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**Gefran S.p.A.'s Board has approved the half-year financial report as at 30 June 2012**

- **Turnover at €64.9 m, down 0.7 % on the first half of 2011**
- **EBITDA at €2.7 m, down 66.5% on the first half of 2011**
- **EBIT for the first half €-753,000**
- **New executive in charge of preparing the company's accounting statements appointed**

| *(€,000)* | 30 June 2012 | | 30 June 2011 | | Q2 2012 | | Q2 2011 | |
|---|---|---|---|---|---|---|---|---|
| **Revenues** | 64,945 | 100 % | 65,434 | 100 % | 36,689 | 100 % | 33,608 | 100 % |
| **Gross operating margin (EBITDA)** | 2,727 | 4.2% | 8,136 | 12.4% | 2,406 | 6.6% | 4,478 | 13.3% |
| **Operating income (EBIT)** | (753) | -1.2% | 5,116 | 7.8% | 644 | 1.8% | 2,959 | 8.8% |
| **Result for current assets** | (1,272) | -2.0% | 4,028 | 6.2% | 431 | 1.2% | 2,334 | 6.9% |
| **Net result for the Group** | (1,367) | -2.1% | 2,609 | 4.0% | 128 | 0.3% | 1,544 | 4.6% |

| *(€,000)* | 30 June 2012 | 31 December 2011 | 30 June 2011 |
|---|---|---|---|
| **Net invested capital** | 107,527 | 104,012 | 102,481 |
| **Consolidated shareholders' equity** | 73,241 | 77,414 | 68,361 |
| **Net financial position** | (34,286) | (26,598) | (34,120) |
| **Operating cash flow** | 2,113 | 14,902 | 5,629 |
| **Investments** | 4,333 | 11,275 | 4,912 |

**Provaglio d'Iseo (BS),** 2 August 2012 – The Board of Directors of GEFRAN S.p.A. met today in Provaglio d'Iseo (BS) and approved the half-year financial report as at 30 June 2012.

**Business situation as at 30 June 2012**

**Revenues** as at 30 June 2012 amounted to €64,945,000, substantially in line with the first half of 2011 (€65,434,000). Revenues in Q2 2012 were positive, up 9.2% on the same period in 2011.

**Revenues by business area** showed a 1.2% increase in drives compared to the first half of 2011, mainly due to the raise in sales for lift products in China, which slowed down in Q1 2012.

Automation also rose (+3.8%) and the sensor business remained virtually the same as in the first half of 2011 (-1.5%).

**Revenues by geographical area** show a stable turnover for Italy (+0.1%), thanks to sales of photovoltaic products. North America continued to increase by double figures (+18.1%) and the European Union also achieved good results (+2.3% compared to the end of June 2011). The other areas declined, especially Asia (-7.2%), which picked up well in Q2 (+8.4% on Q1 2012), and South America (-7.1%).

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**Gross operating margin** as at 30 June 2012 was positive and amounted to €2,727,000 (€8,136,000 as at 30 June 2011). The incidence on revenues came to 4.2%, compared to 12.4% for the same period in 2011.

The drop in margin was due to the combined turnover in the first half, when drives accounted for a larger share than the other businesses, and to the increase in the sales efforts, which brings more operative costs.

The **Operating result** as at 30 June 2012 was €753,000 in the negative, compared to €5,116,000 as at 30 June 2011. The percentage incidence was -1.2%, versus 7.8% in the first half of 2011. The reasons for this are the same as those given for the change in gross operating margin. The second quarter of 2012 recorded an operating result of €644,000 (1.8% of income), a sharp improvement on Q1, which had a negative result of €1,397,000 (-4.9% of income), compared to 6.8% and 8.8% for Q1 and Q2 2011, respectively.

The **Net financial charges** as at 30 June 2012 was €519,000 in the negative (€-1,088,000 as at 30 June 2011).This result includes financial charges, which were mainly linked to medium/long-term loans (€708,000 in the first half of 2012 vs. €498,000 for the same period in 2011), and partly offset by the positive result for differences on currency transactions (€69,000 in the first half of 2012 and €-637,000 in the same period of 2011).

The **Pre-tax result** as at 30 June 2012 was €1,272,000 in the negative (€+4,028,000 as at 30 June 2011). The percentage incidence was -2%, versus +6.2% in the first half of 2011; the result for Q2 2012 was €431,000 (1.2% of income), compared to €2,334,000 for Q2 2011 (6.9% of income).

