

GEFRAN GROUP
INTERIM FINANCIAL STATEMENTS
TO 30 SEPTEMBER 2015

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1. CORPORATE BODIES

Board of Directors

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

Board of Statutory Auditors

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

Internal Control Committee

- Cesare Giovanni Vecchio
- Marco Mario Agliati
- Monica Vecchiati

Remuneration Committee

- Romano Gallus
- Daniele Piccolo
- Cesare Giovanni Vecchio

External auditor

BDO Italia 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.

With effect from 24 July 2015, BDO S.p.A. transferred its audit division to BDO Italia S.p.A.; the independent audit commissioned by Gefran S.p.A. will therefore continue to be conducted by BDO Italia S.p.A..

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

2. ALTERNATIVE PERFORMANCE INDICATORS

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

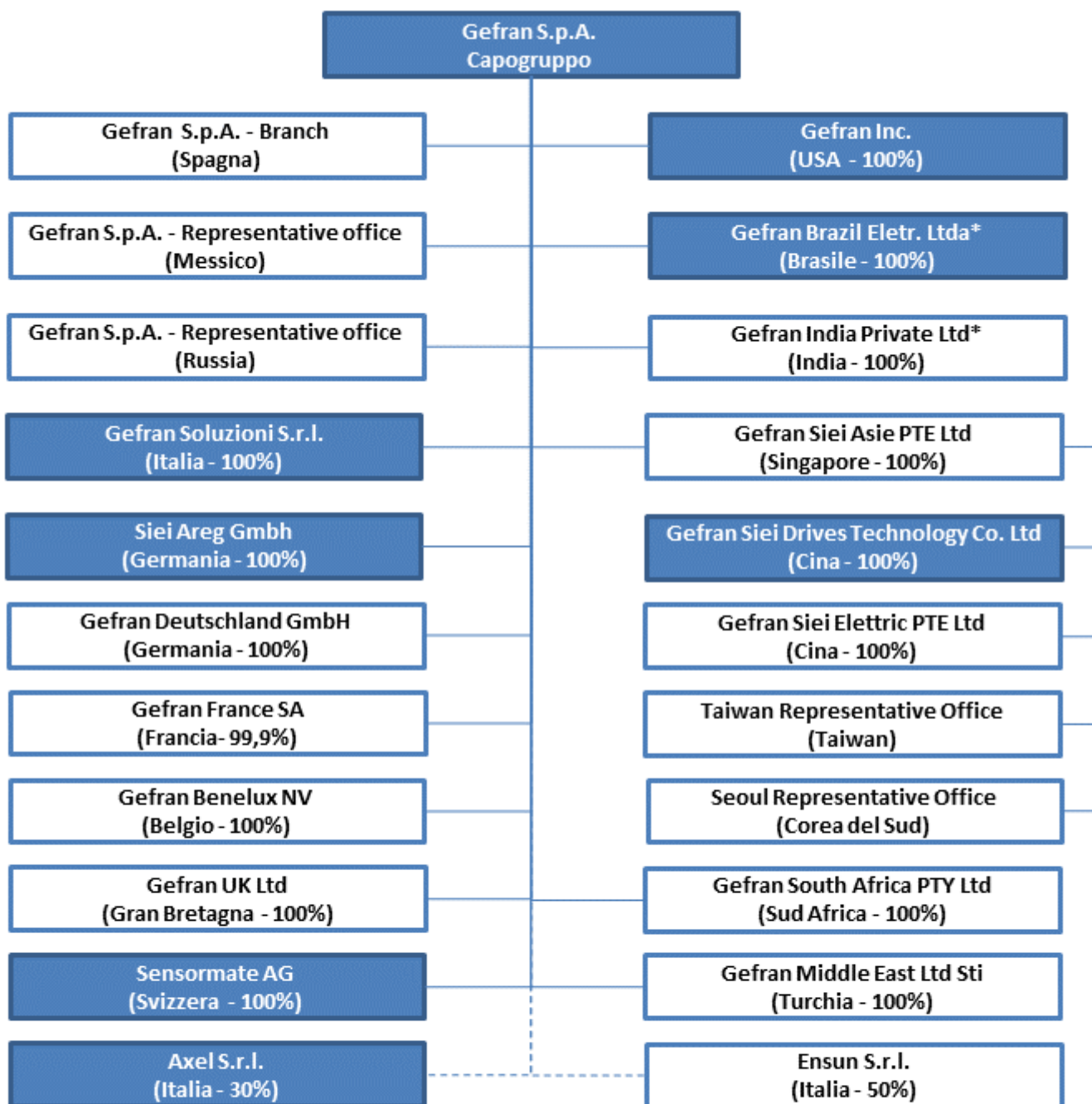
Specifically, the alternative indicators used in the notes to the income statement are:

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

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

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

3. STRUCTURE OF THE GEFRAN GROUP



- Unità produttive**
- Filiali commerciali

(*) Gefran India e Gefran Brasil in via indiretta tramite Gefran UK

4. SUMMARY OF GROUP PERFORMANCE

The first nine months of 2015 closed with revenues of EUR 86,624 thousand, a decrease of 7.4% compared with the same period of 2014.

The breakdown of revenues by geographical region shows positive results in North America, the European Union and non-EU Europe, driven by growth in Germany and the US. Italy also posted a positive result (+0.7%), driven by the favourable trend in the sales of sensors and automation components.

The Asia region experienced problems, with a 35.1% fall in revenues, owing to a contraction in sales on the lift market (drives business) from the second quarter.

As already stated in the half-yearly financial statements to 30 June 2015, the impact of the lower revenues in this business had a negative impact on the whole Group's results, and in particular, on the drives business, which had previously posted excellent results in this region.

In China, lower revenues in addition to a slowdown in new orders of products for lift applications, were due to a combination of two factors: the change under way in the business model of the lifts sector (which requires products with a different kind of technology than previously) and China's low level of economic growth.

Results in the sensors and automation components businesses in these affiliates were however in line with expectations.

By business line, revenues registered growth in sensors and automation components (+8.7% and +2.5% respectively) and a significant contraction in drives (26.1%), for which Asia is the largest market.

Despite the contraction registered in revenues, added value was 66.7% of revenues, an increase of more than four points compared with September 2014, thanks to the sale of more profitable products; in absolute terms, added value remains broadly stable (a decrease of 0.8%) compared with the first nine months of 2014, owing to the fall in sales volumes, which offset growth in profitability. The EBITDA margin was 3.8%, while EBIT was negative at EUR 1,468 thousand.

Finally, in the first nine months of 2015, the Group invested EUR 3,484 thousand (EUR 4,166 thousand in the same period of 2014) in tangible and intangible assets.

Net debt came out at EUR 28,045 thousand; although still higher than the figure at 31 December 2014, this is lower than at both 31 March 2015 and 30 June 2015, when it was EUR 31,439 thousand and EUR 29,527 thousand respectively.

Finally, net working capital, at EUR 41,404 thousand at 30 September 2015, fell by EUR 2,090 thousand compared with the figure at 31 December 2014, and by EUR 3,076 thousand from 30 June 2015.

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

Group income statement highlights

(EUR/000)	30 September 2015		30 September 2014		3Q 2015		3Q 2014	
Revenues	86,624	100.0%	93,541	100.0%	26,759	100.0%	31,801	100.0%
EBITDA	3,260	3.8%	9,146	9.8%	523	2.0%	3,501	11.0%
EBIT	(1,468)	-1.7%	4,224	4.5%	(1,008)	-3.8%	1,864	5.9%
Profit (loss) before tax	(2,605)	-3.0%	4,042	4.3%	(2,300)	-8.6%	2,381	7.5%
Result from operating activities	(3,941)	-4.5%	2,196	2.3%	(2,707)	-10.1%	1,850	5.8%
Profit (loss) from assets held for sale	(187)	-0.2%	(2,191)	-2.3%	0	0.0%	(513)	-1.6%
Group net profit (loss)	(4,128)	-4.8%	5	0.0%	(2,707)	-10.1%	1,337	4.2%

Group income statement highlights, excluding non-recurring components

(EUR/000)	30 September 2015		30 September 2014		3Q 2015		3Q 2014	
Revenues	86,624	100.0%	93,211	100.0%	26,759	100.0%	31,801	100.0%
EBITDA	3,260	3.8%	8,383	9.0%	523	2.0%	3,501	11.0%
EBIT	(1,468)	-1.7%	3,461	3.7%	(1,008)	-3.8%	1,864	5.9%
Profit (loss) before tax	(2,605)	-3.0%	3,279	3.5%	(2,300)	-8.6%	2,381	7.5%
Result from operating activities	(3,941)	-4.5%	1,433	1.5%	(2,707)	-10.1%	1,850	5.8%
Profit (loss) from assets held for sale	(187)	-0.2%	(1,941)	-2.1%	0	0.0%	(513)	-1.6%
Group net profit (loss)	(4,128)	-4.8%	(508)	-0.5%	(2,707)	-10.1%	1,337	4.2%

Group statement of financial position highlights

(EUR/000)	30 September 2015	31 December 2014
Net invested capital	88,952	90,471
Net working capital	41,404	43,494
Shareholders' equity	63,834	65,980
Net financial position	(28,045)	(27,605)

(EUR/000)	30 September 2015	30 September 2014
Operating cash flow	2,513	(2,207)
Investments	3,484	4,166

6. GROUP BUSINESS PERFORMANCE IN THE THIRD QUARTER OF 2015

(EUR/000)		3Q	3Q	Chg 2015-2014	
		2015	2014	value	%
a	Revenues	26,759	31,801	(5,042)	-15.9%
b	Consumption of materials and products	9,026	12,960	(3,934)	-30.4%
c	Added value (a-b)	17,733	18,841	(1,108)	-5.9%
d	Other operating costs	6,846	5,069	1,777	35.1%
and	Personnel costs	10,740	10,800	(60)	-0.6%
f	Increases for internal work	376	529	(153)	-28.9%
g	EBITDA (c-d-e+f)	523	3,501	(2,978)	-85.1%
h	Depreciation, amortisation and impairments	1,531	1,637	(106)	-6.5%
i	EBIT (g-h)	(1,008)	1,864	(2,872)	-154.1%
l	Gains (losses) from financial assets/liabilities	(1,343)	496	(1,839)	-370.8%
m	Gains (losses) from shareholdings value at equity	51	21	30	142.9%
n	Profit (loss) before tax (i+l+m)	(2,300)	2,381	(4,681)	-196.6%
o	Taxes	(407)	(531)	124	-23.4%
p	Result from operating activities (n+o)	(2,707)	1,850	(4,557)	-246.3%
q	Profit (loss) from assets held for sale	0	(513)	513	-100.0%
r	Group net profit (loss) (p+q)	(2,707)	1,337	(4,044)	-302.5%

Revenues totalled EUR 26,759 thousand in the third quarter of 2015, down by EUR 5,042 thousand versus the same period of 2014 (-15.9%), mainly owing to the contraction registered on the Asian and South American markets; this was only partly offset by growth in other geographical regions (the European Union, non-EU Europe and North America), which together registered revenue performances that were 9% higher than in the third quarter of last year, partly owing to the favourable exchange rate trend.

