GEFRAN GROUP

INTERIM REPORT

AS AT 30 SEPTEMBER 2014

CONTENTS

1. CORPORATE BODIES

Board of Directors

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

Board of Statutory Auditors

Chairman	Eugenio Ballerio
Statutory Auditor	Ernesto Bino
Statutory Auditor	Enrico Broli
Deputy Auditor	Guido Ballerio
Deputy Auditor	Rossella Rinaldi

Control and Risks Committee

- Cesare Vecchio
- Marco Agliati
- Monica Vecchiati

Remuneration Committee

- Romano Gallus
- Daniele Piccolo
- Cesare Vecchio

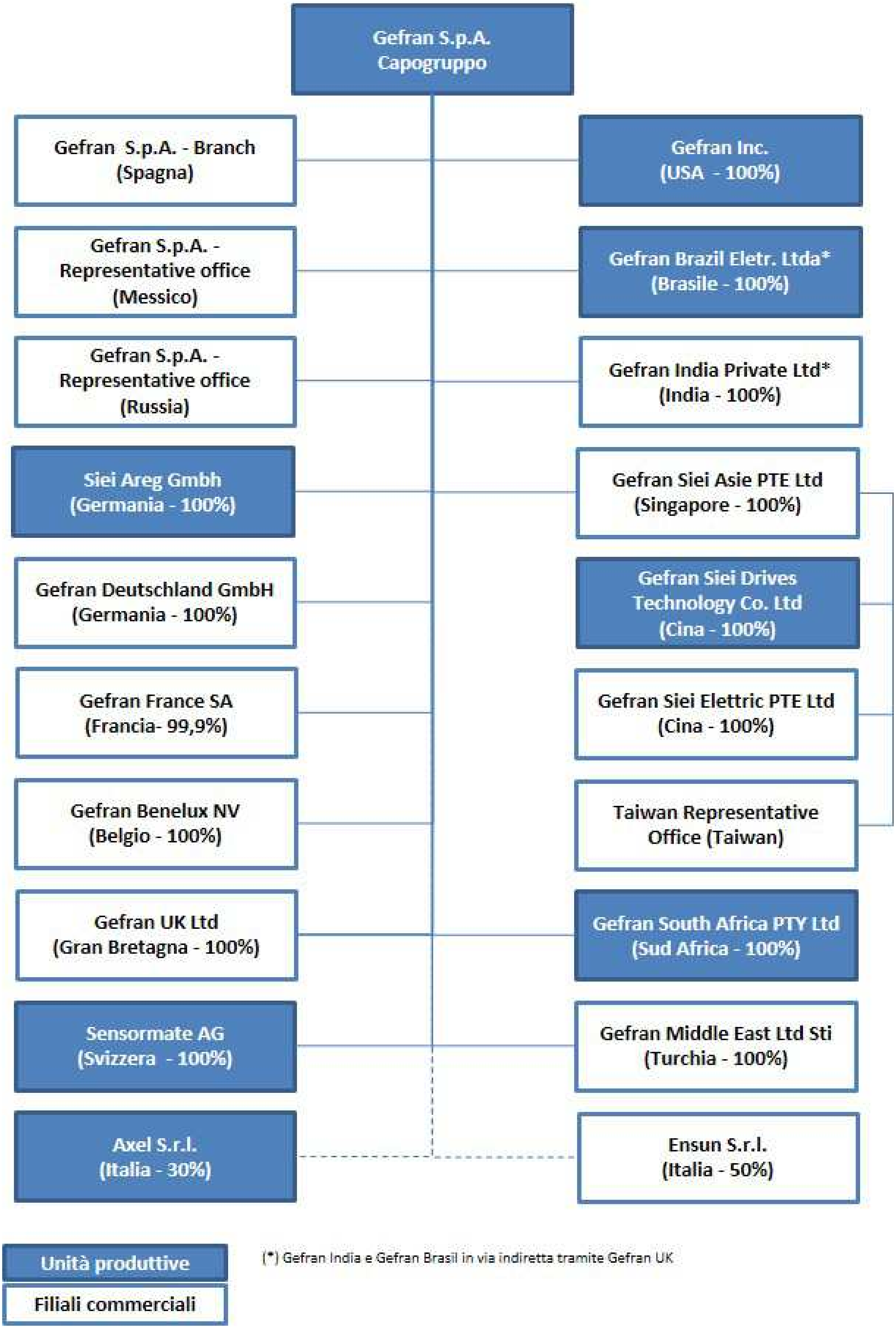
External auditor

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. STRUCTURE OF THE GEFRAN GROUP



3. 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:

- **Value added**: 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 profit 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;
- **Adjusted net profit**: net profit before non-recurring income and charges, items valued at fair value, the effects of derivatives on exchange and interest rates, and the related tax effect.

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
    - Equity investments valued at equity
    - Equity investments in other companies
    - Receivables and other non-current assets
    - Deferred tax assets
- **Working capital**: the algebraic sum of the following items in the statement of financial position:
    - Inventories
    - Trade receivables
    - Trade payables
    - Other assets
    - Tax receivables
    - Tax payables
    - Other liabilities
- **Net invested capital**: the algebraic sum of fixed assets, working capital and provisions;
- **Net debt**: 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

4. SUMMARY OF GROUP PERFORMANCE

Revenues in the first nine months of 2014 totalled EUR 93,946 thousand, a similar level to the same period of 2013, although there was a significant difference in its composition: the core products business posted an increase of 1.2%, while sales of photovoltaic products – which contributed EUR 2,292 thousand in the first nine months of 2013 – fell sharply in light of Gefran's decision to exit the alternative energies business.

Compared with the forecasts made at the beginning of the year and presented in the business plan last March, revenues were below budget, but EBITDA and EBIT were in line with targets.

The difference between actual and budgeted revenues relates to some specific circumstances at geographical, application or client level: conditions are currently difficult on the the European market, especially in Italy and Turkey, where a number of initiatives relating to the drives business are struggling to take off.

For the first nine months of 2014, EBITDA totalled EUR 7,305 thousand (7.8% of revenues), an increase of almost 20% compared with the same period of 2013. Both EBIT and EBITDA, and the related margins, were in line with the forecasts set out in the business plan: this positive result was based on an improvement in the mix of products sold, the measures taken to boost profitability and a firm grip on costs.

In June 2014, Gefran sold all the activities of Accredited Calibration Laboratory 011 (LAT 011) for EUR 1,450 thousand, while in July 2014, it sold its 16% stake in SEI Sistemi S.r.l for EUR 700 thousand. Both disposals form part of Gefran's strategy to focus on its core industrial business. This will lead to a specialisation of divisions and staff, and will see investment geared towards activities generating higher volumes and value added for the Group.

As part of the measures put in place to pursue the objectives of the business plan, Parent Company Gefran S.p.A. launched a project to overhaul its internal structure, and allocated personnel restructuring costs of EUR 1,200 thousand: the objective is to optimise its structures and improve efficiency, particularly in relation to indirect costs and staff functions. In September, the project entered the operational phase and, as at the date of this report, progress had reached an advanced stage: 70% of the organisational restructuring had been achieved, as agreed with the trade unions.

As regards net debt, an improvement is expected at the end of the year. The current trends in working capital are having a negative effect on net debt: these are due to the delay in finalising certain initiatives whose results should have the greatest impact in 2015.

Lastly, the Group continued to develop its business in the first nine months of the year through investment in tangible and intangible assets totalling EUR 4,166 thousand (EUR 5,436 thousand at 30 September 2013).

5. KEY CONSOLIDATED ECONOMIC, FINANCIAL, EQUITY AND OPERATING FIGURES

Group income statement highlights

(EUR /000)	30 September 2014		30 September 2013		3Q 2014		3Q 2013	
Revenues	93,946	100.0%	94,688	100.0%	31,841	100.0%	32,127	100.0%
EBITDA	7,305	7.8%	6,099	6.4%	3,105	9.8%	2,557	8.0%
EBIT	2,033	2.2%	784	0.8%	1,351	4.2%	717	2.2%
Profit (loss) before tax	1,851	2.0%	(1,166)	-1.2%	1,868	5.9%	(227)	-0.7%
Net profit (loss)	5	0.0%	(2,084)	-2.2%	1,337	4.2%	(597)	-1.9%

Group statement of financial position highlights

(EUR /000)	30 September 2014	31 December 2013
Net invested capital	93,376	87,426
Net working capital	43,811	38,618
Shareholders’ equity	65,831	63,059
Net financial position	(27,545)	(24,367)

(EUR /000)	30 September 2014	30 September 2013
Operating cash flow	(2,915)	4,979
Investments	4,166	5,436

6. GROUP BUSINESS PERFORMANCE IN THE THIRD QUARTER OF 2014

	(EUR /000)	3Q 2014			3Q 2013			Chg '14-'13	
		Excl. non-rec.	Incl. non-rec.	Final	Excl. non-rec.	Incl. non-rec.	Final	Excl. non-rec. Value	%
a	Revenues	31,841		31,841	32,127		32,127	(286)	-0.9%
b	Consumption of materials and products	12,977		12,977	13,228		13,228	(251)	-1.9%
c	Value added (a-b)	18,864		18,864	18,899		18,899	(35)	-0.2%
d	Other operating costs	5,318		5,318	5,970	(400)	6,370	(652)	-10.9%
e	Personnel costs	10,970		10,970	10,596		10,596	374	3.5%
f	Increases for internal work	529		529	624		624	(95)	-15.2%
g	EBITDA (c-d-e+f)	3,105		3,105	2,957	400	2,557	148	5.0%
h	Depreciation, amortisation and impairments	1,754		1,754	1,699	(141)	1,840	55	3.2%
i	EBIT (g-h)	1,351		1,351	1,258	541	717	93	7.4%
l	Gains (losses) from financial assets/liabilities	496		496	(754)		(754)	1,250	-165.8%
m	Gains (losses) from shareholdings valued at equity	21		21	(190)		(190)	211	-111.1%
n	Profit (loss) before tax (i+-l+-m)	1,868		1,868	314	541	(227)	1,554	494.9%
o	Taxes	(531)		(531)	(370)		(370)	(161)	43.5%
p	Profit (loss) including minority interests (n+-o)	1,337		1,337	(56)	541	(597)	1,393	n.m.
q	Profit (loss) pertaining to minority interests	0		0	0		0	0	n.m.
r	Group net profit (loss) (p+-q)	1,337		1,337	(56)	541	(597)	1,393	n.m.

Third-quarter revenues were EUR 31,841 thousand, a decrease of EUR 286 thousand from the same period in 2013.

In the third quarter of 2014, sales of industrial products totalled EUR 31,801 thousand, a decrease of EUR 324 thousand from the third quarter of 2013.

The contraction of sales volumes compared with the business plan was partly attributable to a delay in the initiatives planned by the management, the difficult macroeconomic environment and the exchange rate trend in the period versus the rates used in the business plan. In particular, if the exchange rates included in the business plan are applied, consolidated revenues for the third quarter of 2014 show an increase of EUR 1,235 thousand.

New orders in the third quarter totalled EUR 26,216 thousand, compared with EUR 29,357 thousand in the third quarter of 2013, a decrease of EUR 3,304 thousand (-11%), mainly relating to the peak in orders in the second quarter.

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

(EUR /000)	3Q 2014	%	3Q 2013	%	Chg '14-'13 value	%
Italy	7,277	22.9%	7,853	24.4%	(576)	-7.3%
European Union	6,891	21.6%	6,595	20.5%	296	4.5%
Europe non-EU	1,429	4.5%	1,793	5.6%	(364)	-20.3%
North America	2,941	9.2%	2,458	7.7%	483	19.7%
South America	1,226	3.9%	1,321	4.1%	(95)	-7.2%
Asia	11,914	37.4%	11,969	37.3%	(55)	-0.5%
Rest of the World	163	0.5%	138	0.4%	25	18.1%
Total	31,841	100.0%	32,127	100.0%	(286)	-0.9%

North America closed the quarter with growth of 19.7% compared with the same period of 2013, mainly as a result of sensor sales.

