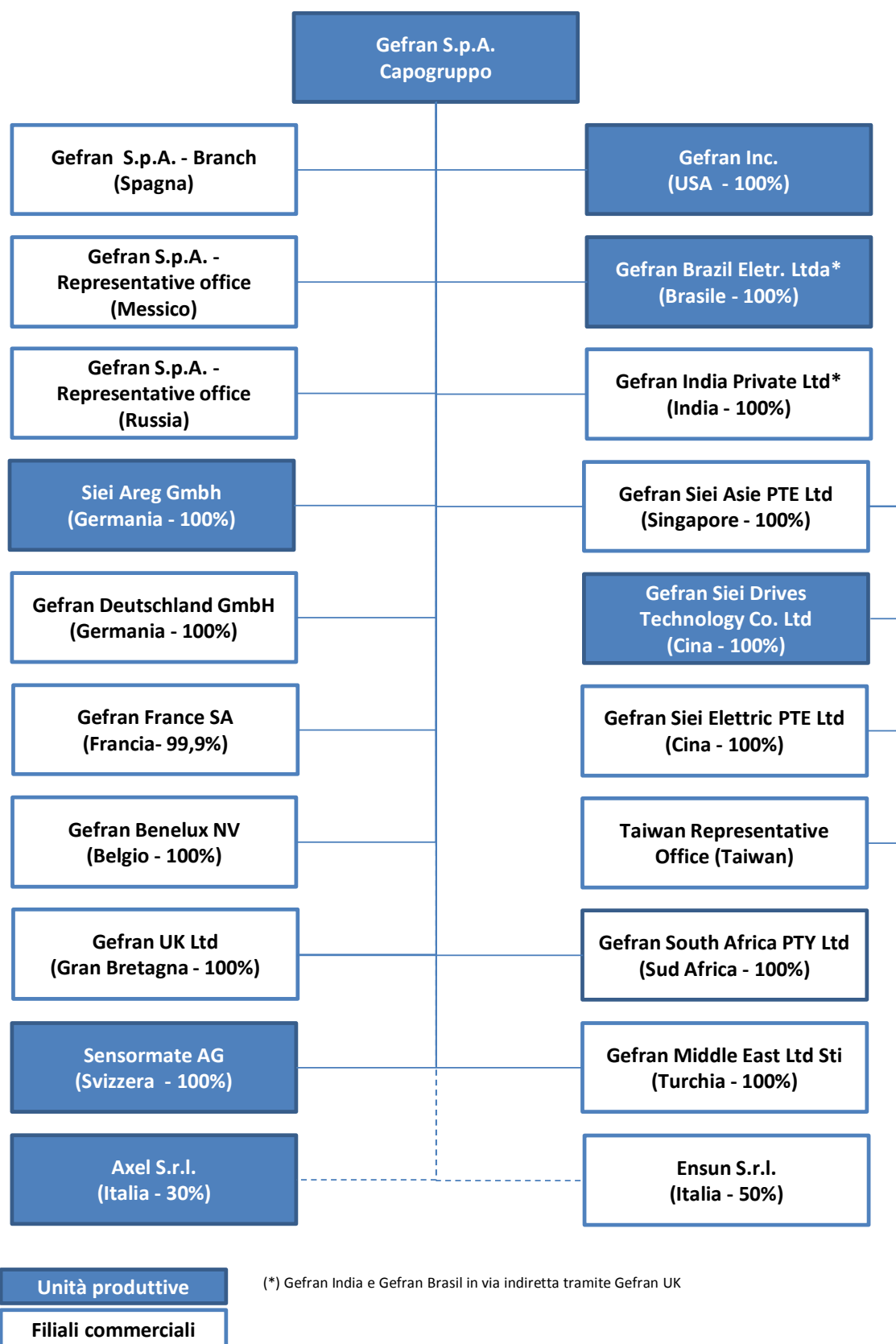
Specifically, the alternative indicators used in the notes to the income statement are:

- **Added value:** the direct margin resulting from revenues, including only direct material, gross of other production costs, such as personnel costs, services and other sundry costs;
- **EBITDA:** operating result before depreciation, amortisation and write-downs. The purpose of this indicator is to present the Group's operating profitability before the main non-monetary items;
- **EBIT:** operating result before financial operations and taxes. The purpose of this indicator is to present the Group's operating profitability.

Alternative indicators used in the notes to the statement of financial position are:

- **Net non-current assets:** the algebraic sum of the following items in the statement of financial position:
 - Goodwill
 - Intangible assets
 - Property, plant, machinery and tools
 - Shareholdings valued at equity
 - Equity investments in other companies
 - Receivables and other non-current assets
 - Deferred tax assets
- **Operating capital:** the algebraic sum of the following items in the statement of financial position
 - Inventories
 - Trade receivables
 - Trade payables
 - Other assets
 - Tax receivables
 - Current provisions
 - Tax payables
 - Other liabilities
- **Net invested capital:** the algebraic sum of fixed assets, operating capital and provisions;
- **Net debt (financial position):** the algebraic sum of the following items:
 - Medium- to long-term financial payables
 - Short-term financial payables
 - Financial liabilities for derivatives
 - Financial assets for derivatives
 - Cash and cash equivalents and short-term financial receivables

3. STRUCTURE OF THE GEFRAN GROUP



4. SUMMARY OF GROUP PERFORMANCE

The first quarter of 2015 closed with revenues of EUR 30,309 thousand, an increase of 2.4% compared with the same period of 2014.

Looking at revenues by geographical region, the European Union and North America put in good performances, mainly driven by growth in Germany and the US. Italy registered a decline of 5.6% compared with March 2014, chiefly owing to the contraction in sales of drives. Revenues in other strategic areas remained broadly positive and in line with expectations.

Group added value grew by 7% compared with the first quarter of 7%, thanks to both higher volumes and the improvement in the mix of products sold; the EBITDA margin was 6.1%, while the EBIT margin came in at 0.8%. EBIT was EUR 253 thousand.

In the first quarter of 2015, activities relating to the spin-off of the systems area from Gefran S.p.A. continued, and were concluded at the beginning of April 2015, with the establishment of Gefran Soluzioni S.r.l.. The new company, which operates independently from the rest of the Group, will focus on the systems integrator market, managing customers with a greater level of service and post-sales support, while maintaining application know-how within the Gefran Group.

Finally, in the first quarter of 2015, the Group invested EUR 1,322 thousand (EUR 1,269 thousand in the same period of 2014) in tangible and intangible assets.

5. KEY CONSOLIDATED INCOME STATEMENT AND STATEMENT OF FINANCIAL POSITION FIGURES

Group income statement highlights

(EUR /000)	1Q 2015		1Q 2014	
Revenues	30,309	100.0%	29,596	100.0%
EBITDA	1,854	6.1%	2,352	7.9%
EBIT	253	0.8%	689	2.3%
Profit (loss) before tax	1,434	4.7%	271	0.9%
Result from operating activities	1,205	4.0%	(615)	-2.1%
Profit (loss) from assets held for sale	(141)	-0.5%	(669)	-2.3%
Group net profit (loss)	1,064	3.5%	(1,284)	-4.3%

Group statement of financial position highlights

(EUR /000)	31 March 2015	31 Dec 2014
Net invested capital	99,371	90,471
Net working capital	48,533	43,494
Shareholders' equity	70,905	65,980
Net financial position	(31,439)	(27,605)

(EUR /000)	31 March 2015	31 March 2014
Operating cash flow	(6,647)	(6,725)
Investments	1,322	1,269

6. GROUP BUSINESS PERFORMANCE IN THE FIRST QUARTER OF 2015

(EUR /000)	1Q 2015			1Q 2014			Chg 2015/14	
	Excl. non-rec.	Incl. non-rec.	Fin al	Excl. non-rec.	Incl. non-rec.	Fin al	Excl. non-rec. Value	%
a Revenues	30,309		30,309	29,266	(330)	29,596	1,043	3.6%
b Consumption of materials and products	9,810		9,810	10,436		10,436	(626)	-6.0%
c Added value (a-b)	20,499	0	20,499	18,830	(330)	19,160	1,669	8.9%
d Other operating costs	6,503		6,503	5,619		5,619	884	15.7%
e Personnel costs	12,645		12,645	11,737		11,737	908	7.7%
f Increases for internal work	503		503	548		548	(45)	-8.2%
g EBITDA (c-d-e+f)	1,854	0	1,854	2,021	(330)	2,351	(167)	-8.3%
h Depreciation, amortisation and impairments	1,601		1,601	1,663		1,663	(62)	-3.7%
i EBIT (g-h)	253	0	253	358	(330)	688	(105)	-29.4%
l Gains (losses) from financial assets/liabilities	1,175		1,175	(399)		(399)	1,574	-394.5%
m Gains (losses) from shareholdings value at equity	6		6	(19)		(19)	25	-131.6%
n Profit (loss) before tax (i+l+m)	1,434	0	1,434	(60)	(330)	270	1,494	-2505.4%
o Taxes	(229)		(229)	(886)		(886)	657	-74.2%
p Result from operating activities (n+o)	1,205	0	1,205	(946)	(330)	(616)	2,151	-227.4%
q Profit (loss) from assets held for sale	(141)		(141)	(669)		(669)	528	-78.9%
r Group net profit (loss) (p+q)	1,064	0	1,064	(1,615)	(330)	(1,285)	2,679	-165.9%

For the first quarter of 2015, **revenues** were EUR 30,309 thousand, an increase of EUR 713 thousand on the same period of 2014 (+2.4%), mainly thanks to growth registered in the US and the European Union.

New orders in the first quarter totalled EUR 30,458 thousand, compared with EUR 34,104 thousand in the first quarter of 2014. This contraction was mainly due to the performance of the Chinese subsidiary, for which orders are coming in more slowly than expected, especially for motion products.

The table below shows a breakdown of revenues by geographical region:

(EUR /000)	2015	%	2014	%	Chg 2015-2014	
					value	%
Italy	8,627	28.5%	9,134	30.6%	(507)	-5.6%
European Union	8,163	26.9%	7,595	25.5%	568	7.5%
Europe non-EU	877	2.9%	1,294	4.3%	(417)	-32.2%
North America	3,243	10.7%	2,567	8.6%	676	26.3%
South America	1,212	4.0%	1,162	3.9%	50	4.3%
Asia	7,384	24.4%	7,344	24.6%	40	0.5%
Rest of the World	803	2.6%	730	2.4%	73	10.0%
Total	30,309	100%	29,826	100%	483	0

The breakdown by **geographical region** shows significant growth in North America (+26.3% versus the same period of 2014) and the European Union (+7.5%). Devaluation of the Euro currency affected some of the revenues results achieved in the quarter, in particular we point out that the growth in Euro currency achieved by the Chinese subsidiary in the first quarter is entirely due to the EUR / CNY performance, without which revenues would have dropped by more than 6%.

On the Italian market, the quarter closed with a decrease of EUR 507 thousand (-5.6%) compared with the same period of 2014, but in line with the internal targets, that provide a progressive growth in sales, mainly from the second half of the year.