The **Group's net result** as at 30 June 2012 was €1,367,000 in the negative (€+2,609,000 as at 30 June 2011); the Group's result for Q2 2012 was €128,000 (€1,544,000 for Q2 2011).

**Net invested capital** as at 30 June 2012 came to €107.5 million (€104 million as at 31 December 2011 and €102.5 million as at 30 June 2011).

The **Net financial position** as at 30 June 2012 showed an indebtedness of €34,286,000 ( €26,598,000 as at 31 December 2011 and €34,120,000 as at 30 June 2011).

**Shareholders' equity** as at 30 June 2012 came to €73,241,000 (€77,414,000 as at 31 December 2011 and €68,361,000 as at 30 June 2011). The drop is mainly attributable to the loss for the period.

**Main facts of significance and expected business developments**

*"Our expectation of different growth rates in the various countries has been confirmed, with double-digit growth in Germany, USA, Switzerland and India, and a 7% decline on the domestic market,"* comments the Group's Managing Director, Alfredo Sala. *"The second quarter results appear to be better than those for the first quarter. The Chinese market picked up well following a disappointing first quarter, and sales of photovoltaic inverters in Italy are on the rise, though prices are lower than in the past, following the definition of the Italian new regulation, which will come into force on 27 August. In this area we have recently signed a partnership agreement to reap the benefits of development on the South African market, from which we expect a positive contribution within the next 12 months.*

*As foreseen, the marketing campaigns launched in the last 12 months, which we feel to be an important investment for penetrating and developing certain countries abroad, affect our margins.*

*Considering the current dynamics and the macroeconomic context, unless something unforeseen occurs, we expect the year end revenues to be close to 140 million eur, similar to last year, with a positive end-of-year operating result, though down on the previous year and on the budget as well."*

The executive in charge of preparing the company's accounting statements, Alfredo Sala, hereby declares, pursuant to subsection 2, article 154-bis, of the Consolidated Finance Act, that the information contained in this report corresponds to the documentary evidence and the company's books and accounting records.

Please note that the 2012 half-year interim report is available at Gefran's registered office and at Borsa Italiana S.p.A. and can be viewed on the company website (www.gefran.com) under "Investor Relations / Reports & Financial Statements".

You are also informed that the Board of Directors, pursuant to art. 154 bis of Legislative Decree 58/98 and with the Board of Auditors' approval, has appointed the Group's CFO, Valentina Montanari, as the new executive in charge of preparing the company's accounting statements.

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*The Gefran Group currently runs four production units, two located in Provaglio d'Iseo in the province of Brescia, for the production of sensors and automation components, one in Gerenzano in the province of Varese for the production of drives, and one in Shanghai, China.*
*The Group currently has over 850 employees, operates directly on major International markets and has sales branches in Italy, France, Germany, Switzerland, the United Kingdom, Benelux, Spain, the United States, Brazil, China, Singapore and India, and production units in China, Germany, Brazil and the United States.*
*Specialized know-how, flexibility in design and production, innovation ability, and quality processes and products are key factors in Gefran's success.*
*With total control of process technology and application know-how, Gefran creates instruments and integrated systems for specific applications in various industrial sectors, including plastics processing, food, pharmaceuticals, and packaging and die-casting machines.*
*Gefran S.p.A. has been listed on the Italian Stock Exchange's telematic system since 9th June 1998. It entered the High-Requirement Securities Segment (STAR) in 2001 and has been listed in the ALL STAR class since 31st January 2005, which changed to FTSE Italia STAR on 1st June 2009.*