EU revenues came in at EUR 6,891 thousand in the second quarter of 2014, up EUR 296 thousand compared with the third quarter of 2013.

In Italy, sales decreased by EUR 576 thousand compared with the third quarter of 2013 (-7.3%); however, the picture is better if looking at the industrial market alone, and stripping out the negative performance of the photovoltaic business: excluding this specific product, sales of industrial products grew by 0.5% compared with the third quarter of 2013.

In South America, third quarter 2014 revenues were down 7.2% on the same period of 2013, mainly due to a drop in sales of sensors and automation components.

The table below summarises the results by business area in the third quarter of 2014 and shows a comparison with the same period of the previous year:

	3Q 2014					3Q 2013				
	Revenues	EBITDA	% of revenues	EBIT	% of revenues	Revenues	EBITDA	% of revenues	EBIT	% of revenues
(EUR /000)										
Sensors	10,739	2,434	22.7%	1,936	18.0%	9,823	2,480	25.2%	1,953	19.9%
Automation components	6,804	200	2.9%	(266)	-3.9%	7,489	123	1.6%	(402)	-5.4%
Drives	14,776	867	5.9%	194	1.3%	15,440	672	4.4%	12	0.1%
Photovoltaic	40	(396)	-990.0%	(513)	-1282.5%	650	(718)	-110.5%	(846)	-130.2%
Eliminations	(518)					(1,275)				
Total	31,841	3,105	9.8%	1,351	4.2%	32,127	2,557	8.0%	717	2.2%

A breakdown of **revenues by business area** shows growth for the sensors business of EUR 916 thousand (+9.3%). Revenues for the automation components business, at EUR 6,804 thousand, contracted by 9.1% from the same period of 2013, mainly owing to the fall in revenues of the Solutions and Systems product family. The drives business posted revenues of EUR 14,776 thousand, down 4.3% from the third quarter of 2013 owing to the contraction in the industrial and brushless inverter market. Finally, in the same period, the photovoltaic business generated revenues of EUR 40 thousand, a reduction of 93.8%.

Value added totalled EUR18,864 thousand in the third quarter, in line with the same period of 2013 in absolute terms, but representing an increase as a percentage of revenues, from 58.8% in the third quarter of 2013 to 59.2% in the same quarter of 2014. The impact of the decrease in revenues on value added was EUR 169 thousand, which was largely offset by the improvement in profitability of EUR 134 thousand.

Other operating costs were EUR 5,318 thousand in the third quarter of 2014 (EUR 6,370 thousand in the same period of 2013, including non-recurring income of EUR 400 thousand). Stripping out non-recurring items, other operating costs decreased by EUR 652 thousand compared with the third quarter of 2013, and represented 16.7% of revenues, compared with 18.6% in the third quarter of 2013.

Third-quarter **personnel costs** totalled EUR 10,970 thousand compared with EUR 10,596 thousand in the same period of 2013. The increase was mainly attributable to an increase in the number of employees, which had an impact of EUR 282 thousand, following the establishment of new subsidiaries in South Africa and Turkey.

Increases for internal work totalled EUR 529 thousand (EUR 624 thousand in the third quarter of 2013), and related almost exclusively to product development costs incurred and capitalised during the third quarter of 2014.

In the third quarter, **EBITDA** totalled EUR 3,105 thousand compared with EUR 2,557 thousand in the same period of 2013 (including non-recurring provisions of EUR 400 thousand). The increase of EUR

548 thousand (EUR 148 thousand stripping out the non-recurring component) versus the same period of 2013 was made possible by a better mix of products sold and measures put in place to control operating costs. The EBITDA margin was 9.8%, an improvement of almost 2 percentage points on the third quarter of 2013.

Third-quarter 2014 **EBIT** was EUR 1,351 thousand, an increase of EUR 634 thousand on the same period of 2013 (stripping out the impact of non-recurring components on the third quarter of 2013, the increase is EUR 93 thousand). The reasons behind the increase in EBIT were the same as those influencing the improvement in EBITDA.

The balance of **gains/losses from financial assets/liabilities** in the third quarter of 2014 was positive at EUR 496 thousand, a major improvement (EUR 1,250 thousand) on the negative balance of EUR 754 thousand in the third quarter of 2013. This improvement was partly attributable to the gain on the sale of the holding in Sei Sistemi S.r.l. (EUR 296 thousand), with the remainder deriving from the more favourable trend in exchange rates in the third quarter of 2014, mainly thanks to the appreciation of the euro against the US dollar (from 1.366 in June 2014 to 1.258 in September 2014), the Chinese renminbi (from 8.472 in June 2014 to 7.726 in September 2014) and the Indian rupee (from 82.202 in June 2014 to 77.856 in September 2014).

Gains from equity investments valued at equity were positive at EUR 21 thousand (negative in the amount of EUR 190 thousand in the third quarter of 2013), and mainly relate to the Group's portion of profit from the Ensun S.r.l. Group.

Taxes were negative in the third quarter of 2014, at EUR 531 thousand, compared with a negative EUR 370 thousand in the same period of the previous year. They broke down as follows:

- negative current taxes, at EUR 517 thousand (EUR 686 thousand in the third quarter of 2013). The tax burden for the period is attributable to IRAP due from Parent Company Gefran S.p.A., for an amount broadly in line with the previous year, and the taxes of the Group’s foreign subsidiaries, in proportion to their respective positive results, which registered growth particularly in China;
- negative deferred taxes, at EUR 14 thousand (EUR 316 thousand in the third quarter of 2013).

The Group net profit in the third quarter of 2014 was EUR 1,337 thousand, a substantial improvement compared with the net loss of EUR 597 thousand recorded in the third quarter of 2013.

7. GROUP PERFORMANCE TO 30 SEPTEMBER 2014

The main income statement items and comments are shown below.

	(EUR /000)	30 Sep 2014 Excl. non-rec.	30 Sep 2014 Incl. non-rec.	30 Sep 2014 Final	30 Sep 2013 Excl. non-rec.	30 Sep 2013 Incl. non-rec.	30 Sep 2013 Final	Chg '14-'13 Excl. non-rec. Value	Chg '14-'13 Excl. non-rec. %
a	Revenues	93,616	(330)	93,946	94,368	(320)	94,688	(752)	-0.8%
b	Consumption of materials and products	35,487		35,487	37,659		37,659	(2,172)	-5.8%
c	Value added (a-b)	58,129	(330)	58,459	56,709	(320)	57,029	1,420	2.5%
d	Other operating costs	17,553	1,383	16,170	17,905	(400)	18,305	(352)	-2.0%
e	Personnel costs	35,409	(1,200)	36,609	34,184	(287)	34,471	1,225	3.6%
f	Increases for internal work	1,625		1,625	1,846		1,846	(221)	-12.0%
g	EBITDA (c-d-e+f)	6,792	(513)	7,305	6,466	367	6,099	326	5.0%
h	Depreciation, amortisation and impairments	5,272		5,272	5,174	(141)	5,315	98	1.9%
i	EBIT (g-h)	1,520	(513)	2,033	1,292	508	784	228	17.6%
l	Gains (losses) from financial assets/liabilities	(228)		(228)	(1,536)		(1,536)	1,308	-85.2%
m	Gains (losses) from shareholdings valued at equity	46		46	(414)		(414)	460	-111.1%
n	Profit (loss) before tax (i+-l+-m)	1,338	(513)	1,851	(658)	508	(1,166)	1,996	-303.3%
o	Taxes	(1,846)		(1,846)	(918)		(918)	(928)	101.1%
p	Profit (loss) including minority interests (n+-o)	(508)	(513)	5	(1,576)	508	(2,084)	1,068	-67.8%
q	Profit (loss) pertaining to minority interests	0		0	0		0	0	N/A
r	Group net profit (loss) (p+-q)	(508)	(513)	5	(1,576)	508	(2,084)	1,068	-67.8%

Revenues in the first nine months of 2014 included EUR 654 thousand relating to the first-half figure for Sensormate AG, which was added to the scope of consolidation in July 2013, and non-recurring amounts totalling EUR 330 thousand (EUR 320 thousand in 2013) arising from the government contributions received by the Chinese subsidiary (R&D incentives paid to technology companies).

In total, revenues came to EUR 93,946 thousand, a decrease of EUR 742 thousand (-0.8%) compared with the first nine months of 2013.

The Group's industrial core business (sensors, components and drives) registered growth in revenues of EUR 1,145 thousand (+1.2%) compared with the first nine months of 2013. The contraction in revenues in the first nine months of the year was therefore entirely due to the performance of the photovoltaic business, whose revenues fell by EUR 1,887 thousand from the same period of 2013.

New orders in the first nine months of the year totalled EUR 97,617 thousand, a 6% increase on the same period of 2013 (EUR 91,709 thousand). The growth in orders also generated an increase in the backlog, which advanced from EUR 18,075 thousand in December 2013 to the current EUR 21,407 thousand.

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

(EUR /000)	30 Sep 2014	%	30 Sep 2013	%	Chg '14-'13 value	Chg '14-'13 %
Italy	25,135	26.8%	25,879	27.3%	(744)	-2.9%
European Union	21,573	23.0%	21,255	22.4%	318	1.5%
Europe non-EU	4,230	4.5%	4,514	4.8%	(284)	-6.3%
North America	8,136	8.7%	7,351	7.8%	785	10.7%
South America	3,851	4.1%	4,259	4.5%	(408)	-9.6%
Asia	29,791	31.7%	30,859	32.6%	(1,068)	-3.5%
Rest of the World	1,230	1.3%	571	0.6%	659	115.4%
Total	93,946	100.0%	94,688	100.0%	(742)	-0.8%

The breakdown of revenues by **geographical region** shows growth in the European Union (+1.5%), North America (+10.7%) and the Rest of the World (+115.4%).

In Italy, revenues from the sale of industrial products registered growth of EUR 498 thousand (+2.1%), despite the unfavourable macroeconomic environment; the decrease versus the first nine months of 2013 was EUR 744 thousand, owing to sales of products for the photovoltaic business, which fell in the first nine months of 2014 by EUR 1,242 thousand (-75.4%).

In Asia, revenues fell by 3.5% compared with the same period of 2013, mainly due to a contraction in sales to the Korean market.

Revenues in South America were down by 9.6% compared with the first nine months of 2013. In local currency, however, these revenues were down by 1% versus the same period of 2013, with the difference being due to the unfavourable trend in the Brazilian real/euro exchange rate in the first half of the year.

The table below summarises the results by business area to 30 September 2014 and shows a comparison with the previous year:

	30 September 2014					30 September 2013				
	Revenues	EBITDA	% of revenues	EBIT	% of revenues	Revenues	EBITDA	% of revenues	EBIT	% of revenues
(EUR /000)										
Sensors	33,298	8,807	26.4%	7,311	22.0%	29,808	7,238	24.3%	5,725	19.2%
Automation components	22,242	343	1.5%	(1,025)	-4.6%	23,501	287	1.2%	(1,099)	-4.7%
Drives	40,426	(4)	0.0%	(2,062)	-5.1%	43,197	1,222	2.8%	(838)	-1.9%
Photovoltaic	405	(1,841)	-454.6%	(2,191)	-541.0%	2,292	(2,648)	-115.5%	(3,004)	-131.1%
Eliminations	(2,425)					(4,110)				
Total	93,946	7,305	7.8%	2,033	2.2%	94,688	6,099	6.4%	784	0.8%

The breakdown of **revenues by business area** shows growth for the sensors business of EUR 3,490 thousand (+11.7%); stripping out Sensormate AG for the first six months of the year, revenues of the sensors business totalled EUR 32,644 thousand, an increase of EUR 2,836 thousand (+9.5%) on the first nine months of 2013. Revenues of the automation components business, at EUR 22,242 thousand, contracted by EUR 1,259 thousand (-5.4%) from the same period of 2013, mainly owing to the fall in revenues of the Solutions and Systems product family. The drives business posted revenues of EUR 40,426 thousand, down 6.4% from the first nine months of 2013 owing to the contraction in the industrial and brushless inverter market. Finally, in the same period, the photovoltaic business posted a decline in revenues of EUR 1,887 thousand.