The table below summarises the results by business area in the first quarter of 2015 and shows a comparison with the same period of the previous year:

	2015					2014				
	Revenue s	EBITDA	% of revenue s	EBIT	% of revenue es	Revenue s	EBITDA	% of revenue s	EBIT	% of revenue es
(EUR /000)										
Sensors	12,600	3,032	24.1%	2,504	19.9%	11,024	2,548	23.1%	2,044	18.5%
Automation components	8,255	98	1.2%	(441)	-5.3%	7,973	327	4.1%	(126)	-1.6%
Drives	10,382	(1,276)	-12.3%	(1,810)	-17.4%	11,635	(523)	-4.5%	(1,229)	-10.6%
Eliminations	(928)					(1,036)				
Total	30,309	1,854	6.1%	253	0.8%	29,596	2,352	7.9%	689	2.3%

The breakdown of **revenues by business area** shows an increase in sensors and automation components, and a decline for the drives business. For sensors, the increase of EUR 1,576 thousand (+14.3%) was mainly driven by the positive performance of the melt and Sensormate force transducer product families, as well as growth for the pressure product family. The automation components business also registered growth in revenues in the quarter, of EUR 282 thousand, particularly in the programmable automation product family. Finally, the drives business registered a decline of EUR 1,253 thousand (EUR 923 thousand stripping out the government funds awarded to the Chinese subsidiary in the first quarter of 2014, equal to EUR 330 thousand).

Added value was EUR 20,499 thousand (67.6% of revenues) in the first quarter, an increase compared with the first quarter of 2014, both in absolute terms (EUR 1,339 thousand) and as a percentage of revenues (growth of 2.9%). Growth in revenues had an impact on added value of EUR 482 thousand, while the improvement in margins was EUR 857 thousand.

Other operating costs came in at EUR 6,503 thousand for the quarter (EUR 5,619 thousand in the same period of 2014), an increase of EUR 884 thousand compared with the first quarter of 2014, mainly owing to rises in North America and Europe.

Personnel costs were EUR 12,645 thousand in the first quarter of 2015, compared with EUR 11,737 thousand in the same period of 2014; they reflect the additional cost resulting from investment in human resources aimed at promoting growth in strategic geographical regions, including India, Brazil and Turkey, as well as the strengthening of the US dollar and the Chinese renminbi against the euro, which impacted the conversion of the financial statements of the Chinese and US subsidiaries, which had an impact of EUR 303,000 on the total growth of EUR 908 thousand.

EBITDA came in at EUR 1,854 thousand in the first quarter (EUR 2,352 thousand in the first quarter of 2014), with the EBITDA margin at 6.1% (7.9% in 2014), a fall of EUR 498 thousand from the same period last year.

Stripping out non-recurring components, positive in the amount of EUR 330 thousand in 2014, EBITDA was EUR 168 thousand lower than in the previous year.

EBIT was positive at EUR 253 thousand in the first quarter of 2015, compared with EUR 689 thousand in the same period of 2014. The reasons behind the EBIT performance are similar to those relating to EBITDA.

Stripping out non-recurring components, positive in the amount of EUR 330 thousand in 2014, EBIT was EUR 168 thousand lower than in the previous year; the increase in value added is partly offset by higher operating costs and labor costs, as a result of investments in operating structures to support the expected growth in volumes.

Net financial income was EUR 1,175 thousand for the first quarter of 2015, compared with net charges of EUR 399 thousand in the first quarter of 2014. The figure incorporates gains from currency transactions of EUR 1,610 thousand (negative at EUR 31 thousand in 2014), financial income of EUR 41 thousand, and the effect of the write-down of the shareholding in Inn. Tec S.r.l. for EUR 118 thousand.

Gains from **equity investments valued at equity** were positive at EUR 6 thousand (negative in the amount of EUR 19 thousand in the first quarter of 2014), and mainly relate to the pro-rata result of subsidiary Ensun S.r.l..

Taxes were negative in the amount of EUR 229 thousand in the first quarter of 2015, compared with EUR 886 thousand in the same period of the previous year. They comprise negative current taxes of EUR 278 thousand (EUR 463 thousand in the first quarter of 2014), and positive deferred taxes amounting to EUR 49 thousand (negative in the amount of EUR 423 thousand in the first quarter of 2014).

Current taxes are reduced in the quarter primarily due to the introduction, in the 2015 stability law, of the possibility to fully deduct the cost of employees hired with permanent contracts from IRAP.

Changes in deferred taxes during the quarter originated from the reversal of deferred tax assets booked by the Parent Company Gefran S.p.A. in previous years.

The **result from operating activities** in the first quarter of 2015 was positive in the amount of EUR 1,205 thousand, compared with a negative figure of EUR 615 thousand in the first quarter of 2014.

The **result from assets held for sale** in the first quarter of 2015 was however negative at EUR 141 thousand, compared with a negative result of EUR 669 thousand in the same period of the previous year. The item includes the net result from operations in the photovoltaic sector, after these were restated at the end of 2014 in accordance with IFRS 5, following the directors' decision to sell the business.

Group net profit was EUR 1,064 thousand, compared with a loss of EUR 1,284 thousand in the same period of 2014.

7. RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2015

The reclassified consolidated statement of financial position of the Gefran Group at 31 March 2015 is shown below.

	31 March 2015	%	31 Dec 2014	%
(EUR /000)				
Intangible assets	15,226	14.9	14,690	15.7
Tangible assets	41,213	40.3	40,997	43.8
Financial assets	9,416	9.2	9,213	9.8
Net fixed assets	65,855	64.3	64,900	69.3
Inventories	23,569	23.0	19,104	20.4
Trade receivables	45,840	44.8	42,232	45.1
Trade payables	(20,876)	(20.4)	(17,842)	(19.1)
Other assets/liabilities	(6,630)	(6.5)	(9,485)	(10.1)
Operating capital	41,903	40.9	34,009	36.3
Provisions for risks and future liabilities	(2,231)	(2.2)	(2,067)	(2.2)
Deferred tax provisions	(853)	(0.8)	(760)	(0.8)
Employee benefits	(5,303)	(5.2)	(5,611)	(6.0)
Invested capital from operations	99,371	97.1	90,471	96.7
Invested capital from assets held for sale	2,973	2.9	3,114	3.3
Net invested capital	102,344	100.0	93,585	100.0
Shareholders' equity	70,905	69.3	65,980	70.5
Medium- to long-term financial payables	26,920	26.3	25,959	27.7
Short-term financial payables	25,275	24.7	22,061	23.6
Financial liabilities for derivatives	275	0.3	343	0.4
Financial assets for derivatives	(18)	(0.0)	(26)	(0.0)
Cash and cash equivalents and short-term financial receivables	(21,013)	(20.5)	(20,732)	(22.2)
Net debt relating to operations	31,439	30.7	27,605	29.5
Total sources of financing	102,344	100.0	93,585	100.0

Net non-current assets at 31 March 2015 were EUR 65,855 thousand, compared with EUR 64,900 thousand at 31 December 2014. The increase of EUR 955 thousand was mainly due to investments in the quarter of EUR 1,322 thousand, the EUR 1,118 thousand contribution from exchange rates, and the increase in deferred tax assets of EUR 116 thousand, offset by depreciation and amortisation for the period of EUR 1,601 thousand.

Operating capital at 31 March 2015 was EUR 41,903 thousand, compared with EUR 34,009 thousand at 31 December 2014, an overall increase of EUR 7,894 thousand owing to the combined effect of the increases in inventories (EUR 4,465 thousand) and trade receivables (EUR 3,608 thousand), partially offset by higher trade payables of EUR 3,034 thousand. Other assets and liabilities increased by EUR 2,855 thousand.

The main increases in operating capital were recorded in the Chinese, US and Indian subsidiaries, driven by both growth in volumes and the strong revaluation of the respective currencies against the euro; the overall Euro performance generated an increase in working capital amounting to EUR 2,172 million.

Net invested capital was EUR 102,344 thousand at 31 March 2015, an increase of EUR 8,759 thousand compared with 31 December 2014. This was mainly due to growth in operating capital, as set out above.

Shareholders' equity at 31 March 2015 amounted to EUR 70,905 million, up by EUR 4,925 million compared to 31 December 2014 due to the positive result for the quarter (EUR 1,064 million) and the dynamics of the translation reserve (positive at EUR 4,042 million), net of changes in other reserves (negative at EUR 181 thousand in total).

Net debt at 31 March 2015 was EUR 31,439 thousand, up by EUR 3,834 thousand from 31 December 2014.

It breaks down as follows:

	31/03/2015	31/12/2014	Change
<i>(EUR /000)</i>			
Cash and cash equivalents	21,013	20,732	281
Current financial payables	(25,275)	(22,061)	(3,214)
Financial liabilities for derivatives	(275)	(343)	68
Financial assets for derivatives	18	26	(8)
(Debt)/short-term cash and cash equivalents	(4,519)	(1,646)	(2,873)
Non-current bank debt	(26,920)	(25,959)	(961)
(Debt)/medium-/long-term cash and cash equivalents	(26,920)	(25,959)	(961)
Net financial position	(31,439)	(27,605)	(3,834)

Net debt comprises short-term debt of EUR 4,519 thousand and medium-/long-term debt of EUR 26,920 thousand. Debt of EUR 3,129 thousand has been repaid in 2015, and new medium-/long-term loans have been taken out in the amount of EUR 4,000 thousand.

The change in net debt was mainly due to negative cash flows from ordinary operations (EUR 2,512 thousand) and from technical investments (EUR 1,322 thousand).

8. CONSOLIDATED CASH FLOW STATEMENT

The consolidated cash flow statement of the Gefran Group at 31 March 2015 is shown below.

(EUR /000)	31 Mar 2015	31 Mar 2014
A) CASH AND CASH EQUIVALENTS AT THE START OF THE PERIOD	20,732	25,040
B) CASH FLOW GENERATED BY (USED IN) OPERATIONS IN THE PERIOD:	(6,647)	(6,725)
C) CASH FLOW GENERATED BY (USED IN) INVESTMENT ACTIVITIES	(1,310)	(1,245)
D) FREE CASH FLOW (B+C)	(7,957)	(7,970)
E) CASH FLOW GENERATED BY (USED IN) FINANCING ACTIVITIES	7,341	(179)
F) CASH FLOW FROM CONTINUING OPERATIONS (D+E)	(616)	(8,149)
G) CASH FLOW FROM OPERATING ASSETS HELD FOR SALE	0	(941)
H) Exchange translation differences on cash at hand	897	(158)
I) NET CHANGE IN CASH AT HAND (F+G+H)	281	(9,248)
J) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+I)	21,013	15,792

Free cash flow (operating cash flow net of financing activities) was negative in the first quarter of 2015 in the amount of EUR 7,957 thousand, broadly in line with the figure for the first quarter of 2014 (EUR 7,970 thousand).

Cash flow generated by operations was negative in the amount of EUR 6,647 thousand in the period; specifically, operations in the first quarter of 2015, net of the inflow of provisions, amortisation and depreciation and financial items, generated cash of EUR 1,247 thousand, while the increase in operating capital in the same period generated negative cash flow of EUR 7,819 thousand, owing to the combined effect of the increase in trade receivables of EUR 3,608 thousand, higher inventories of EUR 4,465 thousand and higher other net assets and liabilities of EUR 2,855 thousand, only partially offset by growth in trade payables of EUR 3,034 thousand.

Investments totalled EUR 1,322 thousand net of divestments, and relate entirely to technical investments.

Over 2015, the Group took out new medium-/long-term loans of EUR 4,000 thousand; in the same period, it repaid portions of existing loans totalling EUR 3,129 thousand.