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## CONSOLIDATED INCOME STATEMENT for the Gefran Group as at 30 June 2012

| *(€,000)* | 30 June 2012 | 30 June 2011 | 2012/2011 change | | Q2 2012 | Q2 2011 | 2012/2011 change | |
|---|---|---|---|---|---|---|---|---|
| | | | value | % | | | value | % |
| **Revenues (a)** | 64,945 | 65,434 | (489) | -0.7% | 36,689 | 33,608 | 3,081 | 9.2% |
| **Consumption of materials and products (b)** | 26,434 | 25,055 | 1,379 | 5.5% | 15,955 | 12,995 | 2,960 | 22.8% |
| **Value added (a-b)** | 38,511 | 40,379 | (1,868) | -4.6% | 20,734 | 20,613 | 121 | 0.6% |
| **Other operating costs** | 13,791 | 12,187 | 1,604 | 13.2% | 7,165 | 5,716 | 1,449 | 25.3% |
| **Personnel costs** | 23,266 | 21,481 | 1,785 | 8.3% | 11,813 | 11,239 | 574 | 5.1% |
| **Increases for in-factory works** | 1,273 | 1,425 | (152) | -10.7% | 650 | 820 | (170) | -20.7% |
| **Gross operating margin - EBITDA** | 2,727 | 8,136 | (5,409) | -66.5% | 2,406 | 4,478 | (2,072) | -46.3% |
| **Depreciations and write-downs** | 3,480 | 3,020 | 460 | 15.2% | 1,762 | 1,519 | 243 | 16.0% |
| **Operating income - EBIT** | (753) | 5,116 | (5,869) | -114.7% | 644 | 2,959 | (2,315) | -78.2% |
| **Net financial charges** | (519) | (1,088) | 569 | -52.3% | (213) | (625) | 412 | -65.9% |
| **Recurrent business results** | (1,272) | 4,028 | (5,300) | -131.6% | 431 | 2,334 | (1,903) | -81.5% |
| **Non-recurrent transactions result** | 0 | 0 | 0 | - - | 0 | 0 | 0 | - - |
| **Consolidated pre-tax result** | (1,272) | 4,028 | (5,300) | -131.6% | 431 | 2,334 | (1,903) | -81.5% |
| **Taxes** | (133) | (1,419) | 1,286 | -90.6% | (318) | (788) | 470 | -59.6% |
| **Result including minority interest** | (1,405) | 2,609 | (4,014) | -153.9% | 113 | 1,546 | (1,433) | -92.7% |
| **Net result for minority interest** | (38) | 0 | (38) | - - | (15) | 2 | (17) | -850.0% |
| **Net result for the Group** | (1,367) | 2,609 | (3,976) | -152.4% | 128 | 1,544 | (1,416) | -91.7% |

## CONSOLIDATED INCOME STATEMENT Revenues by Business Area and Geographical Area

| Description | 30 June 2012 | % | 30 June 2011 | % | 2012/2011 change | | Q2 2012 | % | Q2 2011 | % | 2012/2011 change | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | value | % | | | | | value | % |
| *(€,000)* | | | | | | | | | | | | |
| **Automatic components** | 17,140 | 26.4% | 16,508 | 25.2% | 632 | 3.8% | 9,150 | 24.9% | 8,331 | 24.8% | 819 | 9.8% |
| **Sensors** | 19,392 | 29.9% | 19,694 | 30.1% | (302) | -1.5% | 9,852 | 26.9% | 10,146 | 30.2% | (294) | -2.9% |
| **Drives** | 31,351 | 48.3% | 30,977 | 47.3% | 374 | 1.2% | 19,891 | 54.2% | 16,070 | 47.8% | 3,821 | 23.8% |
| **(Inter-segment revenues)** | (2,938) | | (1,745) | | (1,193) | | (2,204) | | (939) | | (1,265) | |
| **Total** | **64,945** | **100 %** | **65,434** | **100 %** | **(489)** | **-0.7%** | **36,689** | **100 %** | **33,608** | **100 %** | **3,081** | **9.2%** |
| | | | | | | | | | | | | |
| **Italy** | 22,159 | 34.1% | 22,128 | 33.8% | 31 | 0.1% | 13,477 | 36.7% | 11,550 | 34.4% | 1,927 | 16.7% |
| **EU Countries** | 14,104 | 21.7% | 13,783 | 21.1% | 321 | 2.3% | 7,125 | 19.4% | 6,817 | 20.3% | 308 | 4.5% |
| **Non-EU countries** | 2,775 | 4.3% | 2,938 | 4.5% | (163) | -5.5% | 1,342 | 3.7% | 1,539 | 4.6% | (197) | -12.8% |
| **North America** | 5,695 | 8.8% | 4,824 | 7.4% | 871 | 18.1% | 2,705 | 7.4% | 2,350 | 7.0% | 355 | 15.1% |
| **South America** | 2,795 | 4.3% | 3,010 | 4.6% | (215) | -7.1% | 1,442 | 3.9% | 1,501 | 4.5% | (59) | -3.9% |
| **Asia** | 16,930 | 26.1% | 18,238 | 27.9% | (1,308) | -7.2% | 10,271 | 28.0% | 9,473 | 28.2% | 798 | 8.4% |
| **Rest of the world** | 487 | 0.7% | 513 | 0.8% | (26) | -5.1% | 327 | 0.9% | 378 | 1.1% | (51) | -13.5% |
| **Total** | **64,945** | **100 %** | **65,434** | **100 %** | **(489)** | **-0.7%** | **36,689** | **100 %** | **33,608** | **100 %** | **3,081** | **9.2%** |