New orders in the third quarter totalled EUR 27,709 thousand, compared with EUR 26,216 thousand in the third quarter of 2014, an improvement of EUR 1,493 thousand, mainly thanks to growth in orders in the sensors business.

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

(EUR/000)	3Q 2015	%	3Q 2014	%	Chg 2015-2014	
					value	%
Italy	7,188	26.9%	7,237	22.8%	(49)	-0.7%
European Union	7,223	27.0%	6,891	21.7%	332	4.8%
Non-EU Europe	1,585	5.9%	1,429	4.5%	156	10.9%
North America	3,423	12.8%	2,941	9.2%	482	16.4%
South America	894	3.3%	1,226	3.9%	(332)	-27.1%
Asia	6,287	23.5%	11,914	37.5%	(5,627)	-47.2%
Rest of the World	159	0.6%	163	0.5%	(4)	-2.5%
Total	26,759	100%	31,801	100%	(5,042)	-16%

The breakdown by **geographical region** shows significant growth in North America (+16.4% compared with the same period of 2014), non-EU Europe (+10.9%), which benefited from growth in the Turkish subsidiary, and the European Union (+4.8%), which registered growth across all the main markets, particularly Germany (+8%).

In Italy, the Group closed the quarter in line with the third quarter of 2014 (-0.7%).

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

	3Q 2015					3Q 2014				
	Revenues	EBITDA	% of rev	EBIT	% of rev	Revenues	EBITDA	% of rev	EBIT	% of rev
<i>(EUR/000)</i>										
Sensors	11,156	2,611	23.4%	2,089	18.7%	10,739	2,434	22.7%	1,936	18.0%
Automation components	6,313	(161)	-2.6%	(647)	-10.2%	6,804	200	2.9%	(266)	-3.9%
Drives	9,752	(1,927)	-19.8%	(2,450)	-25.1%	14,776	867	5.9%	194	1.3%
Eliminations	(462)					(518)				
Total	26,759	523	2.0%	(1,008)	-3.8%	31,801	3,501	11.0%	1,864	5.9%

The breakdown of **revenues by business area** shows an increase in sales of sensors of 3.9% compared with the third quarter of 2014; sales of automation components and drives contracted however, by 7.2% and 34.0% respectively compared with the same period of 2014.

Added value was EUR 17,733 thousand in the third quarter, or 66.3% as a percentage of revenues, up by seven points compared with the third quarter of 2014, thanks to an increase in the sales of high value-added products. In absolute terms, added value fell by EUR 1,108 thousand: the contraction in revenues had a negative impact of EUR 3,341 thousand, while the improvement in margins had a positive impact of EUR 2,233 thousand.

Other operating costs totalled EUR 6,846 thousand in the third quarter of 2015, from EUR 5,069 thousand in the same period of 2014. The increase of EUR 1,777 thousand compared with the third quarter of 2014 was due to the rise in business development costs.

Personnel costs were EUR 10,740 thousand in the third quarter of 2015, in line with the figure for the same period of 2014.

Increases for internal work totalled EUR 376 thousand for the quarter, compared with EUR 529 thousand in the third quarter of 2014. The item mainly relates to the portion of development costs incurred in the period and capitalised, in accordance with IFRS.

EBITDA came in at EUR 523 thousand in the third quarter, compared with EUR 3,501 thousand in the same period of 2014. As in the previous quarter, the fall of EUR 2,978 thousand is due to lower revenues in the drives business on the Asian market.

EBIT was negative at EUR 1,008 thousand in the third quarter of 2015, compared with EUR 1,864 thousand in the same period of 2014. The reasons behind the EBIT performance are similar to those relating to EBITDA.

Net financial charges were EUR 1,343 thousand in the third quarter, compared with net financial income of EUR 496 thousand in the third quarter of 2014, an increase of EUR 1,839 thousand, mainly owing to the negative impact of exchange differences over the period and the capital gain recorded in the third quarter of 2014 of EUR 296 thousand resulting from the sale of the shareholding in Sei Sistemi S.r.l.. This item includes financial charges relating to Group debt of EUR 310 thousand, financial income of EUR 43 thousand and the negative balance of EUR 1,076 thousand resulting from differences in currency transactions.

Gains from **equity investments valued at equity** were EUR 51 thousand (EUR 30 thousand in the third quarter of 2015), and mainly relate to the pro-rata result of the Ensun S.r.l. Group.

Taxes were negative in the amount of EUR 407 thousand in the third quarter of 2015, compared with a negative figure of EUR 531 thousand in the same period of the previous year. They comprise negative current taxes of EUR 255 thousand (EUR 517 thousand in the third quarter of 2014), almost entirely attributable local taxes due from foreign subsidiaries, and negative deferred taxes amounting to EUR 152 thousand (positive in the amount of EUR 14 thousand in the third quarter of 2014), originating from the reversal of deferred tax assets booked by the Parent Company Gefran S.p.A. in previous years.

The **result from operating activities** in the third quarter of 2015 was negative in the amount of EUR 2,707 thousand, compared with a positive figure of EUR 531 thousand in the third quarter of 2014.

The **result from assets held for sale** in the third quarter was zero, compared with a negative result of EUR 513 thousand in the third quarter of 2014. The item includes the net result from operations in the photovoltaic sector, after these were restated in accordance with IFRS 5, following the directors' decision to sell the business.

The **Group net loss** was EUR 2,707 thousand, compared with a net profit of EUR 1,337 thousand in the same period of 2014.

7. GROUP PERFORMANCE TO 30 SEPTEMBER 2015

The main income statement items and comments are shown below.

(EUR/000)	30 Sept. 2015			30 Sept. 2014			Chg 2015-2014	
	Excl. non-rec.	Incl. non-rec.	Final	Excl. non-rec.	Incl. non-rec.	Final	Excl. non-rec. Value	%
a Revenues	86,624		86,624	93,211	(330)	93,541	(6,587)	-7.1%
b Consumption of materials and products	28,831		28,831	35,271		35,271	(6,440)	-18.3%
c Added value (a-b)	57,793	-	57,793	57,940	(330)	58,270	(147)	-0.3%
d Other operating costs	19,914		19,914	16,617	1,383	15,234	3,297	19.8%
and Personnel costs	35,978		35,978	34,565	(950)	35,515	1,413	4.1%
f Increases for internal work	1,359		1,359	1,625		1,625	(266)	-16.4%
g EBITDA (c-d-e+f)	3,260	-	3,260	8,383	(763)	9,146	(5,123)	-61.1%
h Depreciation, amortisation and impairments	4,728		4,728	4,922		4,922	(194)	-3.9%
i EBIT (g-h)	(1,468)	-	(1,468)	3,461	(763)	4,224	(4,929)	-142.4%
l Gains (losses) from financial assets/liabilities	(1,263)		(1,263)	(228)		(228)	(1,035)	453.9%
m Gains (losses) from shareholdings value at equity	126		126	46		46	80	173.9%
n Profit (loss) before tax (i+l+m)	(2,605)	-	(2,605)	3,279	(763)	4,042	(5,884)	-179.4%
o Taxes	(1,336)		(1,336)	(1,846)		(1,846)	510	-27.6%
p Result from operating activities (n+o)	(3,941)	-	(3,941)	1,433	(763)	2,196	(5,374)	-375.0%
q Profit (loss) from assets held for sale	(187)		(187)	(1,941)	250	(2,191)	1,754	-90.4%
r Group net profit (loss) (p+q)	(4,128)	-	(4,128)	(508)	(513)	5	(3,620)	712.6%

Revenues for the first nine months of 2015 came in at EUR 86,624 thousand, compared with EUR 93,541 thousand in the same period of 2014, an overall decrease of 7.4%, mainly owing to the contraction on the Asian lifts market (drives business), as set out above.

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

(EUR/000)	2015	%	2014	%	Chg 2015-2014	
					value	%
Italy	24,903	28.7%	24,730	26.4%	173	0.7%
European Union	23,601	27.2%	21,573	23.1%	2,028	9.4%
Non-EU Europe	4,797	5.5%	4,230	4.5%	567	13.4%
North America	10,341	11.9%	8,136	8.7%	2,205	27.1%
South America	3,231	3.7%	3,851	4.1%	(620)	-16.1%
Asia	19,321	22.3%	29,791	31.8%	(10,470)	-35.1%
Rest of the World	430	0.5%	1,230	1.3%	(800)	-65.0%
Total	86,624	100%	93,541	100%	(6,917)	-7%

The breakdown of revenues by **geographical region** shows significant growth in North America (+27.1%, partly thanks to the favourable exchange rate trend), the European Union (+9.4%) and non-EU Europe (+13.4%); a marginally positive result was also registered on the domestic market. South America registered a contraction, partly owing to the weakening of the Brazilian real against the euro, which had a significant impact on revenues.

In Asia, the 35.1% drop in revenues versus the same period of 2014 was due to a broadly unchanged first quarter compared with the same period of last year, and falls of 46.4% and 47.2% in the second and third quarters respectively. Note that the Asia region includes the Chinese and Singapore affiliates, as well as the affiliate Gefran India, which operates in India and in Gulf countries; these areas posted growth in revenues of EUR 700 thousand (+30.2%) compared with the first nine months of 2014.

Results by business area to 30 September 2015 and a comparison with the previous year are shown below.

	30 September 2015					30 September 2014				
	Revenues	EBITDA	% of rev	EBIT	% of rev	Revenues	EBITDA	% of rev	EBIT	% of rev
<i>(EUR/000)</i>										
Sensors	36,202	8,736	24.1%	7,166	19.8%	33,298	8,807	26.4%	7,311	22.0%
Automation components	22,807	54	0.2%	(1,475)	-6.5%	22,242	343	1.5%	(1,025)	-4.6%
Drives	29,878	(5,530)	-18.5%	(7,159)	-24.0%	40,426	(4)	0.0%	(2,062)	-5.1%
Eliminations	(2,263)					(2,425)				
Total	86,624	3,260	3.8%	(1,468)	-1.7%	93,541	9,146	9.8%	4,224	4.5%

The breakdown of **revenues by business area** shows growth in the sensors business of EUR 2,904 thousand (+8.7%), chiefly thanks to the melt product family and synergies in the distribution of Sensormate products. Revenues of the automation components business, at EUR 22,807 thousand, grew by EUR 565 thousand (+2.5%) compared with the same period of 2014, despite the slowdown registered in the third quarter of the year. The drives business posted a fall of 26.1% in revenues to EUR 29,878 thousand, wholly due to the lower revenues figures for the Chinese and Singapore affiliates.

Added value was EUR 57,793 thousand at 30 September 2015 (EUR 58,270 thousand at 30 September 2014), equivalent to 66.7% of revenues, up 4.4 points from the figure for the first nine months of 2014 (62.3% of revenues) This improvement, which came despite the contraction in volumes that absorbed added value of EUR 4,615 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 4,138 thousand.

Stripping out non-recurring components, which had a positive impact of EUR 330 thousand at 30 September 2014, the contraction in added value versus the same period of the previous year was EUR 147 thousand (0.3%).