9. INVESTMENTS

Gross technical **investments** made in the first quarter of 2015 amounted to EUR 1,322 thousand, versus EUR 1,269 thousand to 31 March 2014, and related to:

- investment in production plant and equipment of EUR 487 thousand in the Group's Italian plants, and of EUR 69 thousand in the Group's other subsidiaries;
- the capitalisation of costs incurred in the period for new product development, totalling EUR 470 thousand;
- other investments in intangible assets, relating to management software licences and the development of ERP SAP, of EUR 296 thousand.

(EUR /000)	At 31/03/2015	At 31/03/2014
Intangible assets	766	710
Tangible assets	556	559
Total	1,322	1,269

Investments are broken down by individual business area below.

(EUR /000)	Sensors	Members	Drives	Total
Intangible assets	177	208	381	766
Tangible assets	377	64	115	556
Total	554	272	496	1,322

10. RESULTS BY BUSINESS AREA

The following sections comment on the performance of the individual business areas.

To ensure a correct interpretation of figures relating to individual activities, it should be noted that:

- the business represents the sum of revenues and related costs both of the Parent Company Gefran S.p.A. and Group subsidiaries;
- the figures for each business are provided gross of internal trade between different businesses;
- corporate structure costs, which pertain to Gefran S.p.A., are fully allocated to the businesses, where possible, and quantified according to actual use; they are otherwise divided according to economic-technical criteria.

10.1) SENSORS

Summary results

The key figures are summarised in the table below.

(EUR /000)	2015	2014	chg. '15 - '14 value	%
Revenues	12,600	11,024	1,576	14.3%
EBITDA	3,032	2,548	484	19.0%
% of revenues	24.1%	23.1%		
EBIT	2,504	2,044	460	22.5%
% of revenues	19.9%	18.5%		

The breakdown of sensor business revenues by geographical region is as follows:

	Italy	Europe	America	Asia	Rest of World
Revenues (€/000,000)	2.6	4.9	2.4	2.7	-
% of total	21%	39%	19%	21%	0%

Business performance

Revenues for the business totalled EUR 12,600 thousand to 31 March 2015, an increase of 14.3% versus 31 March 2014.

Growth in revenues versus the first quarter of the previous year was EUR 1,576 thousand: the positive trend was confirmed in all product families, but sales of melt, Sensormate force transducer and pressure products increased in particular, thanks to the consolidation of the range and the launch of new products on the market.

By sales region, Asia (+13.1%), the US (+40.9%), India (+87.2%), the EU (+18.2%) and Italy (+5.9%) all registered significant growth.

Revenues were positively affected by exchange rate fluctuations (primarily the US Dollar, Indian Rupee and the Chinese Renminbi) which has a total impact on the business of EUR 575,000 compared to 31 March 2014.

EBITDA at 31 March 2015 was EUR 3,032 thousand, an improvement of EUR 484 thousand compared with the same period of the previous year (EUR 2,548 thousand); growth in the margin was due to the consistent increase in revenues and the improvement in added value, thanks to the optimisation of production efficiency, despite higher business management costs to strengthen the structure.

EBIT at 31 March 2015 was EUR 2,504 thousand, with the EBIT margin at 19.9%, compared with EUR 2,044 thousand (margin at 18.5%) in 2014.

New orders totalled EUR 12,778 thousand at 31 March 2015, up from EUR 10,862 thousand in the same period of 2014, while the 2015 backlog is slightly lower than that 31 March 2014 (-1.4%).

Investments

The Group invested EUR 554 thousand in the sensors business in the quarter to 31 March 2015, which breaks down as EUR 177 thousand in intangible assets, and EUR 377 thousand in tangible assets.

Investment in intangible assets relates to research & development activities, and the allocation to the business of development costs for the new sales force management programme and ERP SAP.

The bulk of investments in tangible assets were made in the Parent Company (EUR 343 thousand), and related in particular to adjustments to workshop equipment, the upgrading of certain current production lines, and the development of new production lines.

10.2) AUTOMATION COMPONENTS

Summary results

The key figures are summarised in the table below.

(EUR /000)	2015	2014	chg. '15 - '14 value	%
Revenues	8,255	7,973	282	3.5%
EBITDA	98	327	(229)	-70.0%
% of revenues	1.2%	4.1%		
EBIT	(441)	(126)	(315)	250.0%
% of revenues	-5.3%	-1.6%		

The breakdown of components business revenues by geographical region is as follows:

	Italy	Europe	America	Asia	Rest of World
Revenues (€/000,000)	4.1	2.4	1.0	0.8	-
% of total	49%	29%	12%	10%	0%

Business performance

Revenues totalled EUR 8,255 thousand at 31 March 2015, an increase of EUR 282 thousand (3.5%) versus the same period of 2014.

Concerning market revenues by product family, programmable automation (+16.8%), power control (+12%) and instruments (+3.4%) products all registered growth. The solutions product family recorded a decline of 17.9%, however.

The breakdown by geographical region shows sales growth in the EU, where Germany and Benelux registered growth of 6.1% and 3.2% respectively; sales also increased on the North American market (+32.2%), in Brazil (+14.2%) and in Asia (+79.5%). Sales in Italy fell by 6.9% versus the same period of last year, mainly owing to the decline in sales on the market of the solutions product range, which are made in Italy and experienced the same trend as explained under the results by geographical region section.

Revenues were positively impacted by changes in exchange rates, particularly the US dollar and the Chinese renminbi, which enhances the value of sales in March 2015 of EUR 179 thousand compared to March 2014.

EBITDA was positive at EUR 98 thousand at 31 March 2015, a decrease of EUR 229 thousand from the same period of 2014.

EBIT was negative at EUR 441 thousand (-5.3% of revenues), down by EUR 315 thousand on the same period of 2014 because, despite growth in revenues, added value declined, mainly owing to the different mix of products sold and increase in raw materials costs which linked to the EUR/USD trend. Management costs were also higher, owing to increases in both labour costs and operating costs.

New orders totalled EUR 8,120 thousand at 31 March 2015, versus EUR 7,133 thousand at 31 March 2014. The backlog was EUR 2,870 thousand, compared with EUR 2,962 thousand at 31 March 2014.

Investments

Investments totalled EUR 272 thousand in 2015, divided between intangible assets (EUR 208 thousand) and tangible assets (EUR 64 thousand).

Investments in tangible assets in the business were mainly focused on the Italian site in Provaglio d'Iseo (EUR 52 thousand), with a significant portion allocated to equipment to be used in the production of the new range of regulators.

As regards investments in intangible assets during the period, development costs of EUR 136 thousand were capitalised in relation to new automation platforms and the new range of regulators, while development costs for ERP SAP and the new sales force management programme were allocated to the business, for a total amount of EUR 42 thousand.

10.3) DRIVES

Summary results

The key figures are summarised in the table below.

(EUR /000)	2015	2014	chg. '15 - '14 value	%
Revenues	10,382	11,635	(1,253)	-10.8%
EBITDA	(1,276)	(523)	(753)	144.0%
% of revenues	-12.3%	-4.5%		
EBIT	(1,810)	(1,229)	(581)	47.3%
% of revenues	-17.4%	-10.6%		

The breakdown of revenues by geographical region is as follows:

	Italy	Europe	America	Asia	Rest of World
Revenues (€/000,000)	2.8	2.7	1.1	3.8	-
% of total	27%	26%	11%	37%	0%

Business performance

Revenues totalled EUR 10,382 thousand at 31 March 2015, down by EUR 1,253 thousand in the same period of 2014 (-10.8%). Revenues last year also included non-recurring amounts of EUR 330 thousand relating to government funds awarded to the Chinese subsidiary in respect of incentives for research and development granted to technology companies. Excluding non-recurring revenues, revenues fell by EUR 923 thousand (-7.9%).

Revenues in the drives business were down by EUR 1,253 thousand versus the same period of 2014; particularly on the Italian and German market, due to orders shifting from the first to the second quarter, and on the Asian market, due to a slowdown in the lift market.

EBITDA was negative at EUR 1,276 thousand in the quarter ending 31 March 2015, a decrease of EUR 753 thousand versus last year. Stripping out non-recurring revenues, EBITDA in the first quarter of 2015 was EUR 423 thousand than in the first quarter of 2014. This reduction was due to the lower margin following lower revenues from products sold and the non-recurring revenues mentioned above.

In the first quarter of 2015, the Group recorded an EBIT loss of EUR 1,810 thousand, compared with a loss of EUR 1,229 thousand in the same period of 2014. Stripping out the non-recurring revenues of 2014, the EBIT figure declined by EUR 251 thousand.

New orders totalled EUR 9,463 thousand at 31 March 2015, versus EUR 15,943 thousand in the first quarter of 2014. The decrease was mainly due to the delay in the launch of new lift products on the Asian market. The order backlog at 31 March 2015 was EUR 7,444 thousand, lower than the figure of EUR 14,070 thousand at the end of the first quarter of 2014.

Investments

Investments totalled EUR 496 thousand in the first quarter of 2015, divided between technical investments of EUR 115 thousand and investments in intangible assets of EUR 381 thousand.

Technical investments mainly related to the production of new moulds and the purchase of production equipment for the Gerenzano and Shanghai plants, while increases in intangible assets concerned the allocation to the business of development costs for ERP SAP and the new sales force management programme, as well as the capitalisation of development costs of EUR 213 thousand relating to new products for the industrial sector.

11. HUMAN RESOURCES

At 31 March 2015, Group headcount was 863, 31 less than the figure of 894 at 31 March 2014 due to restructuring that took place in the parent Company in 2014; the headcount included 11 staff with a fixed-term contract, to replace temporarily absent staff or to undertake projects.

The change in headcount over the year was marked by an overall turnover rate within the Group of 8%, which breaks down as follows:

- 49 people joined the Group, including 23 manual workers and 26 clerical staff;
- 34 people left the Group, including 19 manual workers and 15 clerical staff.

12. SIGNIFICANT EVENTS IN THE FIRST QUARTER OF 2015

On 17 February 2015, the Gefran S.p.A. Board of Directors gave its final approval to the spin-off from Gefran S.p.A. of the activities of the systems area, forming a new wholly-owned subsidiary.

The newly-formed company, Gefran Soluzioni S.r.l., currently has 29 employees, and is autonomous in terms of research and development, sales and operations. It designs and manufactures automation panels, and provides support and spare parts to customers.

The operation was borne from the need to implement a competitive operational/organisational model on the systems Integrators market, where the principles underlying orders are very different from those related to the Company's other business lines. The focus will enable customers to be provided with higher levels of service and post-sales support, while maintaining application know-how within the Gefran Group.

13. SIGNIFICANT EVENTS SINCE THE END OF THE FIRST QUARTER OF 2015

- On 1 April 2015, Gefran S.p.A. conferred the division in Provaglio d'Iseo to the newly-formed Gefran Soluzioni S.r.l., owned by the same and active in the production of systems and industrial automation panels. The transfer included goods, assets and liabilities, for a net asset value of EUR 1,002 thousand.
- On 29 April 2015, the ordinary shareholders' meeting of Gefran S.p.A. voted to:
 - approve the 2014 financial statements and cover the loss for the year of EUR 224 thousand through the use of available reserves;

- appoint the following as members of the Board of Statutory Auditors for the three-year period 2015–2017: Marco Gregorini, Alessandra Zunino de Pignier and Primo Ceppellini, with Guido Ballerio and Rossella Rinaldi as deputy auditors;
- authorise the Board of Directors to purchase up to a maximum of 1,440,000 own shares for a period of 18 months from the date of the shareholders' meeting.
- The shareholders also expressed a favourable opinion of the general Group remuneration policy adopted by Gefran, pursuant to article 123-ter of the TUF.