Value added totalled EUR 58,459 thousand at 30 September 2014, versus EUR 57,029 thousand at 30 September 2013. Compared with the previous year, value added improved both as a percentage of revenues (62.2% versus 60.2% at 30 September 2013) and in absolute terms (an increase of EUR 1,430 thousand on the same period of 2013). This improvement, despite the contraction in volumes, which had a negative impact on value added of EUR 462 thousand, was achieved thanks to savings on raw material purchases and an improvement in margins and the mix of products sold, which had a positive impact of EUR 1,892 thousand.

Other operating costs were EUR 16,170 thousand in the third quarter of 2014 (EUR 18,305 thousand in the same period of 2013), and include non-recurring income of EUR 1,383 thousand resulting from the capital gain from the sale of the calibration laboratory (non-recurring charges were EUR 400 thousand in the first nine months of 2013). Stripping out non-recurring items, other operating costs totalled EUR

17,533 thousand, a decrease of EUR 352 thousand compared with the first nine months of 2013, and were 18.8% as a percentage of sales versus 19.0% in the same period of 2013.

Personnel costs were EUR 36,609 thousand at 30 September 2014 (EUR 34,471 thousand at 30 September 2013) and include the non-recurring charges of Parent Company Gefran S.p.A. totalling EUR 1,200 thousand (EUR 287 thousand at 30 September 2013). Stripping out non-recurring components, personnel costs were EUR 35,409 thousand, an increase of EUR 1,225 thousand on the same period of 2013, due to the increase in headcount following the acquisition of Sensormate, and the establishment of the new subsidiaries in South Africa and Turkey, and an office in Russia, which had an overall impact of EUR 763 thousand.

Increases for internal work totalled EUR 1,625 thousand in the first nine months of 2014, compared with EUR 1,846 thousand in the same period of 2013. This item almost entirely relates to the portion of development costs incurred in the period and capitalised, in accordance with IFRS.

EBITDA totalled EUR 7,305 thousand in the first nine months of 2014 (versus EUR 6,099 thousand in the same period of 2013), and included non-recurring items of EUR 513 thousand (these were negative at EUR 367 thousand in the same period of 2013). Stripping out non-recurring components, EBITDA increased by EUR 326 thousand to EUR 6,792 thousand compared with the first nine months of 2013, and represented 7.3% of revenues, compared with 6.9% in the first nine months of 2013.

The increase in EBITDA was mainly due to growth in value added owing to improved sales profitability, which offset the rise in personnel costs.

Depreciation, amortisation and impairments at 30 September 2014 totalled EUR 5,272 thousand (EUR 5,174 thousand at 30 September 2013), an increase on the first nine months of 2013 of 1.9%, which reflects the contribution to operating profit of the higher investments made over previous years.

EBIT for the first nine months of 2014 was EUR 2,033 thousand, compared with EUR 784 thousand in the same period of 2013. It included the non-recurring items mentioned above that totalled EUR 513 thousand (negative at EUR 508 thousand in the first nine months of 2013); stripping out these items, EBIT was EUR 1,520 thousand, up from EUR 1,292 thousand in the first nine months of 2013. The reasons behind the EBIT performance by the same as those relating to EBITDA.

Charges from financial assets/liabilities were EUR 228 thousand in the first nine months of 2014 (versus charges of EUR 1,536 thousand in the same period of 2013). They included:

- income from cash management of EUR 144 thousand (EUR 187 thousand in the first nine months of 2013);
- the proceeds of the sale of the holding in Sei Sistemi S.r.l. for EUR 296 thousand;
- financial charges, mainly relating to medium-/long-term loans, of EUR 1,216 thousand (EUR 1,285 thousand in the first nine months of 2013);
- differences on currency transactions, positive at EUR 548 thousand, compared with a negative figure of EUR 434 thousand in the first nine months of 2013.

Gains from equity investments valued at equity mainly relate to the Group's portion of profit from the Ensun S.r.l. Group.

Taxes were negative at EUR 1,846 thousand in the first nine months of 2014, compared with a negative amount of EUR 918 thousand in the same period of 2013. The tax burden for the period comprised:

- current taxes of EUR 1,577 thousand (EUR 1,665 thousand at 30 September 2013). The tax burden for the period is attributable to IRAP due from the Parent Company Gefran S.p.A. and local taxes due from foreign Group companies;
- deferred tax assets and liabilities, negative at EUR 269 thousand (positive at EUR 747 thousand in the first nine months of 2013), mainly owing to the reversal in the first half of provisions with deferred deductibility registered in the Parent Company accounts.

The Group net profit was EUR 5 thousand in the first nine months of 2014, compared with a net loss of EUR 2,084 thousand in the first nine months of 2013.

8. RESTATED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 SEPTEMBER 2014

The restated consolidated statement of financial position of the Gefran Group at 30 September 2014 is shown below.

GEFRAN GROUP *(EUR /000)*	30/09/2014	%	31/12/2013	%
Intangible assets	15,759	16.9	15,403	17.6
Tangible assets	41,390	44.3	42,267	48.3
Financial assets	10,135	10.9	10,504	12.0
Net non-current assets	67,284	72.1	68,174	78.0
Inventories	24,532	26.3	22,071	25.2
Trade receivables	39,926	42.8	37,765	43.2
Trade payables	(20,647)	(22.1)	(21,218)	(24.3)
Other assets/liabilities	(8,427)	(9.0)	(9,430)	(10.8)
Working capital	35,384	37.9	29,188	33.4
Provisions for risks and future liabilities	(3,177)	(3.4)	(3,870)	(4.4)
Deferred tax provisions	(854)	(0.9)	(785)	(0.9)
Employee benefits	(5,261)	(5.6)	(5,281)	(6.0)
Net invested capital	93,376	100.0	87,426	100.0
Shareholders’ equity	65,831	70.5	63,059	72.1
Medium- to long-term financial payables	20,762	22.2	28,478	32.6
Short-term financial payables	21,989	23.5	20,608	23.6
Financial liabilities for derivatives	361	0.4	489	0.6
Financial assets for derivatives	(25)	(0.0)	(168)	(0.2)
Cash and cash equivalents and short-term financial receivables	(15,542)	(16.6)	(25,040)	(28.6)
Net debt relating to operations	27,545	29.5	24,367	27.9
Total sources of financing	93,376	100.0	87,426	100.0

Net non-current assets at 30 September 2014 were EUR 67,284 thousand, compared with EUR 68,174 thousand at 31 December 2013. The decrease of EUR 890 thousand from 31 December 2013 was mainly due to the effect of depreciation and amortisation in the first nine months of the year of EUR 5,272 thousand, the sale of the holding in Sei Sistemi for EUR 404 thousand and the release of deferred tax assets of EUR 269 thousand, offset by investments in the period of EUR 4,166 thousand.

Working capital at 30 September 2014 was EUR 35,384 thousand, compared with EUR 29,188 thousand at 31 December 2013, an overall increase of EUR 6,196 thousand owing to the combined effect of the increases in inventories (EUR 2,461 thousand) and trade receivables (EUR 2,161 thousand), and the decreases in other assets/liabilities (EUR 1,006 thousand) and trade payables (EUR 571 thousand).

The growth in inventories registered in the first nine months of the year was due to goodwill relating to the logistics project, which, with a view to improving services to customers, requires an increase in high-rotation product inventories and at the same time a reduction in low-rotation inventories; the new stock code management system will come on stream in the final quarter of the year at the Parent Company, and is expected to improve inventory rotation. At the same time, the initiative for the branches started, which will bring benefits from the next financial year.

With reference to receivables from customers, the Group is currently reclassifying its customers and revising payment terms, which will lead to a shared classification of all customers according to reference market, with a view to reducing average payment days from customers at Group level.

Net invested capital at 30 September 2014 totalled EUR 93,376 thousand, up EUR 5,950 thousand from 31 December 2013. This was mainly due to growth in working capital of EUR 6,196 thousand.

Shareholders' equity at 30 September 2014 stood at EUR 65,831 thousand (EUR 63,059 thousand at 31 December 2013). The change versus 31 December 2013 was chiefly due to the recognition of the profit for the period and the positive change in the currency translation reserve.

Net debt at 30 September 2014 was EUR 27,545 thousand, up EUR 3,178 thousand from 31 December 2013, and breaks down as follows:

Description *(EUR /000)*	**30/09/2014**	**31/12/2013**	**Change**
Cash and cash equivalents	15,542	25,040	(9,498)
Current financial payables	(21,989)	(20,608)	(1,381)
Financial liabilities for derivatives	(361)	(489)	128
Financial assets for derivatives	25	168	(143)
(Debt)/short-term cash and cash equivalents	(6,783)	4,111	(10,894)
Non-current bank debt	(20,762)	(28,478)	7,716
(Debt)/medium-/long-term cash and cash equivalents	(20,762)	(28,478)	7,716
Net financial position	(27,545)	(24,367)	(3,178)

The change in net debt versus 31 December 2013 was mainly due to negative cash flows from ordinary operations of EUR 2,619 thousand and cash burn generated by investment activities of EUR 2,412 thousand.

Net debt comprises short-term debt of EUR 6,783 thousand and medium-/long-term debt of EUR 20,762 thousand. Debt of EUR 9,834 thousand was repaid over the first nine months of the year, and no new medium-/long-term loans were taken out.

9. CONSOLIDATED CASH FLOW STATEMENT

The consolidated cash flow statement of the Gefran Group at 30 September 2014 is shown below.

(EUR /000)	**30 Sep 2014**	**30 Sep 2013**
A) CASH AND CASH EQUIVALENTS AT THE START OF THE PERIOD	25,040	17,490
B) CASH FLOW GENERATED BY (USED IN) OPERATIONS IN THE PERIOD:	(2,915)	4,979
C) CASH FLOW GENERATED BY (USED IN) INVESTMENT ACTIVITIES	(2,116)	(7,824)
D) FREE CASH FLOW (B+C)	(5,031)	(2,845)
E) CASH FLOW GENERATED BY (USED IN) FINANCING ACTIVITIES	(5,335)	7,996
Currency translation differences on cash at hand	868	(375)
F) NET CHANGE IN CASH AT HAND	(9,498)	4,776
A) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	15,542	22,266

Operations in the first nine months of 2014 generated cash flow of EUR 3,281 thousand, net of the inflow of provisions, depreciation and amortisation and financial items, while working capital generated negative cash flow of EUR 6,196 thousand, owing to the combined effect of the increase in inventories (EUR 2,461 thousand) and other assets/liabilities (EUR 1,003 thousand), and the reduction in trade payables (EUR 571 thousand).

Technical investments, net of disposals, totalled EUR 4,270 thousand. The sale of the LAT calibration laboratory and the holding in Sei Sistemi S.r.l. generated EUR 2,154 thousand. Total cash flow resulting from investment activities was negative at EUR 2,116 thousand.

Free cash flow (operating cash flow excluding investment activities) was negative at EUR 5,031 thousand, compared with EUR 2,845 thousand in 2013, a drop of EUR 2,186 thousand mainly owing to the increase in working capital, as commented on above.

In the first nine months of 2014, the Group did not take out any new medium- or long-term loans; in the same period, it repaid portions of existing loans totalling EUR 9,834 thousand.

10. INVESTMENTS

Gross technical **investments** in the first nine months of 2014 totalled EUR 4,166 thousand (EUR 5,436 thousand in the same period of 2013, taking into account the impact of the purchase price allocation that followed the acquisition of Sensormate AG), and related to:

- investments in production plant and equipment of EUR 1,430 thousand in the Group's Italian factories, in the Chinese factory of subsidiary Gefran Siei Drives Technology (EUR 165 thousand), in Gefran Siei Asia (EUR 121 thousand) and finally EUR 184 thousand in other Group subsidiaries;
- investments to upgrade the industrial buildings of the Parent Company, which totalled approximately EUR 70 thousand;
- the capitalisation of costs incurred in the period for new product development, totalling EUR 1,448 thousand;
- other investments in intangible assets, relating to management software licences and the development of ERP SAP, of EUR 748 thousand.