Other operating costs were EUR 19,914 thousand at 30 September 2015, compared with EUR 15,234 thousand at 30 September 2014. Excluding the effect of the non-recurring income of EUR 1,383 thousand resulting from the capital gain from the sale of the calibration laboratory from September 2014 figures, other operating costs rose by EUR 3,297 thousand, owing to expenses incurred for trade shows, advertising, research and staff training.

Personnel costs were EUR 35,978 thousand at 30 September 2015, equivalent to 41.5% of revenues, compared with EUR 35,515 thousand at 30 September 2014 (38.0% of revenues). The figure to 30 September 2014 includes non-recurring costs of EUR 950 thousand relating to the restructuring of Parent Company Gefran S.p.A.. Stripping out non-recurring components, personnel costs grew by EUR 1,413 thousand versus the same period of 2014.

Increases for internal work were EUR 1,359 thousand at 30 September 2015, versus EUR 1,625 thousand at 30 September 2014. The item mainly relates to the portion of development costs incurred in the period and capitalised, in accordance with IFRS.

EBITDA was positive at EUR 3,260 thousand at 30 September 2015, a decrease of EUR 5,886 thousand from EUR 9,146 thousand at 30 September 2014, with an EBITDA margin of 3.8%. Stripping out the overall positive effect of non-recurring items from the figure to 30 September 2014, EBITDA fell by EUR 5,123 thousand compared with the first nine months of 2014.

The fall in EBITDA was due to the contraction in added value, caused by the fall in volumes together with the increase in personnel costs and other operating costs.

Depreciation, amortisation and impairments totalled EUR 4,728 thousand at 30 September 2015, a decrease of 3.9% on the same period of the previous year (EUR 4,922 thousand at 30 September 2014).

EBIT was negative at EUR 1,468 thousand in the first nine months of 2015, compared with a positive result of EUR 4,224 thousand in the first nine months of 2014. The reasons for this performance are the same as commented on under EBITDA.

Charges from financial assets/liabilities were EUR 1,263 thousand in the first nine months of 2015, compared with EUR 228 thousand in the first nine months of 2014. They included:

- financial income of EUR 132 thousand (EUR 440 thousand in the first nine months of the previous year), of which EUR 296 thousand was from the sale of the shareholding in Sei Sistemi S.r.l.;
- financial charges, mainly relating to medium/long-term loans, of EUR 1,033 thousand (EUR 1,216 thousand in the first nine months of 2014), down thanks to the reduction in medium-/long-term debt and the improved spreads granted by banks for the new loans taken out in the fourth quarter of 2014 and in 2015;
- negative differences on currency transactions of EUR 244 thousand, compared with a positive difference of EUR 548 thousand in the first nine months of 2014;
- the impact of the write-down of a stake held by Parent Company Gefran S.p.A. for EUR 118 thousand.

Gains from shareholdings valued at equity were EUR 126 thousand, an improvement of EUR 80 thousand compared with the amount recorded in the first nine months of 2014. This rise mainly relates to the pro-rata result of the Ensun S.r.l. Group.

Current deferred **tax** assets and liabilities were negative at EUR 1,336 thousand at 30 September 2015, compared with a negative figure of EUR 1,846 thousand in the first nine months of 2014. The tax burden for the period comprises:

- current taxes of EUR 1,015 thousand (EUR 1,577 thousand at 30 September 2014). The tax burden for the period is mainly attributable to the local taxes of the Group's foreign subsidiaries, as, since the cost of employees on permanent contracts can be fully deducted for IRAP purposes, as introduced by the 2015 Stability Law, IRAP for the year for Parent Company Gefran S.p.A. was reduced to zero;
- deferred tax assets and liabilities, negative at EUR 321 thousand (negative in the amount of EUR 269 thousand at 30 September 2014), mainly originating from the reversal of deferred tax assets booked by the Parent Company Gefran S.p.A. in previous years.

The **result from operating activities** in the first nine months of 2015 was negative in the amount of EUR 3,941 thousand, compared with a positive figure of EUR 2,196 thousand in the first nine months of 2014 (positive at EUR 1,433 thousand stripping out non-recurring items, which at 30 September 2014, had an overall positive impact of EUR 763 thousand).

The **loss from assets held for sale** was EUR 187 thousand for the year to 30 September 2015. The item includes was generated by the net result from operations in the photovoltaic segment, following the Board of Director's decision to sell the business.

The **Group net loss** was EUR 4,128 thousand in the first nine months of 2015, compared with a net profit of EUR 5 thousand in the same period of 2014.

Stripping out all non-recurring items (overall positive at EUR 513 thousand in the first nine months of 2014), the Group net loss was EUR 4,128 thousand, compared with a net loss of EUR 508 thousand in the first nine months of the previous year.

8. RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 September 2015

The reclassified consolidated statement of financial position of the Gefran Group at 30 September 2015 is shown below.

<i>(EUR/000)</i>	30/09/2015	%	31/12/2014	%
Intangible assets	15,207	16.6	14,690	15.7
Tangible assets	39,708	43.2	40,997	43.8
Financial assets	9,050	9.8	9,213	9.8
Net fixed assets	63,965	69.6	64,900	69.3
Inventories	22,490	24.5	19,104	20.4
Trade receivables	35,351	38.5	42,232	45.1
Trade payables	(16,437)	(17.9)	(17,842)	(19.1)
Other assets/liabilities	(8,373)	(9.1)	(9,485)	(10.1)
Operating capital	33,031	36.0	34,009	36.3
Provisions for risks and future liabilities	(1,870)	(2.0)	(2,067)	(2.2)
Deferred tax provisions	(833)	(0.9)	(760)	(0.8)
Employee benefits	(5,341)	(5.8)	(5,611)	(6.0)
Invested capital from operations	88,952	96.8	90,471	96.7
Invested capital from assets held for sale	2,927	3.2	3,114	3.3
Net invested capital	91,879	100.0	93,585	100.0
Shareholders' equity	63,834	69.5	65,980	70.5
Medium- to long-term financial payables	28,855	31.4	25,959	27.7
Short-term financial payables	21,708	23.6	22,061	23.6
Financial liabilities for derivatives	205	0.2	343	0.4
Financial assets for derivatives	(31)	(0.0)	(26)	(0.0)
Cash and cash equivalents and short-term financial receivables	(22,692)	(24.7)	(20,732)	(22.2)
Net debt relating to operations	28,045	30.5	27,605	29.5
Total sources of financing	91,879	100.0	93,585	100.0

Net **non-current assets** at 30 September 2015 were EUR 63,965 thousand, a fall of EUR 935 thousand from the figure of EUR 64,900 thousand at 31 December 2014. The main movements were as follows:

- intangible assets registered an overall increase of EUR 517 thousand. This includes increases for new investments (EUR 632 thousand), the capitalisation of development costs (EUR 1,289 thousand), as well as decreases due to amortisation for the period (EUR 1,593 thousand) and positive exchange rate effects on other intangible assets (EUR 189 thousand).
- tangible assets decreased by EUR 1,289 thousand versus 31 December 2014. Depreciation totalled EUR 3,135 thousand, in addition to which there were net decreases for disposals (EUR 40 thousand), partly offset by investments over the period (EUR 1,563 thousand) and positive exchange rate differences (EUR 323 thousand).
- financial assets totalled EUR 9,050 thousand at 30 September 2015 (EUR 9,213 thousand at 31 December 2014), a decrease of EUR 163 thousand, mainly due to the trend in deferred tax assets (down EUR 193 thousand).

Operating capital was EUR 33,031 thousand at 30 September 2015, compared with EUR 34,009 thousand at 31 December 2014, an overall decrease of EUR 978 thousand. The main changes were as follows:

- inventories rose by EUR 3,386 thousand, from EUR 19,104 thousand at 31 December 2014 to EUR 22,490 thousand at 30 September 2015, mainly owing to the increased stock in the drives business in the Chinese affiliate;
- trade receivables totalled EUR 35,351 thousand, a decrease of EUR 6,881 thousand compared with 31 December 2014, owing to both the fall in average payment days at Group level, and the fall in revenues;
- trade payables were EUR 16,437 thousand, versus EUR 17,842 thousand at 31 December 2014, a decrease of EUR 1,405 thousand, owing to the contraction in volumes, particularly in Asia;
- other net assets and liabilities, negative at EUR 8,373 thousand at 30 September 2015, fell by EUR 1,112 thousand versus 31 December 2014 (EUR 9,485 thousand).

Provisions for risks and future liabilities were EUR 1,870 thousand, a decrease of EUR 197 thousand from 31 December 2014. These include provisions for legal disputes in progress and other funds for miscellaneous risks. The decrease is due to the use of allocations, including non-recurring, made in the previous year, particularly by the Parent Company.

Shareholders' equity at 30 September 2015 was EUR 63,834 thousand, compared with EUR 65,980 thousand at 31 December 2014. The decrease is mainly due to the loss for the year, partly offset by the translation of subsidiaries' shareholders' equity figures expressed in local currency into the presentation currency, which had a positive effect of EUR 2,054 thousand on the translation reserve.

Net debt at 30 September 2015 was EUR 28,045 thousand, up by EUR 440 thousand from 31 December 2014. Although still higher than the figure at 31 December 2014, this is lower than at both 31 March 2015 and 30 June 2015, when it was EUR 31,439 thousand and EUR 29,527 thousand respectively.

It breaks down as follows:

	30/09/2015	31/12/2014	Change
<i>(EUR/000)</i>			
Cash and cash equivalents	22,692	20,732	1,960
Current financial payables	(21,708)	(22,061)	353
Financial liabilities for derivatives	(205)	(343)	138
Financial assets for derivatives	31	26	5
(Debt)/short-term cash and cash equivalents	810	(1,646)	2,456
Non-current bank debt	(28,855)	(25,959)	(2,896)
(Debt)/medium-/long-term cash and cash equivalents	(28,855)	(25,959)	(2,896)
Net financial position	(28,045)	(27,605)	(440)

Net debt comprises short-term cash and cash equivalents of EUR 810 thousand and medium-/long-term debt of EUR 28,855 thousand.

The change in net debt was mainly due to positive cash flows from ordinary operations (EUR 2,513 thousand) and changes in the shareholders' equity reserve (EUR 2,054 thousand), net of technical investments (EUR 3,443 thousand).

9. CONSOLIDATED CASH FLOW STATEMENT

The Gefran Group's consolidated cash flow statement at 30 September 2015 show a positive net change in cash at hand of EUR 1,960 thousand, compared with a negative change of EUR 9,498 thousand in the first nine months of 2014. The change was as follows:

<i>(EUR/000)</i>	30 Sept 2015	30 Sept 2014
A) CASH AND CASH EQUIVALENTS AT THE START OF THE PERIOD	20,732	25,040
B) CASH FLOW GENERATED BY (USED IN) OPERATIONS IN THE PERIOD	2,513	(2,207)
C) CASH FLOW GENERATED BY (USED IN) INVESTMENT ACTIVITIES	(3,443)	(2,116)
D) FREE CASH FLOW (B+C)	(930)	(4,323)
E) CASH FLOW GENERATED BY (USED IN) FINANCING ACTIVITIES	2,508	(5,335)
F) CASH FLOW FROM CONTINUING OPERATIONS (D+E)	1,578	(9,658)
G) CASH FLOW FROM OPERATING ASSETS HELD FOR SALE	0	(708)
H) Exchange translation differences on cash at hand	382	868
I) NET CHANGE IN CASH AT HAND (F+G+H)	1,960	(9,498)
J) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+I)	22,692	15,542

Cash flow generated by operations was positive in the amount of EUR 2,513 thousand in the period; specifically, operations in the first nine months of 2015, net of the inflow of provisions, amortisation and depreciation and financial items, generated cash of EUR 423 thousand; the reduction in operating capital in the same period generated cash flow of EUR 2,090 thousand, owing to the decrease in trade receivables of EUR 6,881 thousand, partly offset by the decrease in trade payables of EUR 1,405 thousand and the increase in inventories of EUR 3,386 thousand.