14. OUTLOOK

The first quarter of 2015 saw a clear upturn in the US economy. The short- to medium-term outlook for the global economy remains uncertain, however, owing to the ongoing weakness in the eurozone, the continued slowdown in China and the sudden deceleration in Russia.

In Italy, consumer spending has started to grow again at a limited rate, in line with disposable income, supported by the measures adopted by the government. Its contribution to economic growth has been offset by the decline in investment, dampened by the ample unused capacity, the highly uncertain outlook regarding demand and difficulties in the construction sector.

Bank of Italy projections point to modest growth for the Italian economy in 2015, and more sustained growth next year: around 0.4% and 1.2% respectively. Overall, economic activity is likely to be sustained by the expansionary monetary policy, also reflected by the depreciation of the euro. Risks for the economy may result from the heightening of tensions on the international financial markets, the worsening of the political situation in Greece and the crisis in Russia, as well as the weakening of emerging economies.

In this environment, the Gefran Group confirms the performance expected on the domestic market for the first quarter, in which the Company was also busy in preparing for three international trade fairs taking place in May: Plast, SPS and Ipakima, important events in the worlds of plastics, packaging and automation respectively, and which represent a key factor supporting growth for the whole year.

The signs are positive at a European level, and allow for cautious optimism in the next few months, while growth in the North America and India/Gulf regions is expected to be significant.

The Group's order backlog at the end of March was lower than for the same period last year, mainly owing to orders received by the Chinese subsidiary, which have been slower than expected.

In the next few months, we expect to see an upturn in orders, making up for the delay incurred also thanks to the establishment in the last six months of two new motion product lines for the Chinese market and dedicated to Gefran's core applications: lifts and plastics.

In the absence, therefore, of events that cannot currently be forecast, revenues are expected to grow by around 10% in 2015 compared with last year, and the EBITDA margin is seen at around 10%.

15. DEALINGS WITH RELATED PARTIES

From the analysis of the transactions concluded with related parties, please see note 14 of the notes to the accounts.

CONSOLIDATED FINANCIAL STATEMENTS

16. STATEMENT OF PROFIT/(LOSS) FOR THE YEAR

GEFRAN GROUP		at 31 March	
(EUR /000)	note	2015	2014
Revenues from product sales		30,204	29,205
Other operating revenues and income		105	391
TOTAL REVENUES		30,309	29,596
Change in inventories		3,455	1,014
Costs of raw materials and accessories		(13,265)	(11,450)
Service costs		(5,983)	(5,284)
Miscellaneous management costs		(216)	(201)
Other operating income		(22)	0
Personnel costs		(12,645)	(11,737)
Increases for internal work		503	548
Impairment of trade and other receivables		(282)	(134)
Amortisation		(557)	(589)
Depreciation		(1,044)	(1,074)
EBIT		253	689
Gains from financial assets		2,725	242
Losses from financial liabilities		(1,550)	(641)
Losses (gains) from shareholdings value at equity		6	(19)
PROFIT (LOSS) BEFORE TAX		1,434	271
Current taxes		(278)	(463)
Deferred taxes		49	(423)
TOTAL TAXES		(229)	(886)
PROFIT (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS		1,205	(615)
Net profit (loss) from assets held for sale		(141)	(669)
NET PROFIT (LOSS) FOR THE PERIOD		1,064	(1,284)
Attributable to:			
Group		1,064	(1,284)
Third parties		0	0

17. STATEMENT OF PROFIT/(LOSS) FOR THE YEAR AND OTHER ITEMS OF COMPREHENSIVE INCOME

		at 31 March	
(Euro)	note	2015	2014
NET PROFIT (LOSS) FOR THE PERIOD		1,064	(1,284)
Items that will or could subsequently be reclassified in the income statement for the year			
- conversion of foreign companies' financial statements		4,042	(458)
- equity investments in other companies		77	43
- fair value of cash flow hedging derivatives		60	(21)
Total changes, net of tax effect		4,179	(436)
Comprehensive result for the period		5,243	(1,720)

18. STATEMENT OF FINANCIAL POSITION

	31 March 2015	31 Dec 2014
<i>note</i>		
NON-CURRENT ASSETS		
Goodwill	6,073	5,814
Intangible assets	9,153	8,876
Property, plant, machinery and tools	41,213	40,997
Shareholdings values at equity	933	927
Equity investments in other companies	1,854	1,870
Receivables and other non-current assets	116	112
Deferred tax assets	6,513	6,304
TOTAL NON-CURRENT ASSETS	65,855	64,900
CURRENT ASSETS		
Inventories	23,569	19,104
Trade receivables	45,840	42,232
Other assets	3,177	2,688
Tax receivables	1,910	2,148
Cash and cash equivalents	21,013	20,732
Financial assets for derivatives	18	26
TOTAL CURRENT ASSETS	95,527	86,930
ASSETS HELD FOR SALE	2,973	3,114
TOTAL ASSETS	164,355	154,944
SHAREHOLDERS' EQUITY		
Share capital	14,400	14,400
Reserves	55,441	51,804
Profit/(loss) for the year	1,064	(224)
Total Group Shareholders' Equity	70,905	65,980
TOTAL SHAREHOLDERS' EQUITY	70,905	65,980
NON-CURRENT LIABILITIES		
Non-current financial payables	26,920	25,959
Employee benefits	5,303	5,611
Non-current provisions	708	664
Deferred tax provisions	853	760
TOTAL NON-CURRENT LIABILITIES	33,784	32,994
CURRENT LIABILITIES		
Current financial payables	25,275	22,061
Trade payables	20,876	17,842
Financial liabilities for derivatives	275	343
Current provisions	1,523	1,403
Tax payables	1,702	3,795
Other liabilities	10,015	10,526
TOTAL CURRENT LIABILITIES	59,666	55,970
TOTAL LIABILITIES	93,450	88,964
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	164,355	154,944

19. CONSOLIDATED CASH FLOW STATEMENT

(EUR /000)	note	31 Mar 2015	31 Mar 2014
A) CASH AND CASH EQUIVALENTS AT THE START OF THE PERIOD			
		20,732	25,040
B) CASH FLOW GENERATED BY (USED IN) OPERATIONS IN THE PERIOD:			
Net profit (loss) for the period		1,064	(1,284)
Depreciation/amortisation		1,601	1,663
Capital losses (gains) on the sale of non-current assets		23	4
Net result from financial operations		(1,181)	418
Change in provisions for risks and future liabilities		(144)	(930)
Change in other assets and liabilities		(2,855)	(1,095)
Change in deferred taxes		(116)	420
Change in trade receivables		(3,608)	(2,762)
Change in inventories		(4,465)	164
Change in trade payables		3,034	(3,323)
TOTAL		(6,647)	(6,725)
C) CASH FLOW GENERATED BY (USED IN) INVESTMENT ACTIVITIES			
Investments in:			
- Property, plant & equipment and intangible assets		(1,322)	(1,269)
- Equity investments and securities		0	0
- Acquisitions net of acquired cash		0	0
- Financial receivables		0	(1)
Disposal of non-current assets		12	25
TOTAL		(1,310)	(1,245)
D) FREE CASH FLOW (B+C)			
		(7,957)	(7,970)
E) CASH FLOW GENERATED BY (USED IN) FINANCING ACTIVITIES			
New financial payables		4,000	0
Repayment of financial payables		(3,129)	(2,765)
Increase (decrease) in current financial payables		4,859	3,441
Interest received (paid)		(380)	(639)
Change in shareholders' equity reserves		1,991	(216)
Dividends paid		0	0
TOTAL		7,341	(179)
F) CASH FLOW FROM CONTINUING OPERATIONS (D+E)			
		(616)	(8,149)
G) CASH FLOW FROM OPERATING ASSETS HELD FOR SALE			
		0	(941)
H) Exchange translation differences on cash at hand		897	(158)
I) NET CHANGE IN CASH AT HAND (F+G+H)			
		281	(9,248)
J) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+I)			
		21,013	15,792

20. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share capital	Capital reserves	Fair value measurement reserve	Consolidation reserve	Currency translation reserve	Other reserves	Retained profit / (loss)	Profit / (loss) for the year	Group Total shareholders' equity	Shareholders' equity of minority interests	Total shareholders' equity
(EUR /000)											
Balance at 1 January 2014	14,400	21,926	340	15,814	(739)	9,977	9,826	(8,486)	63,059	0	63,059
Destination of 2013 profit											
- Other reserves and provisions				(1,072)		(255)	(7,159)	8,486	0		0
- Dividends									0		0
Income/(expenses) recognised at equity			12	25		(549)			(512)		(512)
Change in translation reserve					3,729				3,729		3,729
Other changes						(72)			(72)		(72)
2014 profit								(224)	(224)		(224)
Balance at 31 December 2014	14,400	21,926	352	14,767	2,990	9,101	2,667	(224)	65,980	0	65,980
Destination of 2014 profit											
- Other reserves and provisions							(224)	224	0		0
- Dividends									0		0
Income/(expenses) recognised at equity			137						137		137
Change in translation reserve					4,042				4,042		4,042
Other changes				(289)		(29)			(318)		(318)
2015 profit								1,064	1,064		1,064
Balance at 31 December 2015	14,400	21,926	489	14,478	7,032	9,072	2,443	1,064	70,905	0	70,905

21. CONSOLIDATED INCOME STATEMENT PURSUANT TO CONSOB RESOLUTION 15519 OF 27 JULY 2006

(EUR /000)	at 31 December	
	2015	2014
Revenues from product sales	30,204	29,205
of which: non-recurring	0	330
of which: related parties	86	17
Other operating revenues and income	105	391
TOTAL REVENUES	30,309	29,596
Change in inventories	3,455	1,014
Costs of raw materials and accessories	(13,265)	(11,450)
Service costs	(5,983)	(5,284)
of which: related parties	(41)	(35)
Miscellaneous management costs	(216)	(201)
Other operating income	(22)	0
Personnel costs	(12,645)	(11,737)
Increases for internal work	503	548
Provisions	0	0
Impairment of trade and other receivables	(282)	(134)
Amortisation	(557)	(589)
Depreciation	(1,044)	(1,074)
EBIT	253	689
of which: non-recurring	0	330
Gains from financial assets	2,725	242
Losses from financial liabilities	(1,550)	(641)
Losses (gains) from shareholdings value at equity	6	(19)
PROFIT (LOSS) BEFORE TAX	1,434	271
of which: non-recurring	0	330
Current taxes	(278)	(463)
Deferred taxes	49	(423)
TOTAL TAXES	(229)	(886)
PROFIT (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	1,205	(615)
of which: non-recurring	0	330
Net profit (loss) from assets held for sale	(141)	(669)
NET PROFIT (LOSS) FOR THE PERIOD	1,064	(1,284)
of which: non-recurring	0	330
Attributable to:		
Group	1,064	(1,284)
Third parties	0	0

