



INTERIM REPORT ON OPERATIONS AT 31st MARCH 2015

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Certification pursuant to Article 154-*bis* of Italian Legislative Decree 58/1998

CORPORATE BODIES**BOARD OF DIRECTORS**

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EXECUTIVE DIRECTOR	MR	FRANCESCO GANDOLFI COLLEONI
NON-EXECUTIVE DIRECTOR	MR	GIANFRANCO SEPRIANO
INDEPENDENT DIRECTOR	MS	FRANCESCA PISCHEDDA
INDEPENDENT DIRECTOR	MR	ORFEO DALLAGO

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SUBSTITUTE STATUTORY AUDITOR	MS	CLAUDIA MARESCA

INDEPENDENT AUDITORS

PricewaterhouseCoopers S.p.A.

INTERNAL CONTROL AND REMUNERATION COMMITTEE

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MS GIANFRANCO SEPRIANO
MR ORFEO DALLAGO

INTERNAL CONTROL MANAGER

MR WILMER NERI

SUPERVISORY BODY

MS PAOLA PRETI
MS FRANCESCA PISCHEDDA
MR GIANLUCA PIFFANELLI

INTERIM REPORT ON OPERATIONS AT 31 MARCH 2015

IRCE Group (hereinafter the "Group") 2015 first quarter results recorded an improvement if compared with the same period of 2014.

The winding wire sector recorded a reduction in sales in Europe, only partly compensated by higher sales in the Brazilian market. Different was the situation in the cable sector where, after years of constant reductions in volume, there was an increase in sales, mainly in the Italian market.

Consolidated turnover amounted to € 92.80 million, versus € 91.51 million of the first quarter 2014; an increase of 1.4%, mainly thanks to higher volumes, as in this first quarter copper price was in line with the average price of the first three months of 2014.

In this context, the consolidated turnover without metal¹ increases by 2.9%, the reduction of the winding wires segment is 1.7% and the growth of the cables segment is 31.0%.

In detail:

Consolidated turnover without metal (€/million)	2015 1° quarter		2014 1° quarter		Change
	Value	%	Value	%	%
Winding wires	17.5	82.2%	17.8	86.0%	-1.7%
Cables	3.8	17.8%	2.9	14.0%	31.0%
Total	21.3	100.0%	20.7	100.0%	2.9%

The following table reports the results of the first quarter of 2015, compared with those of the first three months of 2014, including the adjusted values of EBITDA and EBIT.

Consolidated income statement data (€/million)	1° quarter 2015	1° quarter 2014	Change
Turnover ²	92.80	91.51	1.29
EBITDA ³	3.24	2.38	0.86
EBIT	1.35	0.28	1.07
Profit before taxes	3.84	2.31	1.53
Net result	2.46	1.29	1.17
Adjusted EBITDA ⁴	4.49	4.47	0.02
Adjusted EBIT ⁴	2.60	2.37	0.23

For details of the reclassifications of the 1° quarter 2014, please refer to the Explanatory Notes.

¹ Turnover without metal corresponds to overall turnover after deducting the metal component.

² The item "Turnover" represents the "Revenues" reported in the income statement.

³ EBITDA is a performance indicator used by the Management of the Group in order to assess the operating performance of the company and is not identified as an accounting item within IFRS; it is calculated by IRCE S.p.A. by adding amortisation/depreciation, allocations and write-downs to EBIT.

⁴ Adjusted EBITDA and EBIT are respectively calculated as the sum of EBITDA and EBIT and the income/charges from operations on copper derivatives transactions (€ +1.25 million in the first quarter 2015 and € +2.09 million in the first quarter 2014). These indicators are used by the Management of the Group in order to monitor and assess the operational performance of the Group and are not identified as accounting items within IFRS. Given that the composition of these measures is not regulated by the reference accounting standards, the criterion used by the Group could potentially not be consistent with that adopted by others and therefore not be comparable.

Consolidated net financial debt, at the end of March 2015, was € 51.59 million versus € 49.64 million at the end of 2014; an increase of € 1.95 million, mainly due to an expansion of working capital.

Consolidated statement of financial position data (€/million)	As of 31.03.2015	As of 31.12.2014	Change
Net capital employed	191.17	187.36	3.81
Shareholders' equity	139.58	137.72	1.86
Net financial debt ⁵	51.59	49.64	1.95

The Group's investments in the first quarter of 2015 were € 0.86 million, mostly made in the winding wire sector.