Technical and financial investments, net of divestments, totalled EUR 3,443 thousand, compared with net investments of EUR 2,116 thousand in the first nine months of 2014.

Specifically, financial investments in 2015 generated a positive cash flow of EUR 41 thousand, compared with a positive EUR 2,050 thousand in the same period of 2014, which included the effect of the sale of the LAT 11 calibration centre, which generated resources of EUR 1,240 thousand.

Technical investments totalled EUR 3,484 thousand, down from the figure of EUR 4,166 thousand at 30 September 2014.

Free cash flow (operating cash flow excluding investment activities) was negative at EUR 930 thousand, compared with a negative figure of EUR 4,323 thousand in the same period of 2014, an improvement of EUR 3,393 thousand, mainly owing to the increase in working capital.

Financing activities, which had absorbed a total of EUR 5,335 thousand in 2014, generated resources of EUR 2,508 thousand in the first nine months of 2015, mainly owing to the taking out of new loans (EUR 18,000 thousand), net of repayments for instalments due (EUR 14,642 thousand at 30 September 2015).

10. INVESTMENTS

Gross technical **investments** made in the first nine months of 2015 amounted to EUR 3,484 thousand, versus EUR 4,166 thousand to 30 September 2014, and related to:

- investment in production plant and equipment of EUR 1,131 thousand in the Group's Italian plants, and of EUR 207 thousand in other subsidiaries;
- investments to upgrade the industrial buildings of the Parent Company, which totalled approximately EUR 225 thousand;
- the capitalisation of costs incurred in the period for new product development, totalling EUR 1,289 thousand;
- other investments in intangible assets, relating to management software licences and the development of ERP SAP, of EUR 632 thousand.

(EUR/000)	At 30/09/2015	At 30/09/2014
Intangible assets	1,921	2,196
Tangible assets	1,563	1,970
Total	3,484	4,166

The investments made to 30 September 2014 shown above do not take into account those of the photovoltaic business, which has been restated under assets held for sale, in accordance with IFRS 5. Since no investments were made relating to the photovoltaic business in the first nine months of 2014, total investments in the first nine months of 2014 were EUR 4,166 thousand, as in the already-published interim financial statements to 30 September 2014.

Investments are broken down by individual business area below.

(EUR/000)	Sensors	Components	Drives	Total
Intangible assets	510	668	743	1,921
Tangible assets	882	340	341	1,563
Total	1,392	1,008	1,084	3,484

11. OPERATING ASSETS HELD FOR SALE

As a result of the Group's strategy, which aims to focus on its core industrial business, the Board of Directors approved the start of negotiations to sell the photovoltaic division. From the annual financial statements for the year ending 31 December 2014, the results of the photovoltaic business are therefore represented in the Group's income statement separately in the line "Net profit (loss) from assets held for sale", below the profit (loss) from continuing operations.

To facilitate understanding of the performance of this sector over the year, a summary of its results is provided below, shown according to the restatement table used to show the results of Gefran's businesses:

(EUR/000)	2015	2014	chg. 2015-2014		3Q	3Q	chg. 2015-2014	
			value	%	2015	2014	value	%
Revenues	0	405	(405)	-100.0%	0	40	(40)	-100.0%
EBITDA	(187)	(1,841)	1,654	-89.8%	0	(396)	396	-100.0%
% of revenues	N/A	-454.6%			N/A	-990.0%		
EBIT	(187)	(2,191)	2,004	-91.5%	0	(513)	513	-100.0%
% of revenues	N/A	-541.0%			N/A	-1282.5%		

12. RESULTS BY BUSINESS AREA

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

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

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

12.1) SENSORS

Summary results

The key figures are summarised in the table below.

(EUR/000)	2015	2014	chg. 2015-2014		3Q	3Q	chg. 2015-2014	
			value	%	2015	2014	value	%
Revenues	36,202	33,298	2,904	8.7%	11,156	10,739	417	3.9%
EBITDA	8,736	8,807	(71)	-0.8%	2,611	2,434	177	7.3%
% of revenues	24.1%	26.4%			23.4%	22.7%		
EBIT	7,166	7,311	(145)	-2.0%	2,089	1,936	153	7.9%
% of revenues	19.8%	22.0%			18.7%	18.0%		

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

	Italy	Europe	America	Asia	Rest of World
Revenues (€/000.000)	7.3	13.6	7.3	7.8	0.2
% of total	20%	38%	20%	22%	1%

Business performance

Revenues for the business totalled EUR 36,202 thousand to 30 September 2015, an increase of 8.7% versus the figure of EUR 2,904 thousand at 30 September 2014. The positive trend was confirmed in all product families, thanks to the consolidation of the product range and the launch of new products.

By sales region, the Americas (+21%), Asia (+18.1%), Europe (+7.9%) and Italy (+2.6%) all registered significant growth.

Revenues were positively affected by exchange rate effects (mainly the US dollar, Indian rupee and Chinese renminbi), which had a total impact on cumulative revenues of EUR 1,527 thousand versus 30 September 2014, of which a significant portion was due to the US dollar.

In the third quarter, revenues came in at EUR 11,156 thousand, an increase of 3.9% from the figure of EUR 10,739 thousand registered in the same quarter of 2014.

The results of the first nine months of 2014 included some non-recurring items, particularly the capital gain of EUR 1,383 thousand on the sale of the LAT 011 calibration laboratory, and provisions for staff restructuring of EUR 300 thousand. Stripping out this, EBITDA and EBIT in the first nine months of 2014 were EUR 7,724 thousand and EUR 6,228 thousand respectively.

EBITDA at 30 September 2015 was EUR 8,736 thousand, a decrease of EUR 71 thousand versus the same period of the previous year, when it was EUR 8,807 thousand including the non-recurring items mentioned above; excluding these extraordinary items, EBITDA advanced by EUR 1,012 thousand, on the back of the consistent increase in revenues and the improvement in added value, thanks to the optimisation of production efficiency and the strengthening of the structure.

EBIT at 30 September 2015 was EUR 7,166 thousand, with the EBIT margin at 19.8%, compared with EUR 7,311 thousand (margin at 22%) in 2014. Stripping out the extraordinary items registered in 2014, EBIT improved by EUR 938 thousand.

Comparing the figures by quarter, EBIT was EUR 2,089 thousand in the third quarter, with the EBIT margin at 18.7%, an increase of 7.9% on the 2014 figure.

The new orders figure was positive at 30 September 2015, and up from the same period of 2014.

Investments

The Group invested EUR 1,392 thousand in the sensors business in the quarter to 30 September 2015, which breaks down as EUR 510 thousand in intangible assets, and EUR 882 thousand in tangible assets.

Investments in intangible assets mainly relate to research and development into new products.

The bulk of investments in tangible assets was made in the Parent Company (EUR 810 thousand), and related in particular to adjustments to workshop equipment, the upgrading of certain current production lines, and the preparation of new production lines for new products currently in the advanced design stage.

12.2) AUTOMATION COMPONENTS

Summary results

The key figures are summarised in the table below.

(EUR/000)	2015	2014	chg. 2015-2014		3Q	3Q	chg. 2015-2014	
			value	%	2015	2014	value	%
Revenues	22,807	22,242	565	2.5%	6,313	6,804	(491)	-7.2%
EBITDA	54	343	(289)	-84.3%	(161)	200	(361)	-180.5%
% of revenues	0.2%	1.5%			-2.6%	2.9%		
EBIT	(1,475)	(1,025)	(450)	43.9%	(647)	(266)	(381)	143.2%
% of revenues	-6.5%	-4.6%			-10.2%	-3.9%		

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

	Italy	Europe	America	Asia	Rest of World
Revenues (€/000.000)	9.8	7.2	3.1	2.5	0.2
% of total	43%	32%	14%	11%	1%

Business performance

Revenues totalled EUR 22,807 thousand at 30 September 2015, an increase of EUR 565 thousand (2.5%) versus the same period of 2014. Looking at market revenues by product family, programmable automation (+7.7%) and power control (+4.8%) products registered growth.

The breakdown by geographical region shows sales growth in the EU; sales also increased on the North American market (+36.1%), and in Asia (+11.7%). Sales in Italy were down slightly on the same period of the previous year (-0.6%).

These revenues were positively impacted by exchange rate trends, particularly the US dollar and Chinese renminbi, which improved the value of sales to September 2015 by EUR 360 thousand versus September 2014.

With reference to the business's costs, the results to September 2014 shown for comparison purposes included non-recurring items for staff restructuring costs of EUR 300 thousand. Stripping out these items, 2014 EBITDA was EUR 643 thousand, and EBIT was negative at 725 thousand.

EBITDA for the first nine months of 2015 came in at EUR 54 thousand, a decrease of EUR 289 thousand compared with the same period of 2014; stripping out the extraordinary items mentioned above, 2015 EBITDA fell by EUR 589 thousand.

EBIT was negative at EUR 1,475 thousand (6.5% of revenues), lower than the figure of EUR 450 thousand recorded in the same period of 2014; excluding the 2014 non-recurring items mentioned above, EBIT declined by EUR 725 thousand.

Despite growth in revenues, added value fell, mainly owing to the different mix of products sold and higher raw materials costs, driven by the strengthening of the dollar against the euro.

In the third quarter of 2015, revenues were EUR 6,313 thousand, a decrease of 7.2% versus the same period of 2014. EBITDA declined versus the third quarter of last year by EUR 361 thousand, and EBIT was EUR 381 thousand lower.

The figure for new orders was positive, and higher than at 30 September 2014.

Investments

Investments totalled EUR 1,008 thousand in 2015, divided between tangible assets (EUR 668 thousand) and intangible assets (EUR 340 thousand).

Investments in tangible assets in the business were mainly focused on the Italian headquarters (EUR 308 thousand), with a significant portion allocated to equipment to be used in the production of the new range of regulators and building work.

As regards investments in intangible assets, capitalised development costs totalled EUR 449 thousand in the period, and related to the new automation platforms and the new range of regulators.

12.3) DRIVES

Summary results

The key figures are summarised in the table below.