(EUR /000)	**At 30/09/2014**	**At 30/09/2013**
Intangible assets	2,196	3,178
Tangible assets	1,970	2,258
Total	4,166	5,436

Investments are broken down by individual business area below.

(EUR /000)	**Sensors**	**Components**	**Drives**	**Photovoltaic**	**Total**
Intangible assets	481	971	744	0	2,196
Tangible assets	552	663	755	0	1,970
Total	1,033	1,634	1,499	0	4,166

11. RESULTS BY BUSINESS AREA

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

At the end of 2013, the photovoltaic segment was spun off from the drives business, and its representation in the accounts was subsequently adjusted. In accordance with IFRS 8.29, all corresponding information from prior periods, including interim periods, has been restated in order to ensure the data is perfectly comparable and understandable.

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.

11.1) SENSORS

Summary results

The key figures are summarised in the table below.

(EUR /000)	2014	2013	Chg '14-'13		3Q	3Q	Chg '14-'13	
			value	%	2014	2013	value	%
Revenues	33,298	29,808	3,490	11.7%	10,739	9,823	916	9.3%
EBITDA	8,807	7,238	1,569	21.7%	2,434	2,480	(46)	-1.9%
% of revenues	*26.4%*	*24.3%*			*22.7%*	*25.2%*		
EBIT	7,311	5,725	1,586	27.7%	1,936	1,953	(17)	-0.9%
% of revenues	*22.0%*	*19.2%*			*18.0%*	*19.9%*		

Business performance

The figures for the sensors business were affected by the acquisition of Sensormate AG in the third quarter of 2013. Stripping out the contribution of Sensormate AG for the first six months of 2014 of EUR 654 thousand, revenues for this business totalled 32,644 thousand, an increase of 9.5% versus the first nine months of 2013. These revenues were affected by a negative exchange rate effect (mainly the US dollar, Indian rupee and Brazilian real) of EUR 583 thousand versus the first nine months of 2013.

Revenues were up by EUR 3,490 thousand compared with the first nine months of 2013: the positive trend of the Melt and Position product families continued, while there was significant growth in Industrial Pressure sales, thanks partly to the favourable reaction of the market to the new products.

By sales region, strong growth was achieved in Asia (+26.1%), the US (+20.4%), the European Union (+9.1%) and Italy (+7.5%).

In the second quarter of 2014, the Group registered a non-recurring capital gain of EUR 1,383 thousand from the sale of the LAT 011 calibration laboratory. Non-recurring charges of EUR 300 thousand were also provisioned for staff restructuring, for the portion relating to the sensors business.

Third-quarter sales came in at EUR 10,739 thousand, an increase of EUR 9,823 thousand (+9.3%) versus the third quarter of 2013, on the back of the improvement seen in the US, India and Germany.

EBIT for the third quarter was EUR 1,936 thousand (18% of revenues), slightly below the same period of 2013 (-0.9%) owing to an increase in costs relating to the strengthening of the sales force.

EBITDA totalled EUR 8,807 thousand in the first nine months of the year, an increase of EUR 1,569 thousand versus the same period in the previous year, when it was EUR 7,238 thousand. Growth in sales volumes was greater than growth in costs, partly owing to productivity gains achieved after the production equipment that had been the subject of investment in recent years became fully operational.

EBIT for the first nine months of the year was EUR 7,311 thousand (22% of revenues), compared with EUR 5,725 thousand (19.2% of revenues) in the same period of 2013. Stripping out the non-recurring items mentioned above, EBIT for the sensors business was EUR 6,228 thousand (18.7% of revenues), up EUR 503 thousand compared with the same period of the previous year.

New orders totalled EUR 32,930 thousand at 30 September 2014, up from EUR 29,779 thousand at 30 September 2013. The backlog was also higher than the previous year (+9%).

Investments

At 30 September 2014, Group investments in the sensors business amounted to EUR 1,038 thousand, of which EUR 486 thousand related to intangible assets (research & development, patents and the allocation to the business of development costs for the new sales force management programme and ERP SAP), and EUR 552 thousand to tangible assets (mainly in Italy for the purchase of new equipment for the development of production lines for the new products and upgrading of those used for existing products).

11.2) AUTOMATION COMPONENTS

Summary results

The key figures are summarised in the table below.

(EUR /000)	2014	2013	Chg '14-'13 value	Chg '14-'13 %	3Q 2014	3Q 2013	Chg '14-'13 value	Chg '14-'13 %
Revenues	22,242	23,501	(1,259)	-5.4%	6,804	7,489	(685)	-9.1%
EBITDA	343	287	56	19.5%	200	123	77	62.6%
% of revenues	*1.5%*	*1.2%*			*2.9%*	*1.6%*		
EBIT	(1,025)	(1,099)	74	-6.7%	(266)	(402)	136	-33.8%
% of revenues	*-4.6%*	*-4.7%*			*-3.9%*	*-5.4%*		

Business performance

Revenues totalled EUR 22,242 thousand at 30 September 2014, down by EUR 1,259 thousand versus the same period of 2013.

The main contributors to revenue growth were the Static Units (+26.6%) and Instruments (+2.6%) product families, particularly after a recovery in the third quarter (+6.7%). However, sales for the Solutions and Systems product family were down by 40.6%.

In terms of the breakdown by geographical region, results for Italy and Germany were positive, with increases of 6% and 15.7% respectively. Revenues from International Sales and the European market fell over the period. The South American market saw revenues dip by 0.4% in local currency compared with the same period of the previous year. The weakness of the Brazilian real led to a decrease in revenues to EUR 1,380 thousand, from EUR 1,531 thousand in the first nine months of 2013.

EBITDA in the first nine months of 2014 was EUR 343 thousand, and included non-recurring restructuring costs of EUR 300 thousand. Stripping out non-recurring items, EBITDA was EUR 643 thousand, an increase of EUR 356 thousand on the first nine months of 2013.

EBIT came out higher than in the same period of 2013, although it included non-recurring restructuring costs of EUR 300 thousand. Stripping out these costs, EBIT showed an increase of EUR 374 thousand compared with the first nine months of 2013: despite a drop in volumes, value added continued to improve (+3%), owing to a better product and country mix.

With reference to the third quarter of 2014, EBIT was negative at EUR 266 thousand, a decline of EUR 136 thousand. Value added was up 2.8% in the third quarter of 2014 compared with the same period of 2013.

New orders in the first nine months of 2014 totalled EUR 20,958 thousand (EUR 23,252 thousand at 30 September 2013). The backlog stood at EUR 3,354 thousand, versus EUR 3,734 thousand at 30 September 2013.

Investments

Investments totalled EUR 1,624 thousand in the first nine months of 2014, divided between tangible assets (EUR 663 thousand) and intangible assets (EUR 961 thousand).

Almost all investments in tangible assets were made in the Italian production divisions in Provaglio d'Iseo (EUR 615 thousand), particularly for equipment to be used in the production of the new range of regulators.

Capitalised development costs totalled EUR 787 thousand in the period, and related to the new automation platforms and the new range of regulators. Development costs for ERP SAP and the new sales force management programme were allocated to the business in the amount of EUR 174 thousand.

11.3) DRIVES

Summary results

The key figures are summarised in the table below.

(EUR /000)	2014	2013	Chg '14-'13 value	Chg '14-'13 %	3Q 2014	3Q 2013	Chg '14-'13 value	Chg '14-'13 %
Revenues	40,426	43,197	(2,771)	-6.4%	14,776	15,440	(664)	-4.3%
EBITDA	(4)	1,222	(1,226)	-100.3%	867	672	195	29.0%
% of revenues	*0.0%*	*2.8%*			*5.9%*	*4.4%*		
EBIT	(2,062)	(838)	(1,224)	146.1%	194	12	182	1516.7%
% of revenues	*-5.1%*	*-1.9%*			*1.3%*	*0.1%*		

Business performance

Revenues totalled EUR 40,426 thousand at 30 September 2014, down by EUR 2,771 thousand compared with the same period of 2013 (-6.4%). Revenues also included non-recurring amounts of EUR 330 thousand (EUR 320 thousand in the first nine months of 2013) relating to government funds awarded to the Chinese subsidiary in respect of incentives for research and development granted to technology companies. Excluding non-recurring items, total revenues were EUR 40,096 thousand.

Revenues in the drives business were lower mainly in the industrial and brushless inverter product families, where they decreased by EUR 1,596 thousand compared with the same period of 2013, particularly in the Italian and Asian markets. In addition, there was a significant contraction in sales of semi-finished products for the photovoltaic business of EUR 1,619 thousand compared with the first nine months of 2013. The drop in revenues was partly offset by higher sales of converters (+6.8%) and lift inverters (+2.4%).

EBITDA was negative at EUR 4 thousand at 30 September 2014, and included non-recurring charges due to the Parent Company's corporate restructuring plan totalling EUR 350 thousand; stripping out this effect, EBITDA was positive at EUR 346 thousand, compared with a positive figure of EUR 1,222 thousand in the same period of 2013. During the period, the Group launched a cost structure reorganisation and review, as set out in the business plan.

EBIT for the first nine months of 2014 was negative at EUR 2,062 thousand and included non-recurring charges of EUR 350 thousand relating to the corporate restructuring plan. Stripping out these charges, EBIT for the first nine months of 2014 was negative at EUR 1,712 thousand, compared with a negative figure for the same period of 2013 of EUR 1,224 thousand.

New orders for the period totalled EUR 43,451 thousand, compared with EUR 37,087 thousand at 30 September 2013. The main contributor to this sharp increase was lift products, with growth of EUR 9,612 thousand versus the same period of 2013. The backlog at 30 September 2014 stood at EUR 12,879 thousand, in line with the figure for 30 September 2013.

Investments

Investments totalled EUR 1,504 thousand in the first nine months of the year, divided between technical investments of EUR 755 thousand and investments in intangible assets of EUR 749 thousand.

Technical investments in the period mainly related to the automated warehouse and the purchase of new 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 and the capitalisation of development costs of EUR 518 thousand in respect of new products for the industrial sector, particularly plastic applications, and for the lift sector.

11.4) PHOTOVOLTAIC

Summary results

The key figures are summarised in the table below.

(EUR /000)	2014	2013	Chg '14-'13 value	Chg '14-'13 %	3Q 2014	3Q 2013	Chg '14-'13 value	Chg '14-'13 %
Revenues	405	2,292	(1,887)	-82.3%	40	650	(610)	-93.8%
EBITDA	(1,841)	(2,648)	807	-30.5%	(396)	(718)	322	-44.8%
% of revenues	*-454.6%*	*-115.5%*			*-990.0%*	*-110.5%*		
EBIT	(2,191)	(3,004)	813	-27.1%	(513)	(846)	333	-39.4%
% of revenues	*-541.0%*	*-131.1%*			*-1282.5%*	*-130.2%*		

Business performance

Revenues totalled EUR 405 thousand at 30 September 2014, down sharply by EUR 1,887 thousand versus the same period of 2013 (-82.3%). Revenues were mainly generated through the provision of technical assistance services.

EBITDA was negative at EUR 1,841 thousand in the first nine months of 2014, and included non-recurring charges relating to the Parent Company's corporate restructuring plan of EUR 250 thousand; stripping out this effect, EBDITA was negative at EUR 1,591 thousand.

New orders totalled EUR 292 thousand in the first nine months of the year.

Investments

No investments were made in the first nine months of the year.

12. WORKFORCE

At 30 September 2014, Group headcount was 893, including 14 staff with a fixed-term contract, to replace temporarily absent staff or to undertake projects.

The change in headcount versus 31 December 2013 was as follows:

- 92 people were hired, comprising 58 office workers and 32 manual workers;
- 96 people left the Group, comprising two managers/directors, 67 office workers and 27 manual workers.

The changes mainly concerned the Parent Company and the Chinese subsidiary.