We expect positive results also over the next months of the year, even though the economy has not yet given definite signs of recovery.

Imola, 15th May 2015

On behalf of the Board of Directors

The Chairman

Mr Filippo Casadio



⁵ Net financial debt is measured as the sum of short-term and long-term financial liabilities minus cash and financial assets, note no. 11. It should be noted that the methods for measuring net financial debt comply with the methods for measuring the Net Financial Position defined by Consob Resolution no. 6064293 of 28 July 2006 and CESR recommendation of 10 February 2005.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	Notes	31.03.2015	31.12.2014
NON- CURRENT ASSETS			
Goodwill and intangibles assets	1	2,442,708	2,418,905
Property, plant and equipment	2	57,981,616	59,878,553
Equipment and other tangible assets	2	1,523,369	1,623,962
Fixed assets under construction and advance	2	1,094,352	441,920
Non-current financial assets and receivables		127,331	111,858
Non-current tax receivables	3	2,785,460	2,894,722
Deferred tax assets		3,047,439	3,013,664
TOTAL NON -CURRENT ASSETS		69,002,275	70,383,584
CURRENT ASSETS			
Inventory	4	95,939,151	94,897,885
Trade receivables	5	75,960,738	71,691,779
Tax receivables		1,683,190	2,354,565
Receivables due from other		1,951,527	1,631,323
Current financial assets	6	108,745	1,185,817
Cash and cash equivalents	7	6,299,173	6,567,380
TOTAL CURRENT ASSETS		181,942,524	178,328,749
TOTAL ASSETS		250,944,799	248,712,333

SHAREHOLDERS EQUITY AND LIABILITIES	Notes	31.03.2015	31.12.2014
SHAREHOLDERS' EQUITY			
SHARE CAPITAL	8	14,626,560	14,626,560
RESERVES	8	122,222,922	119,029,666
PROFIT OF THE PERIOD		2,459,530	3,794,509
TOTAL GROUP SHAREHOLDERS' EQUITY OF THE GROUP		139,309,012	137,450,735
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS		266,240	264,740
TOTAL SHAREHOLDERS' EQUITY		139,575,252	137,715,475
NON -CURRENT LIABILITIES			
Non-current financial liabilities	9	10,708,306	3,251,830
Deferred tax liabilities		1,118,867	1,099,952
Provisions for risks and charges	10	1,672,863	1,675,283
Employee benefits' provisions		5,848,259	5,954,529
TOTAL NON- CURRENT LIABILITIES		19,348,295	11,981,594
CURRENT LIABILITIES			
Current financial liabilities	11	47,236,440	53,424,816
Trade payables		31,770,794	34,290,234
Tax payables		4,261,267	2,595,190
Social security contributions		1,663,836	2,105,954
Other current liabilities		7,088,915	6,599,070
TOTAL CURRENT LIABILITIES		92,021,252	99,015,264
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		250,944,799	248,712,333

CONSOLIDATED INCOME STATEMENT

	Notes	31.03.2015	31.03.2014
Revenues	12	92,794,728	91,513,712
Other revenues and incomes		112,474	82,769
TOTAL REVENUES		92,907,202	91,596,481
Cost of raw material and consumable	13	(73,321,711)	(75,902,606)
Change in inventories of work in progress and finished good		443,150	3,073,784
Cost for services		(8,396,698)	(8,221,040)
Personnel cost		(8,014,814)	(7,798,182)
Amortisation/Depreciations	14	(1,584,442)	(1,664,424)
Allocations and write-downs		(310,181)	(435,685)
Other operating costs		(374,347)	(371,842)
EBIT		1,348,159	276,486
Financial incomes / (charges)	15	2,493,471	2,037,729
PROFIT BEFORE TAXES		3,841,630	2,314,215
Income Taxes	16	(1,380,601)	(1,024,422)
PROFIT BEFORE NON-CONTROLLING INTERESTS		2,461,029	1,289,793
Non-controlling interest		(1,499)	(1,274)
PROFIT / (LOSS) FOR THE PERIOD		2,459,530	1,288,519

Earnings (loss) per share (EPS)