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## RECLASSIFIED BALANCE SHEET for the Gefran Group as at 30 June 2012

| *(€,000)* | 30 June 2012 | 31 Dec. 2011 | 30 June 2011 |
|---|---|---|---|
| Intangible assets (A) | 11,729 | 11,435 | 11,009 |
| **Tangible assets (B)** | 44,971 | 44,422 | 41,582 |
| **Other non-current assets (C)** | 8,454 | 7,718 | 8,985 |
| **Inventories (D)** | 30,701 | 28,657 | 35,248 |
| **Trade receivables (E)** | 48,158 | 48,981 | 42,396 |
| **Trade payables (F)** | (19,551) | (19,303) | (17,357) |
| **Other current Receivables/Payables (G)** | (9,322) | (9,979) | (11,008) |
| **Severance indemnity (H)** | (5,280) | (5,276) | (5,478) |
| **Provision for deferred and non-current taxes (I)** | (2,333) | (2,643) | (2,896) |
| **Net Invested Capital (L)=(A+B+C+D+E+F+G+H+I)** | **107,527** | **104,012** | **102,481** |
| **Net equity (M)** | **73,241** | **77,414** | **68,361** |
| **Net financial position (N)** | **(34,286)** | **(26,598)** | **(34,120)** |
| **Own shares and net financial position (O)=(M+N)** | 107,527 | 104,012 | 102,481 |
| **Own shares and net financial position (O)=(M+N)** | 107,527 | 104,012 | 102,481 |

## CASH FLOW STATEMENT for the Gefran Group as at 30 June 2012

| *(€,000)* | June 2012 | December 2011 | June 2011 |
|---|---|---|---|
| | | | |
| **Initial short-term financial debt (A)** | (1,827) | (3,057) | (3,057) |
| | | | |
| Profit (loss) for the Group | (1,367) | 8,713 | 2,609 |
| Amortisation/depreciation and adjustment on non-current assets | 3,480 | 6,189 | 3,020 |
| Net difference in severance indemnity | 4 | (64) | 138 |
| Net difference in pre-paid taxes (deferred taxes) and other funds | (1,021) | 114 | 83 |
| | | | |
| Increase (decrease) in current receivables | 1,380 | (7,459) | 411 |
| Increase (decrease) in stock inventory | (2,044) | 2,336 | (4,255) |
| Increase (decrease) in current payables | (931) | (7,786) | (9,881) |
| | | | |
| **Total Cash Flow from (to) Business Management (B)** | **(499)** | **2,043** | **(7,875)** |
| | | | |
| Net investments in tangible and intangible assets | (4,333) | (10,432) | (4,912) |
| | | | |
| Movements in other non-current assets | (60) | 1,632 | 542 |
| | | | |
| **Total Cash Flow from (to) Investment Assets (C)** | **(4,393)** | **(8,800)** | **(4,370)** |
| | | | |
| **Free cash flow** | **(4,892)** | **(6,757)** | **(12,245)** |
| | | | |
| New loans net of transfer of short-term holdings to current liabilities | (6,018) | 8,921 | 7,015 |
| Dividends paid | (2,143) | (2,117) | (2,117) |
| | | | |
| Other monetary flows | (691) | 1,183 | (1,017) |
| | | | |
| **Total Cash Flow from (to) Financial Assets (D)** | **(8,852)** | **7,987** | **3,881** |
| | | | |
| **CASH FLOW FOR THE PERIOD (E)=(B+C+D)** | **(13,744)** | **1,230** | **(8,364)** |
| | | | |