13. SIGNIFICANT EVENTS IN THE THIRD QUARTER OF 2014

On 31 July 2014, Gefran S.p.A. sold its 16% stake in SEI Sistemi S.r.l. for EUR 700 thousand, which was paid in full by the purchasers on the same date.

14. SIGNIFICANT EVENTS SINCE THE END OF THE THIRD QUARTER OF 2014

There are no significant events to report since 30 September 2014.

15. OUTLOOK FOR THE CURRENT YEAR

The ongoing weakness of the European economy, particularly in Germany, Italy and France, has limited improvement in the peripheral countries, leading to a further slowdown and the rising risk of deflation.

For 2015, the OECD projects GDP growth of 1.1% for the eurozone, and 0.2% for Italy. In the US, an expansive monetary policy and falling unemployment rate has led to a growth forecast of 3.1% for 2015, while the forecast for China is 7.1%.

Moreover, the deterioration in the global economic environment over the last few months has also had a negative impact on the Gefran Group: third-quarter revenues were below budget, as stronger growth had been projected for the second half of the year.

The euro's weakness of the last two months will – if the trend continues – have a positive impact, but so far this has been insufficient to make up the ground lost in the first half of the year in terms of revenues and profit.

Although the Gefran Group has embarked on a specific plan aimed at expanding its business, uncertainties remain over the recovery in the eurozone economy, the outlook for growth in certain key emerging markets and the geopolitical situation, which could impact on some of the Group's most important markets.

In light of the above, and given the results for October 2014 and the order backlog, revenues for the full year should keep pace with the 2013 level, but – as expected – with a different mix: higher revenues in the industrial business and a marked fall in photovoltaic sales.

While revenues may not be in line with projections, EBIT and EBITDA look set to be on track: barring any unforeseen events, 2014 revenues should be broadly the same as they were in 2013, with the EBITDA margin at between 7% and 8% and the EBIT margin at 2%, net of non-recurring charges.

The plan presented last March will continue to guide the Group's projects and initiatives over the coming year, with further improvements expected in terms of profitability, though volumes could come in below target.

16. DEALINGS WITH RELATED PARTIES

For a breakdown of transactions with related parties please refer to note 15 of the notes to the financial statements.

Provaglio d'Iseo, 12 November 2014

For the Board of Directors

Chairman	Chief Executive Officer
Ennio Franceschetti	**Maria Chiara Franceschetti**

CONSOLIDATED FINANCIAL STATEMENTS

17. STATEMENT OF PROFIT/(LOSS)

		3Q		progressive as at 30 September	
(EUR /000)	*note*	**2014**	**2013**	**2014**	**2013**
Revenues from product sales		31,788	32,101	93,438	94,219
Other operating revenues and income		53	26	508	469
TOTAL REVENUES		**31,841**	**32,127**	**93,946**	**94,688**
Change in inventories		(106)	926	1,607	2,431
Costs of raw materials and accessories		(12,871)	(14,154)	(37,094)	(40,090)
Service costs		(5,142)	(5,776)	(16,598)	(17,324)
Miscellaneous management costs		(314)	(967)	(615)	(857)
Other operating income		243	464	1,646	530
Personnel costs		(10,970)	(10,596)	(36,609)	(34,471)
Increases for internal work		529	624	1,625	1,846
Impairment of trade and other receivables	*10*	(105)	(91)	(603)	(654)
Amortisation		(682)	(716)	(2,034)	(1,963)
Depreciation		(1,072)	(1,124)	(3,238)	(3,352)
EBIT		**1,351**	**717**	**2,033**	**784**
Gains from financial assets	*7*	937	196	1,528	622
Losses from financial liabilities	*7*	(441)	(950)	(1,756)	(2,158)
Losses (gains) from shareholdings valued at equity	*8*	21	(190)	46	(414)
PROFIT (LOSS) BEFORE TAX		**1,868**	**(227)**	**1,851**	**(1,166)**
Current taxes	*9*	(517)	(686)	(1,577)	(1,665)
Deferred taxes	*9*	(14)	316	(269)	747
TOTAL TAXES		**(531)**	**(370)**	**(1,846)**	**(918)**
NET PROFIT (LOSS) FOR THE PERIOD		**1,337**	**(597)**	**5**	**(2,084)**

Attributable to:					
Group		1,337	(597)	5	(2,084)
Third parties		0	0	0	0

18. STATEMENT OF PROFIT/(LOSS) AND OTHER ITEMS OF COMPREHENSIVE INCOME

	3Q		progressive as at 30 September	
(Euro)	**2014**	**2013**	**2014**	**2013**
NET PROFIT (LOSS) FOR THE PERIOD	**1,337**	**(597)**	**5**	**(2,084)**
Items that will not subsequently be reclassified in the income statement for the year				
Items that will or could subsequently be reclassified in the income statement for the year				
- conversion of foreign companies' financial statements	2,848	(945)	2,782	111
- equity investments in other companies	(14)	(66)	33	(30)
- fair value of cash flow hedging derivatives	65	230	(15)	334
- overall tax effect	0	22	0	0
Total changes, net of tax effect	**2,899**	**(759)**	**2,800**	**415**
Comprehensive result for the period	**4,236**	**(1,356)**	**2,805**	**(1,669)**

19. STATEMENT OF FINANCIAL POSITION

	note	30/09/2014	31/12/2013
NON-CURRENT ASSETS			
Goodwill		5,745	5,574
Intangible assets		10,014	9,829
Property, plant, machinery and tools		41,390	42,267
Equity investments valued at equity		937	891
Equity investments in other companies		1,996	2,267
Receivables and other non-current assets		117	113
Deferred tax assets	*9*	7,085	7,233
TOTAL NON-CURRENT ASSETS		**67,284**	**68,174**
CURRENT ASSETS			
Inventories	*10*	24,532	22,071
Trade receivables	*10*	39,926	37,765
Other assets		2,919	2,378
Tax receivables		2,736	955
Cash and cash equivalents	*11*	15,542	25,040
Financial assets for derivatives	*11*	25	168
TOTAL CURRENT ASSETS		**85,680**	**88,377**
TOTAL ASSETS		**152,964**	**156,551**
SHAREHOLDERS' EQUITY			
Share capital		14,400	14,400
Reserves		51,426	57,145
Profit/(loss) for the year		5	(8,486)
Total Group shareholders' equity		**65,831**	**63,059**
Shareholders' equity of minority interests		-	-
TOTAL SHAREHOLDERS' EQUITY	*12*	**65,831**	**63,059**
NON-CURRENT LIABILITIES			
Non-current financial payables	*11*	20,762	28,478
Employee benefits		5,261	5,281
Non-current provisions	*13*	1,926	2,625
Deferred tax provisions	*9*	854	785
TOTAL NON-CURRENT LIABILITIES		**28,803**	**37,169**
CURRENT LIABILITIES			
Current financial payables	*11*	21,989	20,608
Trade payables	*10*	20,647	21,218
Financial liabilities for derivatives	*11*	361	489
Current provisions	*13*	1,251	1,245
Tax payables		3,190	3,307
Other liabilities		10,892	9,456
TOTAL CURRENT LIABILITIES		**58,330**	**56,323**
TOTAL LIABILITIES		**87,133**	**93,492**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**152,964**	**156,551**

20. CONSOLIDATED CASH FLOW STATEMENT

(EUR /000)	**30 Sep 2014**	**30 Sep 2013**
A) CASH AND CASH EQUIVALENTS AT THE START OF THE PERIOD	25,040	17,490
B) CASH FLOW GENERATED BY (USED IN) OPERATIONS IN THE PERIOD:		
Net profit (loss) for the period	5	(2,084)
Depreciation/amortisation	5,272	5,315
Capital losses (gains) on the sale of non-current assets	(1,682)	(19)
Net result from financial operations	182	1,950
Change in provisions for risks and future liabilities	(713)	(567)
Change in other assets and liabilities	(1,003)	974
Change in deferred taxes	217	(707)
Change in trade receivables	(2,161)	551
Change in inventories	(2,461)	(2,076)
Change in trade payables	(571)	1,642
TOTAL	(2,915)	4,979
C) CASH FLOW GENERATED BY (USED IN) INVESTMENT ACTIVITIES		
Investments in:		
- Property, plant & equipment and intangible assets	(4,166)	(4,441)
- Equity investments and securities	(100)	(535)
- Acquisitions net of acquired cash	0	(2,967)
- Financial receivables	(4)	0
Disposal of non-current assets	2,154	119
TOTAL	(2,116)	(7,824)
D) FREE CASH FLOW (B+C)	(5,031)	(2,845)
E) CASH FLOW GENERATED BY (USED IN) FINANCING ACTIVITIES		
New financial payables	0	24,000
Repayment of financial payables	(9,834)	(15,338)
Increase (decrease) in current financial payables	4,495	955
Interest received (paid)	(1,224)	(1,056)
Change in shareholders' equity reserves	1,228	(565)
Dividends paid	0	0
TOTAL	(5,335)	7,996
Currency translation differences on cash at hand	868	(375)
F) NET CHANGE IN CASH AT HAND	(9,498)	4,776
G) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	15,542	22,266

21. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Description (EUR /000)	Share capital	Capital reserves	Fair value measurement reserve	Consolidation reserve	Currency translation reserve	Other reserves	Retained profit /(loss)	Profit/(loss) for the year	Total Group shareholders' equity	Shareholders' equity of minority interests	Total shareholders' equity
Balance at 1 January 2013	14,400	21,926	(105)	15,290	560	10,452	9,443	586	72,553	(99)	72,454
Destination of 2012 profit											
- Other reserves and provisions				146			440	(586)	0		0
- Dividends									0		0
Income/(expenses) recognised at equity			445	(177)		(96)			172		172
Change in currency translation reserve				119	(1,299)				(1,180)		(1,180)
Other changes				436		(379)	(57)		0	99	99
2013 profit								(8,486)	(8,486)		(8,486)
Balance at 31 December 2013	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			17	(1)					16		16
Change in currency translation reserve					2,782				2,782		2,782
Other changes						(32)	1		(31)		(31)
2014 profit								5	5		5
Balance at 30 September 2014	14,400	21,926	357	14,741	2,043	9,690	2,668	5	65,831	0	65,831

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

		progressive as at 30 September	
(EUR /000)		**2014**	**2013**
Revenues from product sales		93,438	94,219
	of which: non-recurring	*330*	320
	of which: related parties	*56*	*24*
Other operating revenues and income		508	469
TOTAL REVENUES		**93,946**	**94,688**
Change in inventories		1,607	2,431
Costs of raw materials and accessories		(37,094)	(40,090)
Service costs		(16,598)	(17,324)
	of which: related parties	*(152)*	*(76)*
Miscellaneous management costs		(615)	(857)
	of which: non-recurring		(400)
Other operating income		1,646	530
	of which: non-recurring	*1,383*	0
Personnel costs		(36,609)	(34,471)
	of which: non-recurring	*(1,200)*	(287)
Provisions		0	0
Impairment of trade and other receivables		(603)	(654)
Amortisation		(2,034)	(1,963)
	of which: non-recurring		(141)
Depreciation		(3,238)	(3,352)
EBIT		**2,033**	**784**
	of which: non-recurring	*513*	*(508)*
Gains from financial assets		1,528	622
Losses from financial liabilities		(1,756)	(2,158)
Losses (gains) from shareholdings valued at equity		46	(414)
PROFIT (LOSS) BEFORE TAX		**1,851**	**(1,166)**
	of which: non-recurring	*513*	*(508)*
Current taxes		(1,577)	(1,665)
Deferred taxes		(269)	747
TOTAL TAXES		**(1,846)**	**(918)**
NET PROFIT (LOSS) FOR THE PERIOD		**5**	**(2,084)**
	of which: non-recurring	*513*	*(508)*
Attributable to:			
Group		5	(2,084)
Third parties		0	0