- basic EPS of the year ascribable to ordinary shareholders of the parent company	0,092	0,049
- diluted EPS of the year ascribable to ordinary shareholders of the parent company	0,092	0,049

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	31.03.2015	31.03.2014
€/000		
PROFIT / (LOSS) BEFORE NON-CONTROLLING INTEREST	2.461	1.289
Foreign currency translation difference	(1.596)	1.938
Net profit / (loss) from Cash Flow Hedge	-	(30)
Income taxes	-	8
	-	(22)
Total other profit / (loss); net of tax which may be subsequently reclassified to profit / (loss) for the period	(1.596)	1.916
Net profit / (loss) - IAS 19	(541)	570
Income taxes	161	(128)
	(380)	442
Total other profit / (loss) net of tax, which will not subsequently reclassified to profit / (loss) for the period	(380)	442
Total profit / (loss) from statement of comprehensive income, net of taxes	(1.976)	2.358
Total comprehensive profit / (loss), net of taxes	485	3.647
Ascribable to:		
Shareholders of the parent company	483	3.646
Minority Shareholders	2	1

CONSOLIDATED STATEMENT OF CASH FLOWS	Note	31.03.2015	31.03.2014
<i>€/000</i>			
OPERATING ACTIVITIES			
Net profit for the period		2,460	1,289
<i>Adjustments for:</i>			
Amortization/depreciation	14	1,584	1,664
Change in deferred taxes		(15)	(26)
(Gains)/losses from disposal of fixed assets		(7)	(5)
(Gains)/losses on unrealized translation differences		228	(344)
Taxes	16	1,479	967
Financial income/(loss)	15	(1,064)	286
Operating profit/(loss) before change in working capital		4,665	3,831
Tax paid		(48)	-
Decrease (increase) in inventory	4	(1,041)	(9,010)
(Increase) decrease in current assets and liabilities		(6,291)	9,634
(increase) decrease in non-current assets and liabilities		(124)	221
CASH FLOW GENERATED BY OPERATING ACTIVITIES		(2,839)	4,676
INVESTING ACTIVITIES			
Investments in intangible assets	1	(48)	(114)
Investments in tangible assets	2	(814)	(603)
Difference on exchange rate		596	(1,014)
Proceeds from disposals		10	88
CASH FLOW USED IN INVESTING ACTIVITIES		(256)	(1,643)
FINANCIAL ACTIVITIES			
Repayment of borrowing	9	7,000	1,628
Change in current other financial payables	11	(6,188)	(6,713)
Exchange difference on translation of financial statement in foreign currency		418	23
Change in current financial assets	6	1,077	(198)
Interest paid		(870)	(333)
Interest received		1,935	47
Change in minority shareholders' capital		2	3
Change in translation of financial statements in foreign currency with effect in shareholders' equity	8	(1,556)	1,938
Shares buy back		1,013	-
CASH FLOW GENERATED BY FINANCING ACTIVITIES		2,828	(3,604)
NET CASH FLOW FOR THE PERIOD		(268)	(571)
CASH AND EQUIVALENT AT THE BEGINNING OF THE PERIOD		6,567	5,625
TOTAL NET CASH FLOW FOR THE PERIOD		(268)	(571)
CASH AND EQUIVALENT AT THE END OF THE PERIOD	7	6,299	5,054

NOTES TO THE CONSOLIDATED INTERIM REPORT AT 31 MARCH 2015

GENERAL INFORMATION

The Board of Directors authorized the First Quarter Report as at March 31st, 2015 to be published on May 15th 2015.

The IRCE Group owns nine manufacturing plants and is one of the major industrial players in Europe in the field of winding wires as well as in the field of electrical cables in Italy. Its plants are located in the Italian towns of Imola (Bologna), Guglionesi (Campobasso), Umbertide (Perugia) and Miradolo Terme (Pavia); foreign locations include Nijmegen (NL) - the registered office of Smit Draad Nijmegen BV -, Blackburn (UK) - the registered office of FD Sims Ltd -, Joinville (SC – Brazil) - the registered office of IRCE Ltda -, Kochi (Kerala – India) - the registered office of Stable Magnet Wire P.Ltd. - and Kierspe (D) - the registered office of Isodra GmbH. The distribution uses agents and the following commercial subsidiaries: Isomet AG in Switzerland, DMG GmbH in Germany, Isolveco S.r.l. in Italy, IRCE SL in Spain and IRCE Kablo Ve Tel Ltd in Turkey.