(EUR/000)	2015	2014	chg. 2015-2014		3Q	3Q	chg. 2015-2014	
			value	%	2015	2014	value	%
Revenues	29,878	40,426	(10,548)	-26.1%	9,752	14,776	(5,024)	-34.0%
EBITDA	(5,530)	(4)	(5,526)	Ns.	(1,927)	867	(2,794)	-322.3%
% of revenues	-18.5%	0.0%			-19.8%	5.9%		
EBIT	(7,159)	(2,062)	(5,097)	247.2%	(2,450)	194	(2,644)	Ns.
% of revenues	-24.0%	-5.1%			-25.1%	1.3%		

The breakdown of revenues by geographical region is as follows:

	Italy	Europe	America	Asia	Rest of World
Revenues (€/000.000)	8.5	8.6	3.8	8.9	0.1
% of total	28%	29%	13%	30%	0%

Business performance

Revenues totalled EUR 29,878 thousand at 30 September 2015, down by EUR 10,548 thousand (-26.1%) in the same period of 2014. Revenues for the first nine months of 2014 also included non-recurring amounts of EUR 330 thousand relating to government funds awarded to the Chinese subsidiary in respect of incentives for research and development granted to technology companies. Excluding the non-recurring portion, revenues fell by EUR 10,218 thousand (-25.3%).

This reduction was almost entirely attributable to the trend in the sales of lift family products (for lift applications) at the Chinese and Singapore affiliates, while the remainder was due to orders whose delivery date was postponed in respect of the original schedule. The trend in industrial inverters was positive, however, with growth of 8.4%.

By geographical region, Asia registered a sharp fall (-55.5%), while Europe (+14.7%) and the US (+8.6%) posted positive performances.

In the third quarter of 2015, revenues came in at EUR 9,752 thousand, a decrease of 34.0% from the figure of EUR 14,776 thousand registered in the same quarter of 2014, mainly owing to the contraction mentioned above.

EBITDA was negative at EUR 5,530 thousand in the quarter ending 30 September 2015, a decrease of EUR 5,526 thousand versus the same period of last year. This reduction is due entirely to the contraction in sales. Stripping out non-recurring revenues, EBITDA in the first nine months of 2015 was EUR 5,196 thousand lower than in the first nine months of 2014.

In the first nine months of 2015, the Group recorded an EBIT loss of EUR 7,159 thousand, compared with a loss of EUR 2,062 thousand in the same period of 2014. Stripping out the non-recurring revenues of 2014, the EBIT figure declined by EUR 4,767 thousand.

The performances of the Asian affiliates led not only to a significant drop in revenues, but also to a slowdown in new orders in 2015. In light of these events, the order backlog at 30 September 2015 was 26% lower than in the same period of 2014.

Investments

Investments totalled EUR 1,084 thousand in the third quarter of 2015, divided between technical investments of EUR 341 thousand and investments in intangible assets of EUR 743 thousand.

Technical investments mainly related to the production of new moulds and the purchase of production equipment for the Gerenzano and Shanghai plants.

Increases in intangible assets chiefly concerned the capitalisation of development costs of EUR 457 thousand, relating to new products for the industrial sector and the lift sector; in the former, this mainly related to applications in plastics, in the hoist & crane sector, and industrial inverters with water cooling technology, while in the latter, it related to new mid-range inverters.

13. HUMAN RESOURCES

At 30 September 2015, Group headcount was 840, including 12 staff with a fixed-term contract, to replace temporarily absent staff or to undertake projects.

The change in headcount over the year was marked by an overall turnover rate within the Group of 17%, which breaks down as follows:

- 85 people joined the Group, including 21 manual workers, 63 clerical staff and one manager/executive;
- 93 people left the Group, including 33 manual workers, 59 clerical staff and one manager/executive.

14. SIGNIFICANT EVENTS IN THE THIRD QUARTER OF 2015

Nothing to report.

15. SIGNIFICANT EVENTS SINCE THE END OF THE THIRD QUARTER OF 2015

Nothing to report.

16. OUTLOOK FOR THE CURRENT YEAR

According to the macroeconomic scenario, growth is set to continue in the main advanced economies, while the slowdown in the Chinese economy is expected to have a negative impact on economic performance in emerging countries.

In the Eurozone, the recovery in economic activity registered in the summer is expected to continue, in Italy, the economy began to grow again at the beginning of 2015, at a rate of around 1.5% year-on-year.

The weakness of the Chinese market was also evident in the last quarter for Gefran, prompting the Group to take significant measures with regard to the organisational structure of the Shanghai (China) and Singapore branches. The effects of this crisis are reflected in and felt throughout the accounts, not only those of the drives business, but those of the entire Group, to the point that it is necessary to plan a serious restructuring both in Italy and in the foreign affiliates.

The Group feels it is necessary to close the representative offices in Russia and Mexico, and to discontinue operations in South Africa. It is also launching a management reorganisation project concerning business management structures and the management of the Shanghai (China) and Singapore affiliates.

In light of macroeconomic trends and taking into account the performance of the first nine months of 2015, the management - in the absence of events that cannot at present be forecast and excluding the financial impact of the restructuring plan - believes that the Group will book consolidated revenues of approximately EUR 115 million, and an EBITDA margin of around 5%.

17. DEALINGS WITH RELATED PARTIES

From the analysis of the transactions concluded with related parties, please see note 13 of the notes to the accounts.

Provaglio d’Iseo, 12 November 2015

For the Board of Directors

Chairman

Ennio Franceschetti

Chief Executive Officer

Maria Chiara Franceschetti

CONSOLIDATED FINANCIAL STATEMENTS

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

GEFRAN GROUP (EUR/000)	note	3Q		progressive as at 30 September	
		2015	2014	2015	2014
Revenues from product sales		26,686	31,748	86,309	93,033
Other operating revenues and income		73	53	315	508
TOTAL REVENUES		26,759	31,801	86,624	93,541
Change in inventories		(425)	(82)	3,005	1,631
Costs of raw materials and accessories		(8,601)	(12,878)	(31,836)	(36,902)
Service costs		(5,833)	(4,904)	(17,891)	(15,731)
Miscellaneous management costs		(618)	(306)	(1,067)	(594)
Other operating income		5	243	57	1,646
Personnel costs		(10,740)	(10,800)	(35,978)	(35,515)
Increases for internal work		376	529	1,359	1,625
Impairment of trade and other receivables		(400)	(102)	(1,013)	(555)
Amortisation		(489)	(595)	(1,593)	(1,773)
Depreciation		(1,042)	(1,042)	(3,135)	(3,149)
EBIT		(1,008)	1,864	(1,468)	4,224
Gains from financial assets	7	12	937	2,913	1,528
Losses from financial liabilities	7	(1,355)	(441)	(4,176)	(1,756)
Losses (gains) from shareholdings value at equity	8	51	21	126	46
PROFIT (LOSS) BEFORE TAX		(2,300)	2,381	(2,605)	4,042
Current taxes	9	(255)	(517)	(1,015)	(1,577)
Deferred taxes	9	(152)	(14)	(321)	(269)
TOTAL TAXES		(407)	(531)	(1,336)	(1,846)
PROFIT (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS		(2,707)	1,850	(3,941)	2,196
Net profit (loss) from assets held for sale		0	(513)	(187)	(2,191)
NET PROFIT (LOSS) FOR THE PERIOD		(2,707)	1,337	(4,128)	5
Attributable to:					
Group		(2,707)	1,337	(4,128)	5
Third parties		0	0	0	0

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

<i>(Euro)</i>	3Q 2015	2014	progressive as at 30 September	
			2015	2014
NET PROFIT (LOSS) FOR THE PERIOD	(2,707)	1,337	(4,128)	5
Items that will not subsequently be reclassified in the income statement for the year				
- revaluation of employee benefits: IAS 19	0	0	0	0
- overall tax effect	0	0	0	0
Items that will or could subsequently be reclassified in the income statement for the year				
- conversion of foreign companies' financial statements	(552)	392	2,054	(66)
- equity investments in other companies	(45)	4	(10)	47
- fair value of cash flow hedging derivatives	40	(59)	143	(80)
Total changes, net of tax effect	(557)	337	2,187	(99)
Comprehensive result for the period	(3,264)	1,674	(1,941)	(94)

20. STATEMENT OF FINANCIAL POSITION

		30/09/2015	31/12/2014
	<i>note</i>		
NON-CURRENT ASSETS			
Goodwill		5,981	5,814
Intangible assets		9,226	8,876
Property, plant, machinery and tools		39,708	40,997
Shareholdings values at equity		1,053	927
Equity investments in other companies		1,767	1,870
Receivables and other non-current assets		119	112
Deferred tax assets	9	6,111	6,304
TOTAL NON-CURRENT ASSETS		63,965	64,900
CURRENT ASSETS			
Inventories	10	22,490	19,104
Trade receivables	10	35,351	42,232
Other assets		2,747	2,688
Tax receivables		2,145	2,148
Cash and cash equivalents	11	22,692	20,732
Financial assets for derivatives	11	31	26
TOTAL CURRENT ASSETS		85,456	86,930
ASSETS HELD FOR SALE		2,927	3,114
TOTAL ASSETS		152,348	154,944
SHAREHOLDERS' EQUITY			
Share capital		14,400	14,400
Reserves		53,562	51,804
Profit/(loss) for the year		(4,128)	(224)
Total Group Shareholders' Equity		63,834	65,980
TOTAL SHAREHOLDERS' EQUITY		63,834	65,980
NON-CURRENT LIABILITIES			
Non-current financial payables	11	28,855	25,959
Employee benefits		5,341	5,611
Non-current provisions		488	664
Deferred tax provisions	9	833	760
TOTAL NON-CURRENT LIABILITIES		35,517	32,994
CURRENT LIABILITIES			
Current financial payables	11	21,708	22,061
Trade payables	10	16,437	17,842
Financial liabilities for derivatives	11	205	343
Current provisions		1,382	1,403
Tax payables		2,252	3,795
Other liabilities		11,013	10,526
TOTAL CURRENT LIABILITIES		52,997	55,970
TOTAL LIABILITIES		88,514	88,964
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		152,348	154,944

21. CONSOLIDATED CASH FLOW STATEMENT

<i>(EUR/000)</i>	<i>note</i>	30 Sept 2015	30 Sept 2014
A) CASH AND CASH EQUIVALENTS AT THE START OF THE PERIOD			
		20,732	25,040
B) CASH FLOW GENERATED BY (USED IN) OPERATIONS IN THE PERIOD:			
Net profit (loss) for the period		(4,128)	5
Depreciation/amortisation		4,728	4,922
Capital losses (gains) on the sale of non-current assets		(1)	(1,682)
Net result from financial operations		1,137	182
Change in provisions for risks and future liabilities		(467)	(713)
Change in other assets and liabilities		(1,112)	(1,003)
Change in deferred taxes		266	217
Change in trade receivables		6,881	(2,161)
Change in inventories		(3,386)	(1,403)
Change in trade payables		(1,405)	(571)
TOTAL		2,513	(2,207)
C) CASH FLOW GENERATED BY (USED IN) INVESTMENT ACTIVITIES			
Investments in:			
- Property, plant & equipment and intangible assets		(3,484)	(4,166)
- Equity investments and securities		0	(100)
- Financial receivables		0	(4)
Disposal of non-current assets		41	2,154
TOTAL		(3,443)	(2,116)
D) FREE CASH FLOW (B+C)			
		(930)	(4,323)
E) CASH FLOW GENERATED BY (USED IN) FINANCING ACTIVITIES			
New financial payables		18,000	0
Repayment of financial payables		(14,642)	(9,834)
Increase (decrease) in current financial payables		(1,349)	4,495
Interest received (paid)		(1,015)	(1,224)
Change in shareholders' equity reserves		1,514	1,228
Dividends paid		0	0
TOTAL		2,508	(5,335)
F) CASH FLOW FROM CONTINUING OPERATIONS (D+E)			
		1,578	(9,658)
G) CASH FLOW FROM OPERATING ASSETS HELD FOR SALE			
		-	(708)
H) Exchange translation differences on cash at hand			
		382	868
I) NET CHANGE IN CASH AT HAND (F+G+H)			
		1,960	(9,498)
J) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+I)			
		22,692	15,542

22. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(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	Group Total shareholders' equity	Shareholders' equity of minority interests	Total shareholders' equity
Balance at 1 January 2014	14,400	21,926	340	15,814	(739)	9,977	9,826	(8,486)	63,059	0	63,059
Destination of 2013 profit											
- Other reserves and provisions				(1,072)		(255)	(7,159)	8,486	0		0
- Dividends									0		0
Income/(expenses) recognised at equity			12	25		(549)			(512)		(512)
Change in translation reserve					3,729				3,729		3,729
Other changes						(72)			(72)		(72)
2014 profit								(224)	(224)		(224)
Balance at 31 December 2014	14,400	21,926	352	14,767	2,990	9,101	2,667	(224)	65,980	0	65,980
Destination of 2014 profit											
- Other reserves and provisions				0		0	(224)	224	0		0
- Dividends									0		0
Income/(expenses) recognised at equity			133	0		0			133		133
Change in translation reserve					-	2,054			2,054		2,054
Other changes				(50)		(62)	(93)		(205)		(205)
2015 profit								(4,128)	(4,128)		(4,128)
Balance at 30 September 2015	14,400	21,926	485	14,717	5,044	9,039	2,350	(4,128)	63,834	0	63,834

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

(EUR/000)	progressive as at 30 September	
	2015	2014
Revenues from product sales	86,309	93,033
<i>of which: non-recurring</i>	0	330
<i>of which: related parties</i>	111	56
Other operating revenues and income	315	508
TOTAL REVENUES	86,624	93,541
Change in inventories	3,005	1,631
Costs of raw materials and accessories	(31,836)	(36,902)
Service costs	(17,891)	(15,731)
<i>of which: related parties</i>	(147)	(152)
Miscellaneous management costs	(1,067)	(594)
Other operating income	57	1,646
<i>of which: non-recurring</i>	0	1,383
Personnel costs	(35,978)	(35,515)
<i>of which: non-recurring</i>	0	(950)
Increases for internal work	1,359	1,625
Provisions	0	0
Impairment of trade and other receivables	(1,013)	(555)
Amortisation	(1,593)	(1,773)
Depreciation	(3,135)	(3,149)
EBIT	(1,468)	4,224
<i>of which: non-recurring</i>	0	763
Gains from financial assets	2,913	1,528
Losses from financial liabilities	(4,176)	(1,756)
Losses (gains) from shareholdings value at equity	126	46
PROFIT (LOSS) BEFORE TAX	(2,605)	4,042
<i>of which: non-recurring</i>	0	763
Current taxes	(1,015)	(1,577)
Deferred taxes	(321)	(269)
TOTAL TAXES	(1,336)	(1,846)
PROFIT (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	(3,941)	2,196
<i>of which: non-recurring</i>	0	763
Net profit (loss) from assets held for sale	(187)	(2,191)
<i>of which: non-recurring</i>	0	(250)
NET PROFIT (LOSS) FOR THE PERIOD	(4,128)	5
<i>of which: non-recurring</i>	0	513
Attributable to:		
Group	(4,128)	5
Third parties	0	0

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

(EUR/000)	30/09/2015	31/12/2014
NON-CURRENT ASSETS		
Goodwill	5,981	5,814
Intangible assets	9,226	8,876
<i>of which: related parties</i>	16	70
Property, plant, machinery and tools	39,708	40,997
<i>of which: related parties</i>	194	77
Shareholdings values at equity	1,053	927
Equity investments in other companies	1,767	1,870
Receivables and other non-current assets	119	112
Deferred tax assets	6,111	6,304
TOTAL NON-CURRENT ASSETS	63,965	64,900
CURRENT ASSETS		
Inventories	22,490	19,104
Trade receivables	35,351	42,232
<i>of which: related parties</i>	4	6
Other assets	2,747	2,688
Tax receivables	2,145	2,148
Cash and cash equivalents	22,692	20,732
Financial assets for derivatives	31	26
TOTAL CURRENT ASSETS	85,456	86,930
ASSETS HELD FOR SALE	2,927	3,114
TOTAL ASSETS	152,348	154,944
SHAREHOLDERS' EQUITY		
Share capital	14,400	14,400
Reserves	53,562	51,804
Profit/(loss) for the year	(4,128)	(224)
TOTAL SHAREHOLDERS' EQUITY	63,834	65,980
NON-CURRENT LIABILITIES		
Non-current financial payables	28,855	25,959
Employee benefits	5,341	5,611
Non-current provisions	488	664
Deferred tax provisions	833	760
TOTAL NON-CURRENT LIABILITIES	35,517	32,994
CURRENT LIABILITIES		
Current financial payables	21,708	22,061
Trade payables	16,437	17,842
<i>of which: related parties</i>	142	128
Financial liabilities for derivatives	205	343
Current provisions	1,382	1,403
Tax payables	2,252	3,795
Other liabilities	11,013	10,526
TOTAL CURRENT LIABILITIES	52,997	55,970
TOTAL LIABILITIES	88,514	88,964
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	152,348	154,944

NOTES TO THE ACCOUNTS

1. General information

Gefran S.p.A. is incorporated and located at via Sebina 74, Provaglio d'Iseo (BS). 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 financial statements for the year ending 31 December 2014. The interim financial statements for the quarter ending 30 September 2015 do not contain all the additional information required in the annual financial statements, and should be read in conjunction with the annual financial statements for the year ending 31 December 2014, prepared in accordance with IFRS.

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.

The interim financial statements for the period ending 30 September 2015 are consolidated on the basis of the income statement and statement of financial position figures of Gefran S.p.A. and its subsidiaries relating to the first nine months of 2015, prepared in accordance with international accounting standards. These accounting statements were prepared using valuation criteria in line with those of the Parent Company, or adjusted owing to consolidation.

Interim financial statements are not subject to an audit.

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

On 12 November 2015, these financial statements to 30 September 2015 were approved by the Board of Directors, which authorised their publication.

3. Consolidation principles and valuation criteria

The valuation criteria adopted for the preparation of these interim financial statements to 30 September 2015 are the same as those adopted in preparing the annual financial statements for the year ending 31 December 2014.

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

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

With reference to Consob communication 0003907 of 19 January 2015, the information required and in particular details on external information and the sensitivity analysis have been added under note 19 "Verification of impairment of goodwill and intangible assets with a finite life relating to R&D activities".

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

4. Change in the scope of consolidation

The scope of consolidation at 30 September 2015 was different from that at 31 December 2014 and at 30 September 2014 owing to the spin-off of Gefran Soluzioni S.r.l. from Gefran S.p.A.. The change did not have a real impact on the consolidated figures of the Group, as Gefran Soluzioni is a wholly-owned subsidiary of Gefran S.p.A., and was created from a spin-off of part of the Parent Company.

5. Operating assets held for sale (photovoltaic business)

In application of IFRS 5 - Non-current assets held for sale and discontinued operations, the income statement, statement of financial position and cash flow figures relating to the photovoltaic business for the first nine months of 2015 and 2014 were presented respectively under the items "Net profit (loss) from assets held for sale", "Assets held for sale" and "Cash flow from operating assets held for sale". The income statement, statement of financial position and cash flow statement originally published by the Gefran Group for the third quarter of 2014 have been restated to comply with the accounting standard mentioned above.

With regard to the remaining asset values, booked under "Assets held for sale" in the amount of EUR 2,927 thousand at 30 September 2015, the management considers these amounts to be fully recoverable.

The tables below show the statements of reconciliation of the income statement and cash flow statement to 30 September 2014.

RECONCILIATION OF SEPTEMBER 2014 INCOME STATEMENT IN APPLICATION OF IFRS 5

<i>(EUR/000)</i>	2014 Approved	Adjustments	2014 Adjusted
Revenues from product sales	93,438	(405)	93,033
Other operating revenues and income	508	0	508
TOTAL REVENUES	93,946	(405)	93,541
Change in inventories	1,607	24	1,631
Costs of raw materials and accessories	(37,094)	192	(36,902)
Service costs	(16,598)	867	(15,731)
Miscellaneous management costs	(615)	21	(594)
Other operating income	1,646	0	1,646
Personnel costs	(36,609)	1,094	(35,515)
Increases for internal work	1,625	0	1,625
Impairment of trade and other receivables	(603)	48	(555)
Amortisation	(2,034)	261	(1,773)
Depreciation	(3,238)	89	(3,149)
EBIT	2,033	2,191	4,224
Gains from financial assets	1,528	0	1,528
Losses from financial liabilities	(1,756)	0	(1,756)
Losses (gains) from shareholdings value at equity	46	0	46
PROFIT (LOSS) BEFORE TAX	1,851	2,191	4,042
Current taxes	(1,577)	0	(1,577)
Deferred taxes	(269)	0	(269)
TOTAL TAXES	(1,846)	0	(1,846)
PROFIT (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	5	2,191	2,196
Net profit (loss) from assets held for sale	0	(2,191)	(2,191)
NET PROFIT (LOSS) FOR THE PERIOD	5	0	5

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

<i>(EUR/000)</i>	2014 Sept Approved	Adjustments	2014 Sept Adjusted
A) CASH AND CASH EQUIVALENTS AT THE START OF THE PERIOD	25,040	-	25,040
B) CASH FLOW GENERATED BY (USED IN) OPERATIONS IN THE PERIOD:			
Net profit (loss) for the period	5	0	5
Depreciation/amortisation	5,272	(350)	4,922
Capital losses (gains) on the sale of non-current assets	(1,682)	0	(1,682)
Net result from financial operations	182	0	182
Change in provisions for risks and future liabilities	(713)	0	(713)
Change in other assets and liabilities	(1,003)	0	(1,003)
Change in deferred taxes	217	0	217
Change in trade receivables	(2,161)	0	(2,161)
Change in inventories	(2,461)	1,058	(1,403)
Change in trade payables	(571)	0	(571)
TOTAL	(2,915)	708	(2,207)
C) CASH FLOW GENERATED BY (USED IN) INVESTMENT ACTIVITIES			
Investments in:			
- Property, plant & equipment and intangible assets	(4,166)	0	(4,166)
- Equity investments and securities	(100)	0	(100)
- Acquisitions net of acquired cash	0	0	0
- Financial receivables	(4)	0	(4)
Disposal of non-current assets	2,154	0	2,154
TOTAL	(2,116)	-	(2,116)
D) FREE CASH FLOW (B+C)	(5,031)	708	(4,323)
E) CASH FLOW GENERATED BY (USED IN) FINANCING ACTIVITIES			
New financial payables	0	0	0
Repayment of financial payables	(9,834)	0	(9,834)
Increase (decrease) in current financial payables	4,495	0	4,495
Interest received (paid)	(1,224)	0	(1,224)
Change in shareholders' equity reserves	1,228	0	1,228
Dividends paid	0	0	0
TOTAL	(5,335)	-	(5,335)
F) CASH FLOW FROM CONTINUING OPERATIONS (D+E)	(10,366)	708	(9,658)
G) CASH FLOW FROM OPERATING ASSETS HELD FOR SALE	-	(708)	(708)
H) Exchange translation differences on cash at hand	868	0	868
I) NET CHANGE IN CASH AT HAND (F+G+H)	(9,498)	-	(9,498)
J) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+I)	15,542	-	15,542