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

(EUR /000)	30/09/2014	31/12/2013
NON-CURRENT ASSETS		
Goodwill	5,745	5,574
Intangible assets	10,014	9,829
of which: non-recurring	*-*	*(141)*
of which: related parties	*62*	*91*
Property, plant, machinery and tools	41,390	42,267
of which: related parties	*23*	*232*
Equity investments valued at equity	937	891
Equity investments in other companies	1,996	2,267
Receivables and other non-current assets	117	113
Deferred tax assets	7,085	7,233
TOTAL NON-CURRENT ASSETS	**67,284**	**68,174**
CURRENT ASSETS		
Inventories	24,532	22,071
of which: non-recurring	*-*	*(966)*
Trade receivables	39,926	37,765
of which: non-recurring	*-*	*(3,161)*
of which: related parties	*16*	*13*
Other assets	2,919	2,378
Tax receivables	2,736	955
Cash and cash equivalents	15,542	25,040
Financial assets for derivatives	25	168
TOTAL CURRENT ASSETS	**85,680**	**88,377**
TOTAL ASSETS	**152,964**	**156,551**
SHAREHOLDERS' EQUITY		
Share capital	14,400	14,400
Reserves	51,426	57,145
Profit/(loss) for the year	5	(8,486)
Total Group shareholders' equity	**65,831**	**63,059**
Shareholders' equity of minority interests	-	-
TOTAL SHAREHOLDERS' EQUITY	**65,831**	**63,059**
NON-CURRENT LIABILITIES		
Non-current financial payables	20,762	28,478
Employee benefits	5,261	5,281
Non-current provisions	1,926	2,625
of which: non-recurring	*1,100*	*2,150*
Deferred tax provisions	854	785
TOTAL NON-CURRENT LIABILITIES	**28,803**	**37,169**
CURRENT LIABILITIES		
Current financial payables	21,989	20,608
Trade payables	20,647	21,218
of which: related parties	*76*	*102*
Financial liabilities for derivatives	361	489
Current provisions	1,251	1,245
Tax payables	3,190	3,307
Other liabilities	10,892	9,456
TOTAL CURRENT LIABILITIES	**58,330**	**56,323**
TOTAL LIABILITIES	**87,133**	**93,492**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**152,964**	**156,551**

NOTES TO THE FINANCIAL STATEMENTS

1. General information

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

The Group's main activities are described in the Report on Operations.

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 consolidated financial statements for the year ending 31 December 2013.

The interim financial statements for the nine months to 30 September 2014 do not include all the information required for annual financial statements, and should be read in conjunction with the financial statements for the year ending 31 December 2013, which were prepared in accordance with IFRS.

The interim financial statements for the nine months to 30 September 2014 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 nine months of 2014, 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.

The interim financial statements have not been audited.

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

These interim financial statements for the nine months to 30 September 2014 were approved by the Board of Directors at its meeting on 12 November 2014.

3. Change in the basis of consolidation

The basis of consolidation at 30 September 2014 was unchanged versus that at 31 December 2013.

Compared with the situation at 30 September 2013, however, the basis of consolidation changed following the establishment of the new 100%-owned Turkish subsidiary Gefran Middle East Ltd Sti, which was completed in October 2013.

4. Consolidation policies and accounting methods

The valuation criteria adopted for the preparation of these interim financial statements for the nine months to 30 September 2014 are the same as those adopted in preparing the financial statements for the year ending 31 December 2013.

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.

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

5. Non-recurring income (charges)

Description	Revenues from product sales	Personnel costs	Other operating income	Total
(EUR /000)				
Non-recurring income	330		1,383	1,713
Non-recurring charges		(1,200)		(1,200)
Total non-recurring income (charges)	**330**	**(1,200)**	**1,383**	**513**
Income statement total	**61,650**	**(25,639)**	**1,403**	
As a percentage of the total	0.54%	4.68%	98.57%	

Revenues include non-recurring income 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; at 30 September 2013, these contributions were EUR 320 thousand.

Non-recurring personnel costs relate entirely to a provision for restructuring costs made by Parent Company Gefran S.p.A. At 30 September 2013, non-recurring charges included under personnel costs were EUR 287 thousand.

Other non-recurring operating income, of EUR 1,383 thousand, resulted from the capital gain from the sale of calibration laboratory 011 (LAT 011) recorded by Gefran S.p.A..

At 30 September 2013, non-recurring operating expenses of EUR 400 thousand were recognised for provisions at the Parent Company, together with non-recurring depreciation and amortisation of EUR 141 thousand, relating to the UK subsidiary.

6. Information by business area

Primary segment – sector of activity

The organisational structure of the Gefran Group is divided into four areas of activity: sensors, automation components, drives and the photovoltaic business.

The economic trends and the main investments are covered in the Report on Operations.

Figures by business area

At 30 September 2014

(EUR /000)	**Sensors**	**Components**	**Drives**	**Photovoltaic**	**eliminations**	**Total**
Market revenues	32,947	20,550	40,044	405		93,946
Intersegment revenues	*351*	*1,692*	*382*	*0*	*(2,425)*	*0*
Revenues	33,298	22,242	40,426	405	(2,425)	93,946
EBITDA	8,807	343	(4)	(1,841)		7,305
EBIT	7,311	(1,025)	(2,062)	(2,191)		2,033

At 30 September 2013

(EUR /000)	**Sensors**	**Components**	**Drives**	**Photovoltaic**	**eliminations**	**Total**
Market revenues	29,351	21,840	41,205	2,292		94,688
Intersegment revenues	*457*	*1,661*	*1,992*	*0*	*(4,110)*	*0*
Revenues	29,808	23,501	43,197	2,292	(4,110)	94,688
EBITDA	7,238	287	1,222	(2,648)		6,099
EBIT	5,725	(1,099)	(838)	(3,004)		784

Intersegment sales are booked at transfer prices, which are broadly in line with market prices.

Statement of financial position figures by business area

GEFRAN GROUP *(EUR /000)*	30 Sep 2014	Sensors	Components	Drives	Photovoltaic	Not divided	Total
Intangible assets	15,759	8,257	3,297	2,710	1,495		15,759
Tangible assets	41,390	10,807	11,865	18,334	384		41,390
Financial assets	10,135					10,135	10,135
Net non-current assets	67,284	19,033	15,137	20,820	1,994	10,450	67,284
Inventories	24,532	5,146	4,192	13,177	2,017		24,532
Trade receivables	39,926	10,204	7,147	21,371	1,204		39,926
Trade payables	(20,647)	(4,665)	(4,068)	(11,565)	(349)		(20,647)
Other assets/liabilities	(8,427)	(2,574)	(2,351)	(2,810)	(242)	(450)	(8,427)
Working capital	35,384	8,651	5,592	17,381	1,056	(758)	35,384
Provisions for risks and future liabilities	(3,177)	(498)	(322)	(1,188)	(662)	(507)	(3,177)
Deferred tax provisions	(854)					(854)	(854)
Employee benefits	(5,261)	(1,573)	(1,871)	(1,546)	(271)		(5,261)
Net invested capital	93,376	25,682	18,509	35,389	2,118	8,386	93,376
Shareholders' equity	65,831	-	-	-	-	65,831	65,831
Medium- to long-term financial payables	20,762					20,762	20,762
Short-term financial payables	21,989					21,989	21,989
Financial liabilities for derivatives	361					361	361
Financial assets for derivatives	(25)					(25)	(25)
Cash and cash equivalents and short-term financial receivables	(15,542)					(15,542)	(15,542)
Net debt relating to operations	27,545	-	-	-	-	27,545	27,545
Total sources of financing	93,376	-	-	-	-	93,376	93,376

GEFRAN GROUP *(EUR /000)*	31/12/2013	Sensors	Components	Drives	Photovoltaic	Not divided	Total
Intangible assets	15,403	8,113	2,891	2,650	1,749	-	15,403
Tangible assets	42,267	11,174	12,078	18,537	478	-	42,267
Financial assets	10,504					10,504	10,504
Net non-current assets	68,174	19,287	14,969	21,187	2,227	10,504	68,174
Inventories	22,071	4,543	4,427	12,259	842	-	22,071
Trade receivables	37,765	8,884	7,718	19,582	1,581	-	37,765
Trade payables	(21,218)	(4,277)	(4,881)	(11,495)	(565)	-	(21,218)
Other assets/liabilities	(9,430)	(2,817)	(2,415)	(1,860)	(405)	(1,933)	(9,430)
Working capital	29,188	6,333	4,849	18,486	1,453	(1,933)	29,188
Provisions for risks and future liabilities	(3,870)	(99)	(130)	(817)	(2,315)	(509)	(3,870)
Deferred tax provisions	(785)					(785)	(785)
Employee benefits	(5,281)	(1,606)	(1,880)	(1,527)	(268)	-	(5,281)
Net invested capital	87,426	23,915	17,808	37,329	1,097	7,277	87,426
Shareholders’ equity	63,059					63,059	63,059
Medium- to long-term financial payables	28,478					28,478	28,478
Short-term financial payables	20,608					20,608	20,608
Financial liabilities for derivatives	489					489	489
Financial assets for derivatives	(168)					(168)	(168)
Cash and cash equivalents and short-term financial receivables	(25,040)					(25,040)	(25,040)
Net debt relating to operations	24,367	-	-	-		24,367	24,367
Total sources of financing	87,426	-	-	-		87,426	87,426

7. Gains and losses from financial assets/liabilities

"Gains from financial assets" totalled EUR 1,528 thousand, versus EUR 622 thousand in the first nine months of 2013, and break down as follows:

Description	2014	2013	change
(EUR /000)			
income from cash management	66	119	(53)
other financial income	78	68	10
exchange rate gains	507	239	268
currency valuation differences	581	196	385
Gains from financial assets	296	-	296
Total	1,528	622	906

Gains from the sale of financial assets relate to the capital gain realised on the sale of the holding in Sei Sistemi S.r.l.

"Losses from financial assets" totalled EUR 1,756 thousand, a decrease of EUR 2,158 thousand compared with the first nine months of 2013, and break down as follows:

Description	2014	2013	change
(EUR /000)			
medium-/long-term interest	(1,066)	(1,139)	73
short-term interest	(93)	(82)	(11)
factoring interest and fees	(32)	(42)	10
other financial charges	(25)	(22)	(3)
exchange rate losses	(427)	(535)	108
currency valuation differences	(113)	(338)	225
Total	(1,756)	(2,158)	402

The decrease in financial charges in the first nine months of 2014 relates to the reduction in medium-/long-term debt over the period compared with the first nine months of 2013, and to the favourable trend in interest rates, particularly from June onwards.

The balance of differences on exchange rate transactions was positive at EUR 548 thousand, an improvement of EUR 986 thousand compared with the negative figure of EUR 438 thousand for the same period of 2013. This improvement was largely due to the appreciation of the Indian rupee, Brazilian real and Chinese renminbi against the euro.

8. Gains (losses) from the valuation of equity investments at equity

Description	2014	2013	change
(EUR /000)			
Result of companies valued at equity	46	(414)	460
Total	46	(414)	460

Gains from equity investments valued at equity were EUR 46 thousand, and mainly related to the positive result of the Ensun Group, accrued in particular from the second quarter of 2014.

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

The item "taxes" was negative at EUR 1,846 thousand; this compares with a negative balance of EUR 918 thousand at 30 September 2013, and breaks down as follows:

Description	2014	2013
(EUR /000)		
Current taxes		
IRAP (corporate income tax)	(401)	(559)
Foreign taxes	(1,176)	(1,106)
Total current taxes	(1,577)	(1,665)
Deferred taxes		
Deferred tax liabilities	(7)	(69)
Deferred tax assets	(262)	816
Total deferred tax liabilities	(269)	747
Total taxes	(1,846)	(918)

There was a reduction in current taxes, mainly owing to a decrease in IRAP pertaining to the Parent Company for the current year.

Deferred tax liabilities, negative at EUR 269 thousand (positive at EUR 747 thousand in the first nine months of 2013), mainly related to the reversal in the first quarter of 2014 of provisions for deferred tax deductibility registered in the previous year.