GENERAL DRAFTING CRITERIA

The First Quarter Report at March 31st, 2015 have been drawn up in compliance with the IAS 34 "Intermediate Balance Sheet" and with article 154 ter of TUF. This balance sheet consolidated not includes all information requested by annual balance sheet and must be read together with December 31st 2014 Financial Statement.

The diagrams used for compiling the consolidated balance sheet of the Group have been prepared in compliance with the IAS 1 principle, in particular;

- The shareholders' equity has been introduced by separately presenting current and non-current assets and liabilities.
- The profit-and-loss account has been prepared by classifying the item "by nature".

The following notes have been indicated in thousand euro.

This First Quarter Report has not been reviewed by Auditors, because not subjected to this obligation.

Evaluation usage

The compilation of consolidated shortened balance sheet according to IFRS requires the evaluation and the value assuming which affect the assets and the liabilities and the advises related to potential assets and liabilities up to reference date. The collected results could be different from the evaluations. The evaluations are used to point out allowances due to credit risks, amortizations, asset depreciation and taxes.

For the purposes of clarity in reporting, it should be noted that certain items of the financial statements As of 31 March 2014 have been re-classified.

The impact of said reclassifications is shown below:

Reclassified item	€/000	Previous classification	Current classification
Remuneration of temporary workers	143	Costs for services	Personnel costs

CONSOLIDATION AREA

The table below lists the companies included in the consolidation area at March 31st, 2015:

Company	% of investment	Registered office	Share capital	Consolidation
Isomet AG	100%	Switzerland	CHF 1,000,000	line by line
Smit Draad Nijmegen BV	100%	Netherlands	€ 1,165,761	line by line
FD Sims Ltd	100%	UK	£ 15,000,000	line by line
Isolveco S.r.l.	75.0%	Italy	€ 46,440	line by line
DMG GmbH	100%	Germany	€ 255,646	line by line
IRCE S.L.	100%	Spain	€ 150,000	line by line
IRCE Ltda	100%	Brazil	BRL 152,235,223	line by line
ISODRA GmbH	100%	Germany	€ 25,000	line by line
Stable Magnet Wire P.Ltd.	100%	India	INR 165,189,860	line by line
IRCE Kablo Ve Tel Ltd	100%	Turkey	TRY 1,700,000	line by line

There are not changes in the consolidation area compared to Consolidated Balance Sheet as of December 31st, 2014.

DERIVATIVE INSTRUMENTS

The Group uses the following types of derivative instruments:

- Derivative instruments related to copper forward transactions with maturity after 31 March 2015. The Group entered into sale contracts to hedge against price decreases relating to the availability of raw materials, and purchase contracts to prevent price increases relating to sale commitments with fixed copper values. The fair value of copper forward contracts outstanding at the reporting date is determined on the basis of forward prices of copper with reference to the maturity dates of contracts outstanding at the reporting date. These transactions do not satisfy the conditions required for recognising these instruments as hedging instruments for the purposes of hedge accounting.

A summary of derivative contracts related to commodities (copper) for forward sales, in force on March 31st, 2015, is shown below:

Measurement unit of the notional value	Notional value with maturity within one year (tons)	Notional value with maturity after one year	Result with fair value measurement as of 31/03/2015 €/000
Tons/Sales	1,125	0	37
Tons/Purchases	80	0	11

- Derivative instruments related to obligations for USD forward sales and purchases with maturity after March 31st, 2015. These transactions do not satisfy the conditions required for recognising these instruments as hedging instruments for the purposes of cash flow hedge accounting.

Below is shown a summary of derivative contracts related to USD forward sales and purchases, in force on March 31st, 2015:

Measurement unit of the notional value	Notional value with maturity within one year (€/000)	Notional value with maturity after one year	Result with fair value measurement as of 31/03/2015 €/000
USD/ sales	846	0	(77)
USD/Purchases	5,000	0	48

The fair value of forward contracts for currency purchases, in force as of March 31st, 2015, is determined on the basis of forward prices of currencies with reference to the maturity dates of contracts in force at the reporting date.

FAIR VALUE

A comparison between the carrying amount of financial instruments held by the Group and their fair value did not yield significant differences in value (refer to note 38).