22. CONSOLIDATED STATEMENT OF FINANCIAL POSITION PURSUANT TO CONSOB RESOLUTION 15519 OF 27 JULY 2006

	31 March 2015	31 Dec 2014
NON-CURRENT ASSETS		
Goodwill	6,073	5,814
Intangible assets	9,153	8,876
<i>of which: related parties</i>	-	70
Property, plant, machinery and tools	41,213	40,997
<i>of which: related parties</i>	-	77
Shareholdings values at equity	933	927
Equity investments in other companies	1,854	1,870
Receivables and other non-current assets	116	112
Deferred tax assets	6,513	6,304
TOTAL NON-CURRENT ASSETS	65,855	64,900
CURRENT ASSETS		
Inventories	23,569	19,104
Trade receivables	45,840	42,232
<i>of which: related parties</i>	109	6
Other assets	3,177	2,688
Tax receivables	1,910	2,148
Cash and cash equivalents	21,013	20,732
Financial assets for derivatives	18	26
TOTAL CURRENT ASSETS	95,527	86,930
ASSETS HELD FOR SALE	2,973	3,114
TOTAL ASSETS	164,355	154,944
SHAREHOLDERS' EQUITY		
Share capital	14,400	14,400
Reserves	55,441	51,804
Profit/(loss) for the year	1,064	(224)
Total Group Shareholders' Equity	70,905	65,980
Shareholders' equity of minority interests	-	-
TOTAL SHAREHOLDERS' EQUITY	70,905	65,980
NON-CURRENT LIABILITIES		
Non-current financial payables	26,920	25,959
Employee benefits	5,303	5,611
Non-current provisions	708	664
Deferred tax provisions	853	760
TOTAL NON-CURRENT LIABILITIES	33,784	32,994
CURRENT LIABILITIES		
Current financial payables	25,275	22,061
Trade payables	20,876	17,842
<i>of which: related parties</i>	41	128
Financial liabilities for derivatives	275	343
Current provisions	1,523	1,403
Tax payables	1,702	3,795
Other liabilities	10,015	10,526
TOTAL CURRENT LIABILITIES	59,666	55,970
TOTAL LIABILITIES	93,450	88,964
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	164,355	154,944

NOTES TO THE ACCOUNTS

1. General information

Gefran S.p.A. is incorporated and located at via Sebina 74, Provaglio d'Iseo (BS).

On 14 May 2015, the financial statements for the Gefran Group to 31 March 2015 were approved by the Board of Directors, which authorised their publication.

2. Form and content

The Company prepared this document in accordance with the international accounting standards (IFRS) issued by the IASB and approved by the European Union pursuant to Regulation (EC) 1606/2002 of the European Parliament and Council of 19 July 2002, and in particular IAS 34 – Interim Financial Reporting.

In preparing these interim financial statements, the same accounting criteria were applied as in the preparation of the financial statements for the year ending 31 December 2014.

The interim financial statements for the quarter ending 31 March 2015 do not contain all the additional information required in the annual financial statements, and should be read in conjunction with the annual financial statements for the year ending 31 December 2014, prepared in accordance with IFRS.

These interim financial statements for the quarter ending 31 March 2015 are consolidated on the basis of the income statement and statement of financial position figures of Gefran S.p.A. and its subsidiaries relating to the first three months of 2015, prepared in accordance with international accounting standards. These accounting statements were prepared using valuation criteria in line with those of the Parent Company, or adjusted owing to consolidation.

Interim financial statements are not subject to an audit.

These consolidated financial statements are presented in euro, the Group's functional currency. Unless otherwise stated, all amounts are expressed in thousands of euro.

3. Consolidation policies and accounting methods

The valuation criteria adopted for the preparation of these interim financial statements to 31 March 2015 are the same as those adopted in preparing the annual financial statements for the year ending 31 December 2014.

In line with the requirements of documents 2 of 6 February 2009 and 4 of 3 March 2010, issued jointly by the Bank of Italy, Consob and ISVAP, note that the Gefran Group's interim financial statements were prepared on the assumption that the Group is a going concern.

With reference to Consob Communication DEM/11070007 of 5 August 2011, it is also noted that the Group does not hold in its portfolio any bonds issued by central or local governments or government agencies, and is therefore not exposed to risks generated by market fluctuations.

Significant transactions with related parties and non-recurring items have been detailed in separate schedules, as required by Consob resolution 15519 of 27 July 2006.

With reference to Consob communication 0003907 of 19 January 2015, reference is made in note 29 "Verification of impairment of goodwill and intangible assets with a finite life relating to R&D activities" to that reported in the annual financial statements for the year ending 31 December 2014.

For details on the seasonal nature of the Group's operations, please refer to the attached "Consolidated income statement: analysis by quarter."

4. Change in the scope of consolidation

The scope of consolidation at 31 March 2015 was unchanged versus that at 31 March 2014 and at 31 December 2014.

5. Operating assets held for sale (photovoltaic business)

In application of IFRS 5 - Non-current assets held for sale and discontinued operations, the income statement, statement of financial position and cash flow figures relating to the photovoltaic business for the years 2014 and 2013 were presented respectively under the items "Net profit (loss) from assets held for sale", "Assets held for sale" and "Cash flow from operating assets held for sale". The income statement, statement of financial position and cash flow statement originally published by the Gefran Group for the first quarter of 2014 have been restated to comply with the accounting standard mentioned above.

With regard to the remaining asset values, booked under "Assets held for sale" in the amount of EUR 2,973 thousand at 31 March 2015, the management considers these amounts to be fully recoverable.

The tables below show the statements of reconciliation of the income statement and cash flow statement to 31 March 2014.

RECONCILIATION OF MARCH 2014 INCOME STATEMENT IN APPLICATION OF IFRS 5

(EUR /000)	2014 Approved	Adjustments	2014 Adjusted
Revenues from product sales	29,435	(230)	29,205
Other operating revenues and income	391	0	391
TOTAL REVENUES	29,826	(230)	29,596
Change in inventories	980	34	1,014
Costs of raw materials and accessories	(11,544)	94	(11,450)
Service costs	(5,584)	300	(5,284)
Miscellaneous management costs	(208)	7	(201)
Other operating income	0	0	0
Personnel costs	(12,071)	334	(11,737)
Increases for internal work	548	0	548
Provisions	0	0	0
Impairment of trade and other receivables	(147)	13	(134)
Amortisation	(677)	88	(589)
Depreciation	(1,103)	29	(1,074)
EBIT	20	669	689
Gains from financial assets	242	0	242
Losses from financial liabilities	(641)	0	(641)
Losses (gains) from shareholdings value at equity	(19)	0	(19)
PROFIT (LOSS) BEFORE TAX	(398)	669	271
Current taxes	(463)	0	(463)
Deferred taxes	(423)	0	(423)
TOTAL TAXES	(886)	0	(886)
PROFIT (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	(1,284)	669	(615)
Net profit (loss) from assets held for sale	0	(669)	(669)
NET PROFIT (LOSS) FOR THE PERIOD	(1,284)	0	(1,284)

RECONCILIATION OF MARCH 2014 CASH FLOW STATEMENT IN APPLICATION OF IFRS 5

(EUR /000)	Mar 2014 Approved	Adjustments	Mar 2014 Adjusted
A) CASH AND CASH EQUIVALENTS AT THE START OF THE PERIOD	25,040	-	25,040
B) CASH FLOW GENERATED BY (USED IN) OPERATIONS IN THE PERIOD:			
Net profit (loss) for the period	(1,284)	0	(1,284)
Depreciation/amortisation	1,780	(117)	1,663
Capital losses (gains) on the sale of non-current assets	4	0	4
Net result from financial operations	418	0	418
Change in provisions for risks and future liabilities	(930)	0	(930)
Change in other assets and liabilities	(1,095)	0	(1,095)
Change in deferred taxes	420	0	420
Change in trade receivables	(2,762)	0	(2,762)
Change in inventories	(894)	1,058	164
Change in trade payables	(3,323)	0	(3,323)
TOTAL	(7,666)	941	(6,725)
C) CASH FLOW GENERATED BY (USED IN) INVESTMENT ACTIVITIES			
Investments in:			
- Property, plant & equipment and intangible assets	(1,269)	0	(1,269)
- Equity investments and securities	0	0	0
- Acquisitions net of acquired cash	0	0	0
- Financial receivables	(1)	0	(1)
Disposal of non-current assets	25	0	25
TOTAL	(1,245)	-	(1,245)
D) FREE CASH FLOW (B+C)	(8,911)	941	(7,970)
E) CASH FLOW GENERATED BY (USED IN) FINANCING ACTIVITIES			
New financial payables	0	0	0
Repayment of financial payables	(2,765)	0	(2,765)
Increase (decrease) in current financial payables	3,441	0	3,441
Interest received (paid)	(639)	0	(639)
Change in shareholders' equity reserves	(216)	0	(216)
Dividends paid	0	0	0
TOTAL	(179)	-	(179)
F) CASH FLOW FROM CONTINUING OPERATIONS (D+E)	(9,090)	941	(8,149)
G) CASH FLOW FROM OPERATING ASSETS HELD FOR SALE	-	(941)	(941)
H) Exchange translation differences on cash at hand	(158)	0	(158)
I) NET CHANGE IN CASH AT HAND (F+G+H)	(9,248)	-	(9,248)
J) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+I)	15,792	-	15,792

6. Information by business area

Primary segment – sector of activity

The organisational structure of the Gefran Group is divided into three areas of activity: sensors, automation components and drives. The economic trends and the main investments are covered in the Report on Operations.

Statement of financial position figures by business area

(EUR /000)	31 March 2015	Sensors	Members	Drives	Not divided	Total
Intangible assets	15,226	8,669	3,245	3,312		15,226
Tangible assets	41,213	11,003	11,366	18,844		41,213
Financial assets	9,416				9,416	9,416
Net fixed assets	65,855	19,672	14,611	22,156	9,416	65,855
Inventories	23,569	4,791	3,972	14,806		23,569
Trade receivables	45,840	13,893	8,356	23,591		45,840
Trade payables	(20,876)	(5,269)	(4,253)	(11,354)		(20,876)
Other assets/liabilities	(6,630)	(4,109)	(1,539)	(1,188)	206	(6,630)
Operating capital	41,903	9,306	6,536	25,855	206	41,903
Provisions for risks and future liabilities	(2,231)	(263)	(42)	(1,184)	(741)	(2,231)
Deferred tax provisions	(853)			-	(853)	(853)
Employee benefits	(5,303)	(1,613)	(2,060)	(1,630)		(5,303)
Invested capital from operations	99,371	27,102	19,045	45,197	8,028	99,371
Invested capital from assets held for sale	2,973	-	-	-	2,973	2,973
Net invested capital	102,344	27,102	19,045	45,197	11,001	102,344
Shareholders' equity	70,905				70,905	70,905
Medium- to long-term financial payables	26,920				26,920	26,920
Short-term financial payables	25,275				25,275	25,275
Financial liabilities for derivatives	275				275	275
Financial assets for derivatives	(18)				(18)	(18)
Cash and cash equivalents and short-term financial receivables	(21,013)				(21,013)	(21,013)
Net debt relating to operations	31,439	-	-	-	31,439	31,439
Total sources of financing	102,344	-	-	-	102,344	102,344

(EUR /000)	31 Dec 2014	Sensors	Members	Drives	Not divided	Total
Intangible assets	14,690	8,392	3,269	3,029		14,690
Tangible assets	40,997	10,677	11,633	18,687		40,997
Financial assets	9,213				9,213	9,213
Net fixed assets	64,900	19,069	14,902	21,716	9,213	64,900
Inventories	19,104	4,534	3,937	10,633		19,104
Trade receivables	42,232	10,091	7,338	24,803		42,232
Trade payables	(17,842)	(4,461)	(4,133)	(9,248)		(17,842)
Other assets/liabilities	(9,485)	(2,587)	(2,428)	(2,823)	(1,647)	(9,485)
Operating capital	34,009	7,577	4,714	23,365	(1,647)	34,009
Provisions for risks and future liabilities	(2,067)	(252)	(55)	(1,123)	(637)	(2,067)
Deferred tax provisions	(760)			-	(760)	(760)
Employee benefits	(5,611)	(1,699)	(2,201)	(1,711)		(5,611)
Invested capital from operations	90,471	24,695	17,360	42,247	6,169	90,471
Invested capital from assets held for sale	3,114	-	-	-	3,114	3,114
Net invested capital	93,585	24,695	17,360	42,247	9,283	93,585
Shareholders' equity	65,980				65,980	65,980
Medium- to long-term financial payables	25,959				25,959	25,959
Short-term financial payables	22,061				22,061	22,061
Financial liabilities for derivatives	343				343	343
Financial assets for derivatives	(26)				(26)	(26)
Cash and cash equivalents and short-term financial receivables	(20,732)				(20,732)	(20,732)
Net debt relating to operations	27,605	-	-	-	27,605	27,605
Total sources of financing	93,585	-	-	-	93,585	93,585

7. Gains and losses from financial assets/liabilities

“Gains from financial assets” totalled EUR 2,725 thousand, versus EUR 242 thousand in the first quarter of 2014, and break down as follows:

Description	2015	2014	change
(EUR /000)			
income from cash management	14	26	(12)
other financial income	27	19	8
exchange rate gains	767	164	603
currency valuation differences	1,917	33	1,884
Total	2,725	242	2,483

Currency valuation differences, positive at EUR 2,725 thousand, were the result of the weakness over the quarter of the euro, the Group's functional currency, against the other main currencies.