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

Description *(EUR /000)*	31/12/2013	Posted to the income statement	Recognised in shareholders' equity	Exchange rate differences	30/09/2014
Deferred tax assets					
Devaluation of inventories	1,324	(71)		-	1,253
Impairment of trade receivables	1,157	(226)		-	931
Deductible losses to be brought forward	3,151	-		112	3,263
Exchange rate differences	-	17		-	17
Elimination of unrealised margins on inventories	646	202		-	848
Provision for product warranty risk	197	8		-	205
Provision for sundry risks	758	(192)		2	568
Total deferred tax assets	7,233	(262)	-	114	7,085
Deferred tax liabilities					
Discounting of end-of-service payment fund	(149)	-		-	(149)
Currency valuation differences	(4)	(8)		-	(12)
Other deferred tax liabilities	(632)	1		(62)	(693)
Total deferred tax liabilities	(785)	(7)	-	(62)	(854)
Net total	6,448	(269)	-	52	6,231

10. Net working capital

Net working capital totalled EUR 43,811 thousand at 30 September 2014, compared with EUR 38,618 thousand at 31 December 2013, and breaks down as follows:

Description	30/09/2014	31/12/2013	changes
(EUR /000)			
Inventories	24,532	22,071	2,461
Trade receivables	39,926	37,765	2,161
Trade payables	(20,647)	(21,218)	571
Net amount	43,811	38,618	5,193

The increase in net working capital was due to the rise in inventories of EUR 2,461 thousand and in trade receivables of EUR 2,161 thousand, and the fall of EUR 571 thousand in trade payables.

The growth in inventories registered in the first nine months of the year was due to goodwill relating to the logistics project, which, with a view to improving services to customers, requires an increase in high-rotation product inventories and at the same time a reduction in low-rotation inventories; the new stock code management system will come on stream in the final quarter of the year at the Parent Company, and is expected to improve inventory rotation. At the same time, the initiative for the branches started, which will bring benefits from the next financial year.

Trade receivables were EUR 39,926 thousand, an increase of EUR 2,161 thousand versus 31 December 2013.

With reference to receivables from customers, the Group is currently reviewing all its payment conditions, which will lead to a shared classification of all customers according to reference market, with a view to reducing average collection days from customers at Group level.

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 30 September 2014 represents a prudential estimate of the current risk, and registered the following changes:

	31/12/2013	Increases	Decreases	Change in basis of consol.	Other changes	30/09/2014
(EUR /000)						
Provision for doubtful receivables	5,613	523	(1,616)	0	80	4,600

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

Trade receivables were EUR 20,647 thousand at 30 September 2014, an decrease of EUR 571 thousand versus 31 December 2013.

11. Net financial position

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

Description *(EUR /000)*	30/09/2014	31/12/2013	changes
Cash and cash equivalents	15,542	25,040	(9,498)
Financial assets for derivatives	25	168	(143)
Non-current financial payables	(20,762)	(28,478)	7,716
Current financial payables	(21,989)	(20,608)	(1,381)
Financial liabilities for derivatives	(361)	(489)	128
Total	(27,545)	(24,367)	(3,178)

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

Description *(EUR /000)*	30/09/2014	31/12/2013	changes
A. Cash on hand	35	32	3
B. Cash in bank deposits	15,322	24,582	(9,260)
Term deposits – less than 3 months	185	426	(241)
C. Securities held for trading	185	426	(241)
D. Cash And cash equivalents (A) + (B) + (C)	15,542	25,040	(9,498)
Financial liabilities for derivatives	(361)	(489)	128
Financial assets for derivatives	25	168	(143)
E. Fair value hedging derivatives	(336)	(321)	(15)
F. Current portion of long-term debt	(10,320)	(12,438)	2,118
G. Other short-term financial payables	(11,669)	(8,170)	(3,499)
H. Total current financial payables (F) + (G)	(21,989)	(20,608)	(1,381)
I. Total current payables (E) + (H)	(22,325)	(20,929)	(1,396)
J. Net short-term financial debt (I) + (D)	(6,783)	4,111	(10,894)
L. Non-current financial debt	(20,762)	(28,478)	7,716
M. Net financial debt (J) + (L)	(27,545)	(24,367)	(3,178)
Of which to minorities:	*(27,545)*	*(24,367)*	*(3,178)*

Net debt at 30 September 2014 was EUR 27,545 thousand, up by EUR 3,178 thousand from 31 December 2013. This change was mainly due to negative cash flows from ordinary operations (EUR 2,915 thousand) and cash burn generated by investment activities (EUR 2,117 thousand).

Short-term debt increased by EUR 1,396 thousand, and is due to the reduction of the current portion of medium-/long-term debt totalling EUR 2,118 thousand, owing to the repayment of outstanding loans not related to raising new loans, offset by the increase in other current financial payables of EUR 3,499 thousand. Other current financial payables chiefly increased as a result of “Current overdrafts”, which related almost entirely to Gefran S.p.A.

The increase in net working capital generated a cash burn of EUR 5,193 thousand. This result compares with positive cash flow of EUR 117 thousand generated in the first nine months of 2013.

Free cash flow after investment activities was negative at EUR 5,031 thousand, a fall of EUR 2,186 thousand compared with the negative figure of EUR 2,845 thousand at 30 September 2013, mainly owing to the increase in net working capital.

Long-term debt contracted by EUR 7,716 thousand, owing to the reclassification under short-term of the current portions of outstanding loans, detailed below.

Cash and cash equivalents

Cash and cash equivalents totalled EUR 15,542 thousand at 30 September 2014, compared with EUR 25,040 thousand at 31 December 2013:

Description *(EUR /000)*	**30/09/2014**	**31/12/2013**	**changes**
Cash in bank deposits	15,296	24,582	(9,286)
Cash	35	32	3
Term deposits – less than 3 months	185	426	(241)
Other cash	26	-	26
Total	15,542	25,040	(9,498)

The technical forms used at 30 September 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

Current financial payables were EUR 21,989 thousand at 30 September 2014, versus EUR 20,608 thousand at 31 December 2013.

Description *(EUR /000)*	**30/09/2014**	**31/12/2013**	**changes**
Intesa S.Paolo loan	-	333	(333)
Centrobanca loan	1,462	1,463	(1)
BNL loan	750	1,000	(250)
Unicredit loan	923	1,231	(308)
Deutsche Bank loan	600	600	-
Unicredit loan	-	1,356	(1,356)
Cred. Bergamasco loan	506	490	16
Mediocredito loan	667	667	-
Banco di Brescia loan	1,148	1,120	28
Banca Pop. Sondrio loan	998	961	37
Banca Intesa loan	889	889	-
Cred. Bergamasco loan	740	713	27
Banca Intesa loan	637	615	22
Unicredit SACE loan	1,000	1,000	-
Current overdrafts	11,251	7,598	3,653
Factoring	339	458	(119)
Leasing	68	97	(29)
Other payables	11	17	(6)
Total	21,989	20,608	1,381

The change relating to “Current overdrafts”, up EUR 3,653 thousand, related almost entirely to Gefran S.p.A.

Current debt 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 2.8%-5.7% 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%-1.1% range;

The “factoring” item, which decreased by EUR 119 thousand, comprises 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

“Non-current financial payables” fell by EUR 7,716 thousand, and break down as follows:

Description *(EUR /000)*	30/09/2014	31/12/2013	Change
Centrobanca loan	4,392	5,854	(1,462)
BNL loan	-	500	(500)
Unicredit loan	-	615	(615)
Deutsche Bank loan	900	1,350	(450)
Cred. Bergamasco loan	617	1,000	(383)
Mediocredito loan	1,333	1,833	(500)
Banco di Brescia loan	3,748	4,335	(587)
Banca Pop. Sondrio loan	1,048	1,805	(757)
Banca Intesa loan	2,444	3,111	(667)
Cred. Bergamasco loan	1,379	1,940	(561)
Banca Intesa loan	1,901	2,385	(484)
Unicredit SACE loan	3,000	3,750	(750)
Total	20,762	28,478	(7,716)

Changes in the first nine months of the year relate entirely to the reclassification of portions of loans previously included under long-term loans as short-term loans.

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

Bank *(EUR /000)*	Amount disbursed (Eur/000)	Signing date	Balance at 30/09/2014	Of which within 12 months	Of which over 12 months	Interest rate	Maturity	Repayment method
Centrobanca	10,976	04/09/2008	5,854	1,462	4,392	Euribor 6m + 0.85%	01/10/2018	half-yearly
BNL	4,000	30/04/2011	750	750	-	Euribor 3m + 1.20%	13/04/2015	quarterly
Unicredit	4,000	24/06/2011	923	923	-	Euribor 3m + 1.10%	30/06/2015	quarterly
Deutsche Bank	3,000	09/03/2012	1,500	600	900	Euribor 3m + 3.60%	31/03/2017	quarterly
Cred. Bergamasco	2,000	06/11/2012	1,123	506	617	Euribor 3m + 3.80%	31/10/2016	monthly
Mediocredito	3,000	16/11/2012	2,000	667	1,333	Euribor 3m + 3.90%	30/09/2017	quarterly
Banco di Brescia	6,000	31/05/2013	4,896	1,148	3,748	Euribor 3m + 3.90%	31/05/2018	quarterly
Banca Pop. Sondrio	3,000	11/06/2013	2,046	998	1,048	Euribor 3m + 4.50%	31/07/2016	quarterly
Mediocredito	4,000	26/06/2013	3,333	889	2,444	Euribor 3m + 3.70%	31/05/2018	quarterly
Cred. Bergamasco	3,000	18/06/2013	2,119	740	1,379	Euribor 3m + 4.20%	30/06/2017	monthly
Banca Intesa	3,000	27/06/2013	2,538	637	1,901	Euribor 3m + 3.95%	27/06/2018	quarterly
Unicredit SACE	5,000	27/09/2013	4,000	1,000	3,000	Euribor 3m + 2.60%	30/09/2018	quarterly
Total			31,082	10,320	20,762			

For the amounts due within 12 months, EUR 2,626 thousand will be payable by the end of 2014. In the first nine months of this year, the Group repaid a total of EUR 9,834 thousand from the principal.

Two of the loans listed above are governed by covenants:

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. The loan agreement also includes a negative pledge clause.

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. The loan agreement also includes a negative pledge clause.

The Administration, Finance and Control Department is responsible for checking these contractual restrictions every quarter. Given that the ratios calculated on data to 30 September 2014 have been respected overall, the loans were classified in the maturities table according to their contractual maturities

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.

<u>Hedging derivatives</u>

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	Notional principal	Signing date	Notional at 30/09/2014	Derivative	Fair value at 30/09/2014	Long position rate	Short position rate
(EUR /000)							
Centrobanca	EUR 9,550	31/03/2010	5,854	IRS	(304)	Fixed 3.11%	Euribor 6m
BNL	EUR 4,000	30/04/2011	750	IRS	(9)	Fixed 2.63%	Euribor 3m
Unicredit	EUR 4,000	24/06/2011	923	IRS	(18)	Fixed 2.51%	Euribor 3m
Deutsche Bank	EUR 3,000	09/03/2012	1,500	IRS	(30)	Fixed 1.34%	Euribor 3m
Total financial liabilities for derivatives – interest rate risk					**(361)**		

The Group has also taken out interest rate caps, as set out in the table below:

Bank	Notional principal	Signing date	Notional at 30/06/2014	Derivative	Fair value at 30/09/2014	Long position rate	Short position rate
(EUR /000)							
Unicredit	EUR 3,000	16/11/2012	2,000	CAP	2	Strike price 0.45%	Euribor 3m
Credito Bergamasco	EUR 2,000	06/11/2012	1,123	CAP	0	Strike price 1.00%	Euribor 3m
Unicredit	EUR 6,000	04/06/2013	4,896	CAP	7	Strike price 0.75%	Euribor 6m
Intesa	EUR 3,000	27/06/2013	2,538	CAP	3	Strike price 0.75%	Euribor 3m
Mediocredito	EUR 4,000	12/06/2013	3,333	CAP	4	Strike price 0.75%	Euribor 3m
BNL	EUR 3,000	20/06/2013	2,046	CAP	0	Strike price 0.40%	Euribor 3m
Credito Bergamasco	EUR 3,000	20/06/2013	2,119	CAP	1	Strike price 0.75%	Euribor 3m
Unicredit	EUR 5,000	15/10/2013	4,000	CAP	8	Strike price 0.60%	Euribor 3m
Total financial assets for derivatives – interest rate risk					**25**		

All the contracts described above are booked at fair value:

	at 30 September 2014		at 31 December 2013	
	Positive fair value	Negative fair value	Positive fair value	Negative fair value
(EUR /000)				
Exchange rate risk	-	-	15	-
Interest rate risk	25	(361)	153	(489)
Total cash flow hedge	**25**	**(361)**	**168**	**(489)**

All derivatives have been subject to effectiveness tests, which were positive.