IFRS 7 defines the following three levels of fair value for measuring the financial instruments recognised in the statement of financial position:

- Level 1: quoted prices in active markets.
- Level 2: inputs other than quoted prices included within Level 1 that are observable, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs not based on observable market data.

The following table highlight the assets and liabilities that are measured at fair value as March 31st, 2015 in terms of hierarchical level of fair value measurement (€/000):

March 31 st , 2015	Level 1	Level 2	Level 3	Total
Assets:				
Derivative financial instruments	-	96	-	96
AFS			70	70
Total assets	-	96	70	166
Liabilities:				
Derivative financial instruments	-	(77)	-	(77)
Total liabilities	-	(77)	-	(77)

During the year, there were no transfers between the three fair value levels specified in IFRS 7.

COMMENT ON THE MAIN ITEMS OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

1. GOODWILL AND OTHER INTANGIBLE ASSETS

This balance sheet item concerns the intangible assets from which economic benefits are expected in the future. The variations in intangible assets are detailed below:

€/000	Patent and intellectual property rights	Licenses, trademarks, similar rights and other multi-year charges	Fixed assets under construction	Goodwill	Total
Net carrying amount as of 31/12/2014	71	128	189	2,031	2,419
<i>Movements of the period</i>					
. Investments	48	-	-	-	48
. Effect of exchange rates	5	3	-	-	8
. Reclassifications	-	-	-	-	-
. Amortisation	(18)	(14)	-	-	(32)
Total changes	35	(11)	-	-	24
Net carrying amount as of 31/03/2015	106	117	189	2,031	2,443

A description of intangible assets with a finite lifetime and the utilised method of amortisation is shown in the following table.

Asset	Expected useful life	Depreciation method	Internally developed or purchased	Impairment tests for assessing losses in value
Patent rights and intellectual property	Definite	50%	Purchased	Review of depreciation method at each year-end, and impairment test if there are indicators of loss in value
Permits and licenses	Definite	20%		Review of depreciation method at each year-end, and impairment test if there are indicators of loss in value
Trademarks and similar rights	Definite	5.56%	Purchased	Review of depreciation method at each year-end, and impairment test if there are indicators of loss in value
Goodwill Smit Draad Nijmegen BV	Indefinite	n/a	Purchased	Subject to impairment test

The depreciation rates that concern other intangible assets are worked out depending on the extent to which they can be utilized; therefore they are examined at the financial year-end.

The goodwill shown in the balance sheet relates to the Cash Generating Unit Smit Draad Nijmegen BV. This value has been subject to verification of the presence of impairment (impairment test) at the closing of the annual financial statements 2014. At 31 March 2015, the directors have not revealed the existence of indicators, external or internal, of impairment losses; therefore did not consider it necessary to proceed to a new impairment test.

2. TANGIBLE ASSETS

€/000	Land	Buildings	Plant and equipment	Industrial and commercial equipment	Other assets	Assets under construction and advances	Total
Net carrying amount as of 31/12/2014	11,875	19,685	28,317	1,126	498	442	61,944
<i>Movements of the period</i>							
. Investments	-	(15)	97	44	46	642	814
. Effect of exchange rates	227	338	(1,147)	(28)	(4)	10	(604)
. Reclassifications	(85)	85	-	-	-	-	-
. Divestments	-	-	(179)	(37)	(52)	-	(268)
. Depreciation relative to disposals	-	-	177	37	52	-	266
. Depreciation of the period	-	(333)	(1,061)	(111)	(47)	-	(1,552)
Total changes	142	75	(2,113)	(95)	(5)	652	(1,344)
Net carrying amount as of 31/03/2015	12,017	19,760	26,204	1,031	493	1,094	60,600

These Group's investments in the first quarter of 2015 were € 0.81 million, mostly made in the winding wire sector.

3. NON-CURRENT TAX RECEIVABLES

This item refers by €/000 812, to the tax credit relative to the reimbursement claim for 2007-2011 IRES (corporate income tax), in compliance with Article 2, paragraph 1-*quater*, of Italian Law Decree No. 201/2011, of the parent company IRCE S.p.A., and by €/000 1,973 to the tax credit on the added value to the Brazilian subsidiary IRCE Ltda. Based on future expected cash flows, the recoverability of these amounts is believed to be likely.