“Losses from financial liabilities” totalled EUR 1,550 thousand, up from EUR 641 thousand in the same period of 2014, and break down as follows:

Description	2015	2014	change
(EUR /000)			
medium-/long-term interest	(294)	(372)	78
short-term interest	(41)	(23)	(18)
factoring interest and fees	(15)	(7)	(8)
other financial charges	(8)	(11)	3
exchange rate losses	(594)	(173)	(421)
currency valuation differences	(480)	(55)	(425)
write-downs of financial assets	(118)	-	(118)
Total	(1,550)	(641)	(909)

Write-downs of financial assets include the effect of the write-down of the shareholding held in Inn.Tec S.r.l. worth EUR 118 thousand, as a result of the company going into liquidation.

The balance of differences on currency transactions is positive at EUR 1,610 thousand, compared with a negative figure of EUR 31 thousand in the first quarter of 2014. The significant improvement in the balance of currency differences is mainly due to the loss in value registered by the euro against the main currencies to which the Group is exposed, particularly against the US dollar, the Chinese renminbi and the Indian rupee.

8. Income taxes, deferred tax assets and deferred tax liabilities

The item "taxes" was negative at EUR 229 thousand; this compares with a negative balance of EUR 886 thousand in the first quarter of 2014, and breaks down as follows:

(EUR /000)	2015	2014
Current taxes		
IRAP (regional production tax)	-	(188)
Foreign taxes	(278)	(275)
Total current taxes	(278)	(463)
Deferred taxes		
Deferred tax liabilities	5	1
Deferred tax assets	44	(424)
Total deferred tax liabilities	49	(423)
Total taxes	(229)	(886)

Current taxes fell mainly owing to the decrease in IRAP pertaining to the period for Parent Company Gefran S.p.A., with a change in the calculation of the tax base introduced by the 2015 Stability Law, which allows for the full deduction of the cost of employees on permanent contracts.

Current taxes for other Group companies are aligned to Q1 2014 results.

The table below shows a breakdown of deferred tax assets and deferred tax liabilities:

(EUR /000)	31/12/2014	Posted to the income statement	Recognised in shareholders' equity	Exchange rate differences	31/03/2015
Deferred tax assets					
Devaluation of inventories	1,219	68	-	-	1,287
Impairment of trade receivables	666	(14)	-	-	652
Deductible losses to be brought forward	3,128	86	151	-	3,365
Exchange rate differences	22	20	-	-	42
Elimination of unrealised margins on inventories	789	1	-	-	790
Provision for product warranty risk	205	7	-	-	212
Provision for sundry risks	275	(124)	14	-	165
Fair value hedging	-	-	-	-	-
Total deferred tax assets	6,304	44	-	165	6,513
Deferred tax liabilities					
Discounting of end-of-service payment fund	-	-	-	-	-
Currency valuation differences	(5)	5	-	-	-
Other deferred tax liabilities	(755)	-	(98)	-	(853)
Total deferred tax liabilities	(760)	5	-	(98)	(853)
Net total	5,544	49	-	67	5,660

9. Net working capital

Net working capital totalled EUR 48,533 thousand, compared with EUR 43,494 thousand at 31 December 2014, and breaks down as follows:

(EUR /000)	31/03/2015	31/12/2014	changes
Inventories	23,569	19,104	4,465
Trade receivables	45,840	42,232	3,608
Trade payables	(20,876)	(17,842)	(3,034)
Net amount	48,533	43,494	5,039

The value of **inventories** grew from EUR 19,104 thousand at 31 December 2014 to EUR 23,569 thousand at 31 March this year. The increase in inventories was mainly due to the drives business, whose inventories increased by EUR 4,132 thousand from December 2014, to face up the forecasted growth on sales on the second half of the current year.

Trade receivables rose by EUR 3,608 thousand in the first quarter, mainly owing to growth influenced by the dynamic of sales on the Group businesses and the weakness of the Euro during the current quarter.

Receivables were adjusted to their estimated realisable value through the provision of a specific allowance calculated on the basis of an examination of individual debtor positions. The provision at 31 March 2015 represents a prudential estimate of the current risk, and registered the following changes:

(EUR /000)	31/12/2014	Increases	Decreases	Other changes	31/03/2015
Provision for doubtful receivables	3,919	282	(333)	138	4,006

Decreases include the use of the provision to cover losses on unrecoverable receivables.

Trade payables increased by EUR 3,034 thousand at 31 March 2015 compared with 31 December 2014, as shown below, mainly owing to the growth of purchases, also reflected in inventory stock.

10. Net financial position

The table below shows a breakdown of the net financial position:

(EUR /000)	31/03/2015	31/12/2014	changes
Cash and cash equivalents	21,013	20,732	281
Financial assets for derivatives	18	26	(8)
Non-current financial payables	(26,920)	(25,959)	(961)
Current financial payables	(25,275)	(22,061)	(3,214)
Financial liabilities for derivatives	(275)	(343)	68
Total	(31,439)	(27,605)	(3,834)

The following table breaks down the net financial position by maturity:

(EUR /000)	31/03/2015	31/12/2014	changes
A. Cash on hand	34	26	8
B. Cash in bank deposits	20,979	20,706	273
Term deposits – less than 3 months	-	-	-
C. Securities held for trading	-	-	-
D. Cash And cash equivalents (A) + (B) + (C)	21,013	20,732	281
Financial liabilities for derivatives	(275)	(343)	68
Financial assets for derivatives	18	26	(8)
E. Fair value hedging derivatives	(257)	(317)	60
F. Current portion of long-term debt	(11,497)	(11,587)	90
G. Other short-term financial payables	(13,778)	(10,474)	(3,304)
H. Total current financial payables (F) + (G)	(25,275)	(22,061)	(3,214)
I. Total current payables (E) + (H)	(25,532)	(22,378)	(3,154)
J. Net short-term financial debt (I) + (D)	(4,519)	(1,646)	(2,873)
L. Non-current financial debt	(26,920)	(25,959)	(961)
M. Net financial debt (J) + (L)	(31,439)	(27,605)	(3,834)
<i>Of which to minorities:</i>	<i>(31,439)</i>	<i>(27,605)</i>	<i>(3,834)</i>

Net debt at 31 March 2015 was EUR 31,439 thousand, up by EUR 3,834 thousand from 31 December 2014. Please see the Report on Operations for more details on financial operations management.

Short-term debt increased by EUR 3,214 thousand, mainly owing to the greater use of available credit lines and technical forms of short-term financing compared with the previous year.

Long-term debt rose by EUR 961 thousand, owing to the granting of two new Unicredit loans in February, partially offset by the reclassification under short-term debt of the current portions of outstanding loans, detailed below.

Cash and cash equivalents totalled EUR 21,013 thousand at 31 March 2015, an increase of EUR 281 thousand versus 31 December 2014:

(EUR /000)	31/03/2015	31/12/2014	changes
Cash in bank deposits	20,951	20,653	298
Cash	34	26	8
Other cash	28	53	(25)
Total	21,013	20,732	281

The technical forms used at 31 December 2014 are shown below:

- Maturities: payable on demand;
- Counterparty risk: deposits are made at leading banks;
- Country risk: deposits are held in countries in which Group companies have their registered offices.

Current financial payables increased by EUR 3,214 thousand at 31 March 2015 versus the same period of 2014, and break down as follows:

(EUR /000)	31/03/2015	31/12/2014	changes
Current portion of debt	11,497	11,587	(90)
Current overdrafts	13,304	10,116	3,188
Factoring	417	292	125
Leasing	49	57	(8)
Other payables	8	9	(1)
Total	25,275	22,061	3,214

Bank overdrafts at 31 March totalled EUR 13,304 thousand, compared with a balance at 31 December 2014 of EUR 10,116 thousand. The item relates almost entirely to Gefran S.p.A. and has the following characteristics:

- for use of credit lines payable on demand, the overall annual interest rate is in the 2.5%-5.8% range;
- for use of credit facilities on trade receivables, repayable on the maturity of these receivables, the overall annual interest rate is in the 0.6%-2.4% range;

Please see the next section for changes in the short-term portion of loans stipulated by the Group.

Factoring payables, which increased by EUR 125 thousand, comprise payables to factoring companies, for the payment extension period from the original maturity of the debt contract with certain suppliers, for which the Parent Company has accepted on-recourse assignment.

Non-current financial payables break down as follows:

(Eur /000)	31/03/2015	31/12/2014	changes
Centrobanca	3,659	4,393	(734)
Deutsche Bank	600	750	(150)
Cred. Bergamasco	355	488	(133)
Mediocredito	1,000	1,165	(165)
Banco di Brescia	3,151	3,158	(7)
Banca Pop. Sondrio	530	792	(262)
Mediocredito	2,000	2,222	(222)
Cred. Bergamasco	995	1,190	(195)
Banca Intesa	1,570	1,738	(168)
Unicredit SACE	2,500	2,750	(250)
Banco di Brescia	2,019	2,206	(187)
BNL	2,710	2,833	(123)
Banca Pop. Sondrio	2,274	2,274	-
Unicredit	1,557	-	1,557
Unicredit	2,000	-	2,000
Total	26,920	25,959	961

The main changes relate to the repayment set out in the amortisation schedule of individual loans totalling EUR 3,129 thousand, the drawing down of new loans of EUR 4,000 thousand, of which EUR 3,557 thousand is included under non-current financial payables, while the remainder is included under current financial payables.