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 42,310 thousand. Overall use of these lines at 30 September 2014 totalled EUR 11,471 thousand, with a residual available amount of EUR 30,839 thousand.

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

12. Shareholders' equity

Group shareholders' equity increased compared with 31 December 2013 by EUR 2,772 thousand, mainly owing to the positive change of EUR 2,782 thousand in the currency translation reserve and the profit registered for the period (EUR 5 thousand).

Share capital was EUR 14,400 thousand, divided into 14,400,000 ordinary shares, with a nominal value of EUR 1 each. The Company did not issue convertible bonds.

At 30 September 2014, Parent Company Gefran S.p.A. held 177,229 own shares, equal to 1.23% of the share capital; at the end of 2013, it held 167,520 own shares, equal to 1.16% of the share capital.

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*:*

Description	30/09/2014	31/12/2013	changes
(EUR /000)			
Balance at 1 January	(41)	(47)	6
UBI - Banca shares	27	(15)	42
Woojin Selex (Korea) shares	6	10	(4)
Theoretical tax effect	-	11	(11)
Net amount	(8)	(41)	33

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

Description	30/09/2014	31/12/2013	changes
(EUR /000)			
Balance at 1 January	381	(58)	439
Change in fair value of derivatives	(15)	460	(475)
Theoretical tax effect	-	(21)	21
Net amount	366	381	(15)

13. Current and non-current provisions

"Non-current provisions" fell by EUR 1,799 thousand compared with 31 December 2013, and break down as follows:

Description	30/09/2014	31/12/2013	changes
(EUR /000)			
Gefran S.p.A. risk provisions			
- for restructuring	1,100	-	1,100
- for legal disputes	477	2,275	(1,798)
- other provisions	85	85	-
Gefran Brasil risk provisions			
- for legal disputes	257	258	(1)
Gefran France risk provisions			
- for legal disputes	7	7	-
Total	1,926	2,625	(699)

"Legal disputes" includes the provisions made for liabilities related to the settlement of pending disputes regarding claims from customers, some employees and distributors. "Other provisions" pertaining to Gefran S.p.A. include amounts set aside to cover tax risks. "Restructuring" refers to non-recurring provisions made by the Parent Company.

Current provisions totalled EUR 1,251 thousand at 30 September 2014, and break down as follows:

Description	30/09/2014	31/12/2013	changes
(EUR /000)			
FISC	31	31	-
Product warranty	1,217	1,211	6
Other provisions	3	3	-
Total	1,251	1,245	6

14. Guarantees granted, commitments and other contingent liabilities

Guarantees granted

At 30 September 2014, the Group had granted guarantees on the liabilities and commitments of third parties or subsidiaries of EUR 9,737 thousand, as shown in the table below:

Description	2014	2013
(EUR /000)		
Credito Bergamasco	-	100
UBI Leasing	3,193	6,435
BNL	254	250
Banca Intesa	2,250	2,250
Banca Passadore	3,500	3,500
Banco di Brescia	880	1,790
Total	10,077	14,325

A guarantee in favour of UBI Leasing was issued for a total of EUR 3,193 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 2,250 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 2013 for a more detailed analysis. There were no significant changes at 30 September 2014.

15. 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 on the Company's website www.gefran.com in the “Corporate Governance” section.

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., in which Ennio Franceschetti (Chairman and Managing Director of Gefran S.p.A.) is chairman.
- Climat S.r.l., a company in which the director and shareholder is a relative of Maria Chiara Franceschetti (CEO of Gefran S.p.A.).
- Axel S.r.l., a company in which the Group has a 30% stake and in which Adriano Chinello (director with strategic responsibilities 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	**Costs and Charges**		**Revenues and income**	
(EUR /000)	**2014**	**2013**	**2014**	**2013**
Elettropiemme S.r.l.	7	4	51	24
Climat S.r.l.	106	72	2	0
Axel S.r.l.	39	n/a	3	n/a

Company	**Receivables and other assets**		**Payables and other liabilities**	
(EUR /000)	**30/09/2014**	**31/12/2013**	**30/09/2014**	**31/12/2013**
Elettropiemme S.r.l.	16	137	7	0
Climat S.r.l.	23	103	45	56
Axel S.r.l.	62	96	24	46

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.

16. 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, 12 November 2014

For the Board of Directors

Chairman	Chief Executive Officer
Ennio Franceschetti	**Maria Chiara Franceschetti**

25. DECLARATION PURSUANT TO PARAGRAPH 2, ARTICLE 154-BIS OF LEGISLATIVE DECREE 58 OF 24 FEBRUARY 1998 (THE "TESTO UNICO DELLA FINANZA" LAW)

The undersigned, Fausta Coffano, the Director responsible for drawing up the accounting statements of Gefran S.p.A., hereby declares, pursuant to paragraph 2, article 154-bis of the Testo Unico della Finanza law, that the information contained in these interim financial statements for the nine months to 30 September 2014 accurately represents the figures contained in the Group's accounting records.

Provaglio d'Iseo, 12 November 2014

The Director responsible for preparing
the company's accounting statements

Signed Fausta Coffano

CONSOLIDATED INCOME STATEMENT ANALYSIS BY QUARTER

	(EUR /000)	Q1		Q2		Q3		Q4	Year	
		2014	2013	2014	2013	2014	2013	2013	2014	2013
a	Revenues	29,826	28,426	32,279	34,135	31,841	32,127	33,680	93,946	128,368
b	Consumption of materials and products	10,564	10,023	11,946	14,409	12,977	13,228	14,830	35,487	52,489
c	Value added (a-b)	19,262	18,403	20,333	19,726	18,864	18,899	18,850	58,459	75,879
d	Other operating costs	5,939	6,037	4,913	5,896	5,318	6,370	12,570	16,170	30,872
e	Personnel costs	12,071	11,719	13,568	12,155	10,970	10,596	11,249	36,609	45,720
f	Increases for internal work	548	560	548	661	529	624	555	1,625	2,401
g	EBITDA (c-d-e+f)	1,800	1,207	2,400	2,336	3,105	2,557	(4,414)	7,305	1,688
h	Depreciation, amortisation and impairments	1,780	1,775	1,738	1,701	1,754	1,840	1,805	5,272	7,122
i	EBIT (g-h)	20	(568)	662	635	1,351	717	(6,219)	2,033	(5,434)
l	Gains (losses) from financial assets/liabilities	(399)	(121)	(325)	(662)	496	(754)	(489)	(228)	(2,026)
m	Gains (losses) from shareholdings valued at equity	(19)	(125)	44	(99)	21	(190)	(135)	46	(549)
n	Profit (loss) before tax (i+-l+-m)	(398)	(814)	381	(126)	1,868	(227)	(6,843)	1,851	(8,009)
o	Taxes	(886)	(302)	(429)	(246)	(531)	(370)	441	(1,846)	(477)
p	Profit (loss) including minority interests (n+-o)	(1,284)	(1,116)	(48)	(372)	1,337	(597)	(6,402)	5	(8,486)
q	Profit (loss) pertaining to minority interests	0	(120)	0	120	0	0	0	0	0
r	Group net profit (loss) (p+-q)	(1,284)	(996)	(48)	(492)	1,337	(597)	(6,402)	5	(8,486)

CONSOLIDATED INCOME STATEMENT EXCLUDING NON-RECURRING ITEMS ANALYSIS BY QUARTER

	(EUR /000)	Q1		Q2		Q3		Q4	Year	
		2014	2013	2014	2013	2014	2013	2013	2014	2013
a	Revenues	29,496	28,107	32,279	34,134	31,841	32,127	33,680	93,616	128,048
b	Consumption of materials and products	10,564	10,023	11,946	14,409	12,977	13,228	13,864	35,487	51,523
c	Value added (a-b)	18,932	18,084	20,333	19,725	18,864	18,899	19,816	58,129	76,525
d	Other operating costs	5,939	6,037	6,296	5,896	5,318	5,970	7,463	17,553	25,365
e	Personnel costs	12,071	11,719	12,368	11,868	10,970	10,596	11,249	35,409	45,433
f	Increases for internal work	548	560	548	661	529	624	555	1,625	2,401
g	EBITDA (c-d-e+f)	1,470	888	2,217	2,622	3,105	2,957	1,659	6,792	8,128
h	Depreciation, amortisation and impairments	1,780	1,775	1,738	1,701	1,754	1,699	1,805	5,272	6,981
i	EBIT (g-h)	(310)	(887)	479	921	1,351	1,258	(146)	1,520	1,147
l	Gains (losses) from financial assets/liabilities	(399)	(122)	(325)	(661)	496	(754)	(489)	(228)	(2,026)
m	Gains (losses) from shareholdings valued at equity	(19)	(125)	44	(99)	21	(190)	(135)	46	(549)
n	Profit (loss) before tax (i+-l+-m)	(728)	(1,134)	198	161	1,868	314	(770)	1,338	(1,428)
o	Taxes	(886)	(302)	(429)	(246)	(531)	(370)	441	(1,846)	(477)
p	Profit (loss) including minority interests (n+-o)	(1,614)	(1,436)	(231)	(85)	1,337	(56)	(329)	(508)	(1,905)
q	Profit (loss) pertaining to minority interests	0	(120)	0	120	0	0	0	0	0
r	Group net profit (loss) (p+-q)	(1,614)	(1,316)	(231)	(204)	1,337	(56)	(329)	(508)	(1,905)

ANNEXES

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

End-of-period exchange rates

Currency	30 September 2014	31 December 2013	30 September 2013
Swiss franc	1.2063	1.2276	1.2225
Pound sterling	0.7773	0.8337	0.8361
US dollar	1.2583	1.3791	1.3505
Brazilian real	3.0821	3.2576	3.0406
Chinese renminbi	7.7262	8.3491	8.2645
Indian rupee	77.8564	85.3660	84.8440
South African rand	14.2606	14.5660	13.5985
Turkish lira	2.8779	2.9605	2.7510

Average exchange rates in the period

Currency	3Q 2014	2013	3Q 2013
Swiss franc	1.2181	1.2309	1.2315
Pound sterling	0.8122	0.8493	0.8522
US dollar	1.3554	1.3285	1.3177
Brazilian real	3.1043	2.8669	2.7898
Chinese renminbi	8.3579	8.1655	8.1240
Indian rupee	82.3003	77.8753	75.6927
South African rand	14.5397	12.8308	12.4950
Turkish lira	2.9342	2.5329	2.4584

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	Telford	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	Charlotte	US	USD	1,900,070	Gefran S.p.A.	100.00
Gefran Brasil Elettroel. 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	People's Rep. of China	RMB	28,940,000	Gefran Siei Asia	100.00
Gefran Siei Electric Pte Ltd	Shanghai	People's Rep. of China	RMB	1,005,625	Gefran Siei Asia	100.00
Gefran South Africa (Pty) Ltd	Milnerton City	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	8,098,958	Gefran S.p.A.	16.20
Woojin Machinery Co Ltd	Seoul	South Korea	WON	3,200,000,000	Gefran S.p.A.	2.00
Inn. Tec. S.r.l.	Brescia	Italy	EUR	918,493	Gefran S.p.A.	12.87
UBI Banca S.c.p.A.	Bergamo	Italy	EUR	2,254,368,000	Gefran S.p.A.	n/s