6. Information by business area

Primary segment – sector of activity

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

Figures by business area

	30 September 2015					30 September 2014				
	Revenues	EBITDA	% of rev.	EBIT	% of rev	Revenues	EBITDA	% of rev	EBIT	% of rev
<i>(EUR/000)</i>										
Sensors	36,202	8,736	24.1%	7,166	19.8%	33,298	8,807	26.4%	7,311	22.0%
Automation components	22,807	54	0.2%	(1,475)	-6.5%	22,242	343	1.5%	(1,025)	-4.6%
Drives	29,878	(5,530)	-18.5%	(7,159)	-24.0%	40,426	(4)	0.0%	(2,062)	-5.1%
Eliminations	(2,263)					(2,425)				
Total	86,624	3,260	3.8%	(1,468)	-1.7%	93,541	9,146	9.8%	4,224	4.5%

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

Statement of financial position figures by business area

(EUR/000)	30/09/2015	Sensors	Components	Drives	Not divided	Total
Intangible assets	15,207	8,591	3,245	3,371		15,207
Tangible assets	39,708	10,594	11,098	18,016		39,708
Financial assets	9,050				9,050	9,050
Net fixed assets	63,965	19,185	14,343	21,387	9,050	63,965
Inventories	22,490	4,570	3,837	14,083		22,490
Trade receivables	35,351	9,868	6,218	19,265		35,351
Trade payables	(16,437)	(4,858)	(4,090)	(7,489)		(16,437)
Other assets/liabilities	(8,373)	(3,008)	(2,624)	(2,636)	(105)	(8,373)
Operating capital	33,031	6,572	3,341	23,223	(105)	33,031
Provisions for risks and future liabilities	(1,870)	(295)	(41)	(1,011)	(522)	(1,870)
Deferred tax provisions	(833)			-	(833)	(833)
Employee benefits	(5,341)	(1,616)	(2,108)	(1,617)		(5,341)
Invested capital from operations	88,952	23,846	15,535	41,982	7,590	88,952
Invested capital from assets held for sale	2,927	-	-	-	2,927	2,927
Net invested capital	91,879	23,846	15,535	41,982	10,517	91,879
Shareholders' equity	63,834				63,834	63,834
Medium- to long-term financial payables	28,855				28,855	28,855
Short-term financial payables	21,708				21,708	21,708
Financial liabilities for derivatives	205				205	205
Financial assets for derivatives	(31)				(31)	(31)
Cash and cash equivalents and short-term financial receivables	(22,692)				(22,692)	(22,692)
Net debt relating to operations	28,045	-	-	-	28,045	28,045
Total sources of financing	91,879	-	-	-	91,879	91,879

(EUR/000)	31/12/2014	Sensors	Components	Drives	Not divided	Total
Intangible assets	14,690	8,392	3,269	3,029		14,690
Tangible assets	40,997	10,677	11,633	18,687		40,997
Financial assets	9,213				9,213	9,213
Net fixed assets	64,900	19,069	14,902	21,716	9,213	64,900
Inventories	19,104	4,534	3,937	10,633		19,104
Trade receivables	42,232	10,091	7,338	24,803		42,232
Trade payables	(17,842)	(4,461)	(4,133)	(9,248)		(17,842)
Other assets/liabilities	(9,485)	(2,587)	(2,428)	(2,823)	(1,647)	(9,485)
Operating capital	34,009	7,577	4,714	23,365	(1,647)	34,009
Provisions for risks and future liabilities	(2,067)	(252)	(55)	(1,123)	(637)	(2,067)
Deferred tax provisions	(760)			-	(760)	(760)
Employee benefits	(5,611)	(1,699)	(2,201)	(1,711)		(5,611)
Invested capital from operations	90,471	24,695	17,360	42,247	6,169	90,471
Invested capital from assets held for sale	3,114	-	-	-	3,114	3,114
Net invested capital	93,585	24,695	17,360	42,247	9,283	93,585
Shareholders' equity	65,980				65,980	65,980
Medium- to long-term financial payables	25,959				25,959	25,959
Short-term financial payables	22,061				22,061	22,061
Financial liabilities for derivatives	343				343	343
Financial assets for derivatives	(26)				(26)	(26)
Cash and cash equivalents and short-term financial receivables	(20,732)				(20,732)	(20,732)
Net debt relating to operations	27,605	-	-	-	27,605	27,605
Total sources of financing	93,585	-	-	-	93,585	93,585

Secondary segment - revenues by geographical region

(EUR/000)	2015	%	2014	%	Chg 2015-2014 value	%
Italy	24,903	28.7%	24,730	26.4%	173	0.7%
European Union	23,601	27.2%	21,573	23.1%	2,028	9.4%
Non-EU Europe	4,797	5.5%	4,230	4.5%	567	13.4%
North America	10,341	11.9%	8,136	8.7%	2,205	27.1%
South America	3,231	3.7%	3,851	4.1%	(620)	-16.1%
Asia	19,321	22.3%	29,791	31.8%	(10,470)	-35.1%
Rest of the World	430	0.5%	1,230	1.3%	(800)	-65.0%
Total	86,624	100%	93,541	100%	(6,917)	-7%

7. Gains and losses from financial assets/liabilities

“Gains from financial assets” totalled EUR 2,913 thousand, versus EUR 1,528 thousand at 30 September 2014. They break down as follows:

Description	2015	2014	change
<i>(EUR/000)</i>			
income from cash management	40	66	(26)
other financial income	92	78	14
exchange rate gains	1,968	507	1,461
currency valuation differences	813	581	232
income from the sale of financial assets	-	296	(296)
Total	2,913	1,528	1,385

Currency valuation differences and exchange rate gains, totalling EUR 2,781 thousand, are the result of the strengthening of the euro over the year, particularly against the US dollar and the Chinese renminbi.

“Losses from financial liabilities” totalled EUR 4,176 thousand, up from EUR 1.7556 thousand at 30 September 2014, and break down as follows:

Description	2015	2014	change
<i>(EUR/000)</i>			
medium-/long-term interest	(864)	(1,066)	202
short-term interest	(92)	(93)	1
factoring interest and fees	(45)	(32)	(13)
other financial charges	(32)	(25)	(7)
exchange rate losses	(2,147)	(427)	(1,720)
currency valuation differences	(878)	(113)	(765)
write-downs of financial assets	(118)	-	(118)
Total	(4,176)	(1,756)	(2,420)

The increase in financial charges registered in the first nine months of 2015 was mainly due to the weakening of the Brazilian real and the Turkish lira against the euro.

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

The balance of differences on currency transactions is negative at EUR 244 thousand, compared with a positive figure of EUR 548 thousand registered at 30 September 2014. The decline in the balance of currency differences is mainly due to the loss in value registered by the euro against the main currencies to which the Group is exposed, particularly against the Brazilian real and the Turkish lira.

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

Description	2015	2014	change
<i>(EUR/000)</i>			
Result of companies valued at equity	126	46	80
Total	126	46	80

Gains from shareholdings valued at equity were EUR 126 thousand, and mainly related to the positive result of the Ensun Group.

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

The item “taxes” was negative at EUR 1,336 thousand; this compares with a negative balance of EUR 1,846 thousand as of 30 September 2014, and breaks down as follows

<i>(EUR/000)</i>	2015	2014
Current taxes		
IRES (corporate income tax)	(11)	-
IRAP (regional production tax)	(2)	(401)
Foreign taxes	(1,002)	(1,176)
Total current taxes	(1,015)	(1,577)
Deferred taxes		
Deferred tax liabilities	(9)	(8)
Deferred tax assets	(312)	(261)
Total deferred tax liabilities	(321)	(269)
Total taxes	(1,336)	(1,846)

As the cost of employees on permanent contracts can be fully deducted for IRAP purposes, as introduced by the 2015 Stability Law, IRAP for the year for Parent Company Gefran S.p.A. was reduced to zero.

Current taxes relating to the Group's foreign subsidiaries remain broadly unchanged versus the same period of 2014.

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

(EUR/000)	31/12/2014	Posted to the income statement	Recognised in shareholders' equity	Exchange rate differences	30/09/2015
Deferred tax assets					
Devaluation of inventories	1,219	105	-	-	1,324
Impairment of trade receivables	666	(300)	-	-	366
Deductible losses to be brought forward	3,128	85	-	93	3,306
Exchange rate differences	22	(22)	-	-	-
Elimination of unrealised margins on inventories	789	(62)	-	14	741
Provision for product warranty risk	205	3	-	-	208
Provision for sundry risks	275	(121)	-	12	166
Fair value hedging	-	-	-	-	-
Total deferred tax assets	6,304	(312)	-	119	6,111
Deferred tax liabilities					
Discounting of end-of-service payment fund	-	-	-	-	-
Currency valuation differences	(5)	(9)	-	-	(14)
Other deferred tax liabilities	(755)	-	-	(64)	(819)
Total deferred tax liabilities	(760)	(9)	-	(64)	(833)
Net total	5,544	(321)	-	55	5,278

10. Net working capital

Net working capital totalled EUR 41,404 thousand, compared with EUR 43,494 thousand at 31 December 2014, and breaks down as follows:

(EUR/000)	30/09/2015	31/12/2014	changes
Inventories	22,490	19,104	3,386
Trade receivables	35,351	42,232	(6,881)
Trade payables	(16,437)	(17,842)	1,405
Net amount	41,404	43,494	(2,090)

Please see the Report on Operations for more details on net working capital.

11. Net financial position

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

(EUR/000)	30/09/2015	31/12/2014	changes
Cash and cash equivalents	22,692	20,732	1,960
Financial assets for derivatives	31	26	5
Non-current financial payables	(28,855)	(25,959)	(2,896)
Current financial payables	(21,708)	(22,061)	353
Financial liabilities for derivatives	(205)	(343)	138
Total	(28,045)	(27,605)	(440)

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

(EUR/000)	30/09/2015	31/12/2014	changes
A. Cash on hand	27	26	1
B. Cash in bank deposits	22,665	20,706	1,959
Term deposits – less than 3 months	-	-	-
C. Securities held for trading	-	-	-
D. Cash And cash equivalents (A) + (B) + (C)	22,692	20,732	1,960
Financial liabilities for derivatives	(205)	(343)	138
Financial assets for derivatives	31	26	5
E. Fair value hedging derivatives	(174)	(317)	143
F. Current portion of long-term debt	(12,049)	(11,587)	(462)
G. Other short-term financial payables	(9,659)	(10,474)	815
H. Total current financial payables (F) + (G)	(21,708)	(22,061)	353
I. Total current payables (E) + (H)	(21,882)	(22,378)	496
J. Net short-term financial position (I) + (D)	810	(1,646)	2,456
L. Non-current financial debt	(28,855)	(25,959)	(2,896)
M. Net financial debt (J) + (L)	(28,045)	(27,605)	(440)
<i>Of which to minorities:</i>	<i>(28,045)</i>	<i>(27,605)</i>	<i>(440)</i>

Net debt at 30 September 2015 was EUR 28,045 thousand, down by EUR 440 thousand from 31 December 2014.