The loans listed in the table are all variable-rate contracts stipulated by Gefran S.p.A., and have the following characteristics:

Bank	Amount disbursed (€/000)	Signing date	Balance at 31 Mar 2015	Of which within 12 months	Of which over 12 months	Interest rate	Maturity	Repayment method
Centrobanca	EUR 10,976	04/09/2008	5,122	1,463	3,659	Euribor 6m + 0.85%	01/10/2018	half-yearly
BNL	EUR 4,000	30/04/2011	250	250	-	Euribor 3m + 1.20%	13/04/2015	quarterly
Unicredit	EUR 4,000	24/06/2011	308	308	-	Euribor 3m + 1.10%	30/06/2015	quarterly
Deutsche Bank	EUR 3,000	09/03/2012	1,200	600	600	Euribor 3m + 3.60%	31/03/2017	quarterly
Cred. Bergamasco	EUR 2,000	06/11/2012	871	516	355	Euribor 3m + 3.80%	31/10/2016	monthly
Mediocredito	EUR 3,000	16/11/2012	1,667	667	1,000	Euribor 3m + 3.90%	30/09/2017	quarterly
Banco di Brescia	EUR 6,000	31/05/2013	4,327	1,176	3,151	Euribor 3m + 3.90%	31/05/2018	quarterly
Banca Pop. Sondrio	EUR 3,000	11/06/2013	1,552	1,022	530	Euribor 3m + 4.50%	31/07/2016	quarterly
Mediocredito	EUR 4,000	26/06/2013	2,889	889	2,000	Euribor 3m + 3.70%	31/05/2018	quarterly
Cred. Bergamasco	EUR 3,000	18/06/2013	1,753	758	995	Euribor 3m + 4.20%	30/06/2017	monthly
Banca Intesa	EUR 3,000	27/06/2013	2,222	652	1,570	Euribor 3m + 3.95%	27/06/2018	quarterly
Unicredit SACE	EUR 5,000	27/09/2013	3,500	1,000	2,500	Euribor 3m + 2.60%	30/09/2018	quarterly
Banco di Brescia	EUR 3,000	28/11/2014	2,756	737	2,019	Euribor 3m + 1.35%	30/11/2018	monthly
BNL	EUR 3,000	19/12/2014	3,000	290	2,710	Euribor 6m + 1.35%	18/12/2019	half-yearly
Banca Pop. Sondrio	EUR 3,000	23/12/2014	3,000	726	2,274	Euribor 3m + 2.00%	22/12/2018	quarterly
Unicredit	EUR 2,000	19/02/2015	2,000	443	1,557	Euribor 3m + 1.60%	29/02/2020	quarterly
Unicredit	EUR 2,000	19/02/2015	2,000	-	2,000	Euribor 3m + 2.00%	28/02/2019	bullet
Total			38,417	11,497	26,920			

Six of the loans listed above are governed by covenants, specifically:

- 1) the EUR 6,000 thousand UBI-Banco di Brescia loan taken out on 31 May 2013, is subject to the following covenant:

- consolidated debt to equity ratio of ≤ 0.7 .

Termination clauses are triggered in the event that this value is exceeded.

- 2) the EUR 3,000 thousand Banca Intesa loan, taken out on 27 June 2013, is subject to two financial covenants:

- consolidated debt to equity ratio of ≤ 0.7 .
- consolidated debt to EBITDA ratio of ≤ 3.5 .

If both ratios are exceeded, the lending bank will have the right to request early repayment or increase the interest rate by two percentage points.

- 3) the EUR 3,000 UBI-Banco di Brescia loan, taken out on 28 November 2014, is subject to two financial covenants:

- consolidated debt to equity ratio of ≤ 0.7 .
- consolidated debt to EBITDA ratio of ≤ 3.5 .

If both ratios are exceeded, the lending bank will have the right to request early repayment.

- 4) the EUR 3,000 thousand BNL loan, taken out on 19 December 2014, is subject to two financial covenants:

- consolidated debt to equity ratio of ≤ 0.7 .
- consolidated debt to EBITDA ratio of ≤ 3.5 .

If both ratios are exceeded, the lending bank will have the right to request early repayment.

- 5) the two Unicredit EUR 2,000 thousand loan, taken out on 19 February 2015, are subject to two financial covenants:

- consolidated debt to equity ratio of ≤ 0.7 .
- consolidated debt to EBITDA ratio of ≤ 3.5 (≤ 3.0 from the second year).

If both ratios are exceeded, the lending bank will have the right to request early repayment.

The Administration, Finance and Control Department is responsible for checking these contractual restrictions every quarter. Given that the ratios calculated on data to 31 March 2015 have been respected overall, the loans were classified in the maturities table according to their contractual maturities. A number of outstanding loan contracts contain other covenants, in line with market practices, that place limits on the possibility of issuing new real guarantees and conducting extraordinary transactions.

The management considers that the credit lines currently available, as well as the cash flow generated by current operations, will enable Gefran to meet its financial requirements resulting from investment activities, working capital management and repayment of debt at its natural maturity.

The loan granted by Centrobanca is guaranteed by a EUR 36 million mortgage on properties in Provaglio d'Iseo.

Financial assets for derivatives totalled EUR 18 thousand at 31 March 2015, and consist of the positive fair value of certain CAP contracts entered into by the Parent Company to hedge interest rate risks.

Financial liabilities for derivatives totalled EUR 275 thousand, owing to the negative fair value of certain IRS contracts, also entered into by the Parent Company to hedge interest rate risks.

To mitigate the financial risk associated with variable-rate loans, which could arise in the event of an increase in the Euribor, the Group decided to hedge its variable-rate loans through IRSs (Interest Rate Swaps), as set out below:

Bank (EUR /000)	Notional principal	Signing date	Notional at 31 Mar 2015	Derivative	Fair Value at 31 Mar 2015	Long position rate	Short position rate
Centrobanca	EUR 9,550	31/03/2010	5,122	IRS	(249)	Fixed 3.11%	Euribor 6m
BNL	EUR 4,000	30/04/2011	250	IRS	(2)	Fixed 2.63%	Euribor 3m
Unicredit	EUR 4,000	24/06/2011	308	IRS	(6)	Fixed 2.51%	Euribor 3m
Deutsche Bank	EUR 3,000	09/03/2012	1,200	IRS	(18)	Fixed 1.34%	Euribor 3m
Total financial liabilities for derivatives – interest rate risk					(275)		

The Group has also taken out Interest Rate Caps, as set out in the table below:

Bank (EUR /000)	Notional principal	Signing date	Notional at 31 Mar 2015	Derivative	Fair Value at 31 Mar 2015	Long position rate	Short position rate
Unicredit	EUR 3,000	16/11/2012	1,667	CAP	0	Strike Price 0.45%	Euribor 3m
Credito Bergamasco	EUR 2,000	06/11/2012	871	CAP	0	Strike Price 1.00%	Euribor 3m
Unicredit	EUR 6,000	04/06/2013	4,327	CAP	1	Strike Price 0.75%	Euribor 6m
Intesa	EUR 3,000	27/06/2013	2,222	CAP	1	Strike Price 0.75%	Euribor 3m
Mediocredito	EUR 4,000	12/06/2013	2,889	CAP	1	Strike Price 0.75%	Euribor 3m
BNL	EUR 3,000	20/06/2013	1,552	CAP	0	Strike Price 0.40%	Euribor 3m
Credito Bergamasco	EUR 3,000	20/06/2013	1,753	CAP	0	Strike Price 0.75%	Euribor 3m
Unicredit	EUR 5,000	15/10/2013	3,500	CAP	2	Strike Price 0.60%	Euribor 3m
Banco di Brescia	EUR 3,000	28/11/2014	2,756	CAP	2	Strike Price 0.10%	Euribor 3m
BNL	EUR 3,000	19/12/2014	3,000	CAP	11	Strike Price 0.20%	Euribor 6m
Total financial assets for derivatives – interest rate risk					18		

All the contracts described above are booked at fair value:

(EUR /000)	at 31 March 2015		at 31 December 2014	
	Positive fair value	Negative fair value	Positive fair value	Negative fair value
Exchange rate risk	-	-	-	-
Interest rate risk	18	(275)	26	(343)
Total cash flow hedge	18	(275)	26	(343)

All derivatives were tested for effectiveness, with positive outcomes.

In order to support its operations, the Group has various credit lines granted by banks and other financial institutions available, mainly in the form of loans for advances on invoices, cash flexibility and mixed loans for a total of EUR 41,597 thousand. Overall use of these lines at 31 March 2015 totalled EUR 11,706 thousand, with a residual available amount of EUR 29,891 thousand.

No fees are due in the event that these lines are not used.

11. Shareholders' equity

Consolidated shareholders' equity breaks down as follows:

(EUR /000)	31/03/2015	31/12/2014	changes
Group share	70,905	65,980	4,925
Net amount	70,905	65,980	4,925

Group shareholders' equity increased compared with 31 December 2014 by EUR 4,925 thousand, mainly owing to the profit registered for the period (EUR 1,064 thousand) and the increase of EUR 4,042 thousand in the translation reserve.

At 31 March 2015, Parent Company Gefran S.p.A. held 198,118 own shares, equivalent to 1,38% of the share capital; at the end of 2014, the number of own shares held was 189,874, 1.32% of the share capital.

The Company did not issue convertible bonds.

For details on the movements in equity reserves during the year, see the table showing Changes in shareholders' equity.

Changes in the "Reserve for the measurement of securities at fair value" are shown in the table below.

(EUR /000)	31/03/2015	31/12/2014	changes
Balance at 1 January	(33)	(41)	8
UBI – Banca shares	21	17	4
Woojin Selex (Korea) shares	56	(9)	65
Net amount	44	(33)	77

Changes in the “Reserve for the measurement of derivatives at fair value” are shown in the table below.

(EUR /000)	31/03/2015	31/12/2014	changes
Balance at 1 January	385	381	4
Change in fair value of derivatives	60	4	56
Net amount	445	385	60

12. Current and non-current provisions

“Non-current provisions” rose by EUR 44 thousand compared with 31 December 2014, and break down as follows:

(EUR /000)	31/03/2015	31/12/2014	changes
Gefran S.p.A. risk provisions			
- for restructuring	-	61	(61)
- for legal disputes	394	265	129
- other provisions	85	85	-
Gefran Brasil risk provisions			
- for legal disputes	222	246	(24)
Gefran France risk provisions			
- for legal disputes	7	7	-
Total	708	664	44

The item “Legal disputes” includes the provisions made for liabilities related to the settlement of pending disputes regarding claims from customers, some employees and distributors.

“Current provisions” totalled EUR 1,523 thousand at 31 March 2015, an increase of EUR 120 thousand versus 31 December 2014, and break down as follows:

(EUR /000)	31/03/2015	31/12/2014	changes
FISC	161	161	-
Product warranty	1,359	1,239	120
Other provisions	3	3	-
Total	1,523	1,403	120

The item relating to repair charges for products under guarantee mainly increased owing to the adjustment of the provision during the year; at the end of the year, a check was conducted to ensure that the provision was appropriate, with a positive outcome.

13. Guarantees granted, commitments and other contingent liabilities

Guarantees granted

At 31 March 2015, the Group had granted guarantees on the liabilities and commitments of third parties or subsidiaries for EUR 8,674 thousand, in line with the figure for 31 December 2014, as shown in the table below:

(EUR /000)	2015	2014
UBI Leasing	3,180	3,180
BNL	4	4
Banca Intesa	1,110	1,110
Banca Passadore	3,500	3,500
Banco di Brescia	880	880
Total	8,674	8,674

A guarantee in favour of UBI Leasing was issued for a total of EUR 3,180 thousand, expiring in 2029, to guarantee financial requirements for the construction of photovoltaic plants by BS Energia 2 S.r.l..