4. INVENTORIES

Inventories are detailed as follows:

€/000	31/03/2015	31/12/2014
- Raw materials, ancillary and consumables	33,340	33,424
- Work in progress and semi-finished goods	16,585	11,748
- Finished products and goods	49,472	52,971
- Provisions for write-down of raw materials	(2,006)	(2,006)
- Provisions for write-down of finished products and goods	(1,452)	(1,239)
Total	95,939	94,898

Recognised inventories are not pledged nor used as collateral.

The provision for write-downs correspond to the amount that is deemed necessary to hedge existing inventory obsolescence risks calculated by writing down slow moving packages and finished products.

The table below shows the changes in provisions for write-down of inventories during the first three months of 2015:

€/000	31/12/2014	Allocations	Uses	31/03/2015
Provisions for write-down of raw materials	2,006	-	-	2,006
Provisions for write-down of finished products and goods	1,239	315	(102)	1,452
Total	3,245	315	(102)	3,458

5. TRADE RECEIVABLES

€/000	31/03/2015	31/12/2014
- Customers/bills receivable	78,113	74,555
- Bad debt provision	(2,152)	(2,863)
Total	75,961	71,692

The balance of receivables due from customers is entirely composed of receivables due within the next 12 months

6. CURRENT FINANCIAL ASSETS

€/000	31/03/2015	31/12/2014
- Mark to Market copper forward transactions	48	726
- Mark to Market USD forward transactions	48	290
- Fixed deposit for LME transactions	12	170
Total	109	1,186

The item "Mark to Market copper forward transactions" refers to the Mark to Market (Fair Value) valuation of copper sales forward contracts open on 31/03/2015 of the parent company IRCE SPA and Smit Draad Nijmegen BV.

The item "Mark to Market USD forward transactions" refers to the Mark to Market (fair value) measurement of USD forward purchase contracts outstanding as of 31/03/2015 of the parent company IRCE S.p.A.

The item "Fixed deposit for LME transactions" refers to the *margin calls* lodged with brokers for copper forward transactions on the LME (London Metal Exchange).

7. CASH AND CASH EQUIVALENTS

This item includes bank deposits, cash in hand and valuables.

€/000	31/03/2015	31/12/2014
- Bank deposits	6,281	6,551
- Cash on hand and valuables	18	16
Total	6,299	6,567

Short-term bank deposits yield variable interest. The bank and postal deposits in effect at the closing date of the half-yearly financial statements are not subject to liens or restrictions.

8. SHAREHOLDERS' EQUITY

Share capital

The share capital is composed of 28,128,000 ordinary shares for an equivalent of € 14,626,560 without nominal value. The shares are fully subscribed and paid up and bear no rights, privileges or restrictions as far as dividend distribution and capital distribution, if any, are concerned.

Own shares as of March 31st, 2015 amounted to 1,370,324 and correspond to 4,87% of the share capital.

Reserves are detailed below:

€/000	31/03/2015	31/12/2014
- Own shares (deducted from share capital)	(713)	(999)
- Share premium reserve	40,539	40,539
- Own shares (share premium)	314	(412)
- Other capital reserves	45,924	45,924
- Foreign currency translation reserve	(10,782)	(9,186)
- Legal reserve	2,925	2,925
- Extraordinary reserve	30,653	30,653
- IAS 19 reserve	(1,160)	(1,160)
- Undivided profit	13,488	10,746
- Retained profit	1,035	-
Total	122,223	119,030

9. NON-CURRENT FINANCIAL LIABILITIES

€/000	Currency	Rates	Company	31/03/2015	31/12/2014	Due
NAB	CHF	Variable	Isomet AG	3,708	3,252	2017
Banco Popolare	EUR	Variable	IRCE SPA	7,000	-	2019
Total				10,708	3,252	

10. PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges are detailed below:

€/000	31/12/2014	Allocations	Uses	31/03/2015
Provisions for risks and disputes	1,381	207	(219)	1,369
Provision for severance payments to agents	294	10	-	304
Total	1,675	217	(219)	1,673

Provisions for risks and disputes refer to allocations for various disputes.

Provision for severance payments to agents refers to allocations made for severance payments relating to outstanding agency contracts.