Please see the Report on Operations for more details on financial operations management.

The net short-term financial position improved by EUR 2,456 thousand, mainly owing to the transfer of a portion of debt to the medium/long term, which was achieved by taking out new loans in August.

Free cash flow after investment activities was negative at EUR 930 thousand, compared with a negative figure of EUR 4,323 thousand in the same period of 2014, an improvement of EUR 3,393 thousand, mainly owing to the increase in operating capital.

Long-term debt increased by EUR 2,896 thousand, owing to the taking out of new medium/long-term loans.

12. Guarantees granted, commitments and other contingent liabilities

Guarantees granted

At 30 September 2015, the Group had granted guarantees on the liabilities and commitments of third parties or subsidiaries for EUR 7,785 thousand, a decrease of EUR 889 thousand on the figure for 31 December 2014, as shown in the table below:

(EUR/000)	2015	2014
UBI Leasing	3,143	3,180
BNL	2	4
Banca Intesa	1,100	1,110
Banca Passadore	2,750	3,500
Banco di Brescia	790	880
Total	7,785	8,674

A guarantee in favour of UBI Leasing was issued for a total of EUR 3,143 thousand, expiring in 2029, to guarantee financial requirements for the construction of photovoltaic plants by BS Energia 2 S.r.l..

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

The amount of EUR 1,100 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

The main operating lease contracts relate to property rentals, electronic equipment and company vehicles. As of the reporting date, the rents still owed by the Group in respect of irrevocable operating lease contracts was EUR 2,169 thousand; of this amount, EUR 2,049 thousand falls due within the next five years, and the remaining EUR 120 thousand after five years.

13. Dealings with related parties

In accordance with IAS 24, information relating to dealings with related parties for 2015 up to 30 September and the previous year is provided below.

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

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

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

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

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

Company (EUR/000)	Costs and Charges		Revenues and income	
	2015	2014	2015	2014
Elettropiemme S.r.l.	0	7	27	51
Climat S.r.l.	103	106	0	2
Axel S.r.l.	44	39	7	3
Francesco Franceschetti elastomeri S.r.l.	0	N/A	77	N/A
Total	147	152	111	56

Company (EUR/000)	Receivables and other assets		Payables and other liabilities	
	30/09/2015	31/12/2014	30/09/2015	31/12/2014
Elettropiemme S.r.l.	4	6	0	3
Climat S.r.l.	194	77	108	100
Axel S.r.l.	16	70	34	25
Francesco Franceschetti elastomeri S.r.l.	0	N/A	0	N/A
Total	214	153	142	128

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

14. 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 2015

For the Board of Directors

Chairman

Ennio Franceschetti

Chief Executive Officer

Maria Chiara Franceschetti

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

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

The undersigned, **Fausta Coffano**, the Director responsible for drawing up the Company's accounting statements, hereby declares, pursuant to paragraph 2, article 154-bis of the TUF, that the information contained in these interim financial statements to 30 September 2015 accurately represents the figures contained in the Group's accounting records.

Provaglio d'Iseo, 12 November 2015

The Director responsible for preparing
the Company's accounting statements

Fausta Coffano

CONSOLIDATED INCOME STATEMENT ANALYSIS BY QUARTER

Consolidated income statement by quarter

(EUR/000)		Q1	Q2	Q3	Q4	TOT	Q1	Q2	Q3	TOT
		2014	2014	2014	2014	2014	2015	2015	2015	2015
a	Revenues	29,596	32,144	31,801	36,086	129,627	30,309	29,556	26,759	86,624
b	Consumption of materials and products	10,436	11,875	12,960	14,444	49,715	9,810	9,995	9,026	28,831
c	Added value (a-b)	19,160	20,269	18,841	21,642	79,912	20,499	19,561	17,733	57,793
d	Other operating costs	5,619	4,546	5,069	6,582	21,816	6,395	6,673	6,846	19,914
and	Personnel costs	11,737	12,978	10,800	11,866	47,381	12,753	12,485	10,740	35,978
f	Increases for internal work	548	548	529	596	2,221	503	480	376	1,359
g	EBITDA (c-d-e+f)	2,352	3,293	3,501	3,790	12,936	1,854	883	523	3,260
h	Depreciation, amortisation and impairments	1,663	1,622	1,637	1,433	6,355	1,601	1,596	1,531	4,728
i	EBIT (g-h)	689	1,671	1,864	2,357	6,581	253	(713)	(1,008)	(1,468)
l	Gains (losses) from financial assets/liabilities	(399)	(325)	496	(458)	(686)	1,175	(1,095)	(1,343)	(1,263)
m	Gains (losses) from shareholdings value at equity	(19)	44	21	(10)	36	6	69	51	126
n	Profit (loss) before tax (i+-l+-m)	271	1,390	2,381	1,889	5,931	1,434	(1,739)	(2,300)	(2,605)
o	Taxes	(886)	(429)	(531)	(1,333)	(3,179)	(229)	(700)	(407)	(1,336)
p	Result from operating activities (n+o)	(615)	961	1,850	556	2,752	1,205	(2,439)	(2,707)	(3,941)
q	Profit (loss) from assets held for sale	(669)	(1,009)	(513)	(785)	(2,976)	(141)	(46)	0	(187)
r	Group net profit (loss) (p+q)	(1,284)	(48)	1,337	(229)	(224)	1,064	(2,485)	(2,707)	(4,128)

Consolidated income statement by quarter – excluding non-recurring items

(EUR/000)		Q1	Q2	Q3	Q4	TOT	Q1	Q2	Q3	TOT
		2014	2014	2014	2014	2014	2015	2015	2015	2015
a	Revenues	29,266	32,144	31,801	35,711	128,922	30,309	29,556	26,759	86,624
b	Consumption of materials and products	10,436	11,875	12,960	14,444	49,715	9,810	9,995	9,026	28,831
c	Added value (a-b)	18,830	20,269	18,841	21,267	79,207	20,499	19,561	17,733	57,793
d	Other operating costs	5,619	5,929	5,069	6,582	23,199	6,395	6,673	6,846	19,914
and	Personnel costs	11,737	12,078	10,800	11,743	46,358	12,753	12,485	10,740	35,978
f	Increases for internal work	548	548	529	596	2,221	503	480	376	1,359
g	EBITDA (c-d-e+f)	2,022	2,810	3,501	3,538	11,871	1,854	883	523	3,260
h	Depreciation, amortisation and impairments	1,663	1,622	1,637	1,433	6,355	1,601	1,596	1,531	4,728
i	EBIT (g-h)	359	1,188	1,864	2,105	5,516	253	(713)	(1,008)	(1,468)
l	Gains (losses) from financial assets/liabilities	(399)	(325)	496	(458)	(686)	1,175	(1,095)	(1,343)	(1,263)
m	Gains (losses) from shareholdings value at equity	(19)	44	21	(10)	36	6	69	51	126
n	Profit (loss) before tax (i+-l+-m)	(59)	907	2,381	1,637	4,866	1,434	(1,739)	(2,300)	(2,605)
o	Taxes	(886)	(429)	(531)	(1,333)	(3,179)	(229)	(700)	(407)	(1,336)
p	Result from operating activities (n+o)	(945)	478	1,850	304	1,687	1,205	(2,439)	(2,707)	(3,941)
q	Profit (loss) from assets held for sale	(669)	(709)	(513)	(785)	(2,676)	(141)	(46)	0	(187)
r	Group net profit (loss) (p+q)	(1,614)	(231)	1,337	(481)	(989)	1,064	(2,485)	(2,707)	(4,128)

ANNEXES

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

End-of-period exchange rates

Currency	30 September 2015	31 December 2014	30 September 2014
Swiss franc	1.0915	1.2024	1.2063
Pound sterling	0.7385	0.7789	0.7773
US dollar	1.1203	1.2141	1.2583
Brazilian real	4.4808	3.2207	3.0821
Chinese renminbi	7.1206	7.5358	7.7262
Indian rupee	73.4805	76.7190	77.8564
South African rand	15.4984	14.0353	14.2606
Turkish lira	3.3903	2.8320	2.8779

Average exchange rates in the period

Currency	3Q 2015	2014	3Q 2014
Swiss franc	1.0619	1.2146	1.2181
Pound sterling	0.7274	0.8064	0.8122
US dollar	1.1145	1.3288	1.3554
Brazilian real	3.5183	3.1228	3.1043
Chinese renminbi	6.9647	8.1883	8.3579
Indian rupee	70.8406	81.0689	82.3003
South African rand	13.6867	14.4065	14.5397
Turkish lira	2.9676	2.9070	2.9342

b) List of companies included in the scope of consolidation

Name	Registered office	Country	Currency	Share capital	Parent Company	% of direct ownership
Gefran UK Ltd	Uxbridge	UK	GBP	4,096,000	Gefran S.p.A.	100.00
Gefran Deutschland GmbH	Seligenstadt	Germany	EUR	365,000	Gefran S.p.A.	100.00
Siei Areg GmbH	Pleidelsheim	Germany	EUR	150,000	Gefran S.p.A.	100.00
Gefran France S.A.	Lyon	France	EUR	800,000	Gefran S.p.A.	99.99
Gefran Benelux Nv	Geel	Belgium	EUR	344,000	Gefran S.p.A.	100.00
Gefran Inc	Winchester	US	USD	1,900,070	Gefran S.p.A.	100.00
Gefran Brasil Elettroel. Ltda	Sao Paolo	Brazil	REAL	450,000	Gefran S.p.A. Gefran UK	99.90 0.10
Gefran India Private Ltd.	Pune	India	INR	100,000,000	Gefran S.p.A. Gefran UK	95.00 5.00
Gefran Siei Asia Pte Ltd	Singapore	Singapore	EUR	3,359,369	Gefran S.p.A.	100.00
Gefran Siei Drives Tech. Pte Ltd	Shanghai	China (People's Rep.)	RMB	28,940,000	Gefran Siei Asia	100.00
Gefran Siei Electric Pte Ltd	Shanghai	China (People's Rep.)	RMB	1,005,625	Gefran Siei Asia	100.00
Gefran South Africa (Pty) Ltd	Milnerton City	Rep. South Africa	ZAR	2,000,100	Gefran S.p.A.	100.00
Sensormate AG	Aadorf	Switzerland	CHF	100,000	Gefran S.p.A.	100.00
Gefran Middle East Ltd. Sti	Istanbul	Turkey	TRL	100,000	Gefran S.p.A.	100.00
Gefran Soluzioni S.r.l.	Provaglio d'Iseo	Italy	EUR	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.	16.56
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