The guarantees issued to Banca Passadore and Banco di Brescia both cover the credit lines to Ensun S.r.l..

The amount of EUR 1,110 thousand in favour of Banca Intesa relates to a simple letter of patronage issued to guarantee the credit lines of Elettropiemme S.r.l..

Legal proceedings and disputes

The Parent Company and certain subsidiaries are involved in various legal proceedings and disputes. It is however considered unlikely that the resolution of these disputes will generate significant liabilities for which provisions have not already been made.

Commitments

See the notes to the accounts of the annual financial statements for the year ending 31 December 2014 for a more detailed analysis. There were no significant changes at 31 March 2015.

14. Dealings with related parties

In accordance with IAS 24, information relating to dealings with related parties for 2014 and the previous year is provided below.

Transactions with related parties are part of normal operations and the typical business of each entity involved, and are carried out under normal market conditions. The Group did not carry out any unusual and/or abnormal transactions that may have a significant impact on its economic, equity and financial situation.

On 12 November 2010, the Board of Directors of Gefran S.p.A. adopted the regulations governing transactions with related parties, published in the "Corporate Governance" section of the Company's website www.gefran.com.

Transactions with related parties are part of the Group's normal business management and typical activity. Dealings with other related parties are as follows:

- Elettropiemme S.r.l., a subsidiary of Ensun S.r.l.: a company in which Ennio Franceschetti (Chairman and Chief Executive Officer of Gefran S.p.A.) is chairman.
- Climat S.r.l.: a company in which the director and member is a relative of Maria Chiara Franceschetti (CEO of Gefran S.p.A.).
- Axel S.r.l.: a company in which Adriano Chinello (director with strategic responsibilities) is a member of the Board of Directors.
- Francesco Franceschetti elastomeri S.r.l.: a company in which Ennio Franceschetti (Chairman and Chief Executive Officer of Gefran S.p.A.) is a member of the Board of Directors.

These dealings, summarised below, have no material impact on the Group's economic and financial structure.

Company (EUR /000)	Costs and Charges		Revenues and income	
	2015	2014	2015	2014
Elettropiemme S.r.l.	0	0	9	12
Climat S.r.l.	31	34	0	2
Axel S.r.l.	10	1	0	3
Francesco Franceschetti elastomeri S.r.l.	0	n/a	77	n/a
Total	41	35	86	17

Company (EUR /000)	Receivables and other assets		Payables and other liabilities	
	31/03/2015	31/12/2014	31/03/2015	31/12/2014
Elettropiemme S.r.l.	7	6	0	3
Climat S.r.l.	0	77	31	100
Axel S.r.l.	0	70	10	25
Francesco Franceschetti elastomeri S.r.l.	102	n/a	0	n/a
Total	109	153	41	128

In accordance with internal regulations, transactions with related parties of an amount below EUR 50 thousand are not reported, since this amount was determined as the threshold for identifying significant transactions.

In relation to dealings with subsidiaries, Parent Company Gefran S.p.A. provided technical, administrative and management services, as well as royalties for Group operating companies, in the amount of approximately EUR 619 thousand at 31 March 2015, governed by specific contracts.

The Gefran Group provides a centralised Group treasury service also through the use of a "zero balance" cash pooling service, which involves all European subsidiaries.

15. Other information

Pursuant to article 70, paragraph 8, and article 71, paragraph 1-bis of Consob's Issuers' Regulation, the Board of Directors decided to take advantage of the option to derogate from the obligations to publish the information documents prescribed in relation to significant mergers, spin-offs, capital increases through contribution in kind, acquisitions and disposals.

Provaglio d'Iseo, 14 May 2015

For the Board of Directors

Chairman

Ennio Franceschetti

Chief Executive Officer

Maria Chiara Franceschetti

24. DECLARATION OF THE DIRECTOR RESPONSIBLE FOR PREPARING THE COMPANY'S ACCOUNTING STATEMENTS

Declaration pursuant to article 154-bis, paragraph 2 of Legislative Decree 58 ("TUF") of 24 February 1998

The undersigned, **Fausta Coffano**, the Director responsible for drawing up the Company's accounting statements, hereby declares, pursuant to paragraph 2, article 154-bis of the TUF, that the information contained in these interim financial statements to 31 March 2015 accurately represents the figures contained in the Group's accounting records.

Provaglio d'Iseo, 14 May 2015

The Director responsible for preparing
the Company's accounting statements

Fausta Coffano

CONSOLIDATED INCOME STATEMENT ANALYSIS BY QUARTER

Income statement by quarter

(Eur/000)	Q1 2014	Q2 2014	Q3 2014	Q4 2014	TOT 2014	Q1 2015
a Revenues	29,596	32,144	31,801	36,086	129,627	30,309
b Consumption of materials and products	10,436	11,875	12,960	14,444	49,715	9,810
c Added value (a-b)	19,160	20,269	18,841	21,642	79,912	20,499
d Other operating costs	5,619	4,546	5,069	6,582	21,816	6,503
e Personnel costs	11,737	12,978	10,800	11,866	47,381	12,645
f Increases for internal work	548	548	529	596	2,221	503
g EBITDA (c-d-e+f)	2,352	3,293	3,501	3,790	12,936	1,854
h Depreciation, amortisation and impairments	1,663	1,622	1,637	1,433	6,355	1,601
i EBIT (g-h)	689	1,671	1,864	2,357	6,581	253
l Gains (losses) from financial assets/liabilities	(399)	(325)	496	(458)	(686)	1,175
m Gains (losses) from shareholdings value at equity	(19)	44	21	(10)	36	6
n Profit (loss) before tax (i+l+m)	271	1,390	2,381	1,889	5,931	1,434
o Taxes	(886)	(429)	(531)	(1,333)	(3,179)	(229)
p Result from operating activities (n+o)	(615)	961	1,850	556	2,752	1,205
q Profit (loss) from assets held for sale	(669)	(1,009)	(513)	(785)	(2,976)	(141)
r Group net profit (loss) (p+q)	(1,284)	(48)	1,337	(229)	(224)	1,064

Income statement by quarter – excluding non recurring items

(Eur/000)	Q1 2014	Q2 2014	Q3 2014	Q4 2014	TOT 2014	Q1 2015
a Revenues	29,266	32,144	31,801	35,711	128,922	30,309
b Consumption of materials and products	10,436	11,875	12,960	14,444	49,715	9,810
c Added value (a-b)	18,830	20,269	18,841	21,267	79,207	20,499
d Other operating costs	5,619	5,929	5,069	6,582	23,199	6,503
e Personnel costs	11,737	12,078	10,800	11,743	46,358	12,645
f Increases for internal work	548	548	529	596	2,221	503
g EBITDA (c-d-e+f)	2,022	2,810	3,501	3,538	11,871	1,854
h Depreciation, amortisation and impairments	1,663	1,622	1,637	1,433	6,355	1,601
i EBIT (g-h)	359	1,188	1,864	2,105	5,516	253
l Gains (losses) from financial assets/liabilities	(399)	(325)	496	(458)	(686)	1,175
m Gains (losses) from shareholdings value at equity	(19)	44	21	(10)	36	6
n Profit (loss) before tax (i+l+m)	(59)	907	2,381	1,637	4,866	1,434
o Taxes	(886)	(429)	(531)	(1,333)	(3,179)	(229)
p Result from operating activities (n+o)	(945)	478	1,850	304	1,687	1,205
q Profit (loss) from assets held for sale	(669)	(709)	(513)	(785)	(2,676)	(141)
r Group net profit (loss) (p+q)	(1,614)	(231)	1,337	(481)	(989)	1,064

ANNEXES

a) Exchange rates used to convert the financial statements of foreign companies

End-of-period exchange rates

Currency	31 March 2015	31 December 2014	31 March 2014
Swiss franc	1.0463	1.2024	1.2194
Pound sterling	0.7273	0.7789	0.8282
US dollar	1.0759	1.2141	1.3788
Brazilian real	3.4958	3.2207	3.1276
Chinese renminbi	6.6710	7.5358	8.5754
Indian rupee	67.2738	76.7190	82.5784
South African rand	13.1324	14.0353	14.5875
Turkish lira	2.8131	2.8320	2.9693

Average exchange rates in the period

Currency	1Q 2015	2014	1Q 2014
Swiss franc	1.0722	1.2146	1.2235
Pound sterling	0.7436	0.8064	0.8278
US dollar	1.1270	1.3288	1.3697
Brazilian real	3.2204	3.1228	3.2402
Chinese renminbi	7.0284	8.1883	8.3587
Indian rupee	70.1295	81.0689	84.5864
South African rand	13.2296	14.4065	14.8892
Turkish lira	2.7729	2.9070	3.0370

b) List of companies included in the scope of consolidation

Name	Registered office	Country	Currency	Share capital	Parent Company	% of direct ownership
Gefran UK Ltd	Uxbridge	UK	GBP	4,096,000	Gefran S.p.A.	100.00
Gefran Deutschland GmbH	Seligenstadt	Germany	EUR	365,000	Gefran S.p.A.	100.00
Siei Areg GmbH	Pleidelsheim	Germany	EUR	150,000	Gefran S.p.A.	100.00
Gefran France S.A.	Lyon	France	EUR	800,000	Gefran S.p.A.	99.99
Gefran Benelux Nv	Geel	Belgium	EUR	344,000	Gefran S.p.A.	100.00
Gefran Inc	Winchester	US	USD	1,900,070	Gefran S.p.A.	100.00
Gefran Brasil Eletroel. Ltda	Sao Paolo	Brazil	REAL	450,000	Gefran S.p.A.	99.90
					Gefran UK	0.10
Gefran India Private Ltd.	Pune	India	INR	100,000,000	Gefran S.p.A.	95.00
					Gefran UK	5.00
Gefran Siei Asia Pte Ltd	Singapore	Singapore	USD	4,086,000	Gefran S.p.A.	100.00
Gefran Siei Drives Tech. Pte Ltd	Shanghai	China (People's Rep.)	RMB	28,940,000	Gefran Siei Asia	100.00
Gefran Siei Electric Pte Ltd	Shanghai	China (People's Rep.)	RMB	1,005,625	Gefran Siei Asia	100.00
Gefran South Africa (Pty) Ltd	Milnerton City	Rep. South Africa	ZAR	2,000,100	Gefran S.p.A.	100.00
Sensormate AG	Aadorf	Switzerland	CHF	100,000	Gefran S.p.A.	100.00
Gefran Middle East Ltd. Sti	Istanbul	Turkey	TRL	100,000	Gefran S.p.A.	100.00

c) List of companies consolidated at equity

Name	Registered office	Country	Currency	Share capital	Parent Company	% of direct ownership
Ensun S.r.l.	Brescia	Italy	EUR	30,000	Gefran S.p.A.	50.00
Bs Energia 2 S.r.l.	Rodengo Saiano	Italy	EUR	10,000	Ensun S.r.l.	30.00
Elettropiemme S.r.l.	Trento	Italy	EUR	70,000	Ensun S.r.l.	50.00
Axel S.r.l.	Dandolo	Italy	EUR	26,008	Gefran S.p.A.	30.00

d) List of other subsidiaries

Name	Registered office	Country	Currency	Share capital	Parent Company	% of direct ownership
Colombera S.p.A.	Iseo	Italy	EUR	6,838,186	Gefran S.p.A.	16.56
Woojin Machinery Co Ltd	Seoul	South Korea	WON	3,200,000,000	Gefran S.p.A.	2.00