11. CURRENT FINANCIAL LIABILITIES

The current financial liabilities are detailed below:

€/000	31/03/2015	31/12/2014
- Payables due to banks	47,159	53,402
- Payables due for derivative contracts	77	23
Total	47,236	53,425

Item "Payables due for derivative contracts" refers to the interest rate swap, open as at March 31st, 2015, of IRCE SPA.

With reference to the financial liabilities, **the Group's net financial position**, drawn up in accordance with the Consob Communication 6064293 dated 28th July 2006 and the CESR guidelines dated 10th February 2005, is as follows:

€/000	31/03/2015	31/12/2014
Cash	6,299	6,567
Other current financial assets	60*	460*
Liquid assets	6,359	7,027
Current financial liabilities	(47,236)	(53,415)*
Net current financial indebtedness	(40,878)	(46,387)
Non-current financial liabilities	(10,708)	(3,252)
Non-current financial indebtedness	(10,708)	(3,252)
Net financial indebtedness	(51,586)	(49,639)

* These items differ from the corresponding items of the statement of financial position, since the fair value of copper forward contracts is not included.

COMMENT ON THE MAIN ITEMS OF THE CONSOLIDATED INCOME STATEMENT

12. REVENUES

These items refer to revenues for the sales of goods after returns and discount. The revenues at March 31st 2015 for €/000 92,795 increase of 1,4% in respect to the same period of the previous year (€/000 91,514).

13. COSTS OF RAW MATERIALS AND CONSUMABLES

This item includes the costs borne for purchasing raw materials - such as copper, insulating materials, packaging materials and consumable items (for maintenance work), net of changes to inventories.

14. AMORTISATION/DEPRECIATION

Amortisation/depreciation is detailed as follows:

€/000	31/03/2015	31/03/2014	Change
- Amortisation of intangible assets	32	30	2
- Depreciation of tangible assets	1,552	1,634	(82)
Total amortisation/depreciation	1,584	1,664	(80)

15. FINANCIAL INCOME AND CHARGES

Financial income and charges are detailed as follows:

€/000	31/03/2015	31/03/2014	Change
- Other financial income	1,935	2,824	(889)
- Interest and other financial charges	(870)	(721)	(149)
- Foreign exchange gains/(losses)	1,428	(65)	1,494
Total	2,493	2,038	455

€/000	31/03/2015	31/03/2014	Change
- Profit on LME derivatives	1,249	2,089	(840)
Total	1,249	2,089	(840)

16. INCOME TAX

€/000	31/03/2015	31/03/2014
- Current taxes	(1,479)	(967)
- Deferred tax assets/(liabilities)	98	(58)
Total	(1,381)	(1.025)

17. RELATED PARTY DISCLOSURES

In compliance with the requirements of IAS 24, the quarterly compensation for the members of the Board of Directors is shown below:

€/000	Compensation for office held	Compensation for other tasks	Total
Directors	55	81	136

This table shows the compensation paid for any reason and under any form, including social security contributions.

18. EARNINGS PER SHARE

As required by IAS 33, here below are the disclosures on the data used to calculate basic and diluted earnings per share.

For the purposes of calculating the basic earnings per share, the profit or loss for the period less the portion attributable to non-controlling interests was used as the numerator. In addition, it should be noted that there were no preference dividends, settlements of preference shares, and other similar effects to be deducted from the profit or loss attributable to the ordinary equity holders. The weighted average number of ordinary shares outstanding was used as the denominator; this figure was calculated by deducting the average number of own shares held during the period from the overall number of shares composing the share capital.

Basic and diluted earnings per share were equal, as there are no ordinary shares that could have dilutive effects and no shares or warrants that could have dilutive effects will be exercised.

	31/03/2015	31/03/2014
Net profit/(loss) for the period	2,459,530	1,288,519
Average weighted number of ordinary shares outstanding	26,757,676	26,212,676
Basic earnings/(loss) per Share	0,092	0,049
Diluted earnings/(loss) per Share	0,092	0,049

19. EVENTS FOLLOWING THE REPORTING PERIOD

No significant events occurred between the reporting date and the current drafting date.

20. CERTIFICATION PURSUANT TO ARTICLE 154-BIS OF ITALIAN LEGISLATIVE DECREE 58/1998

The Executive Manager assigned to draw up the company books, Ms. Elena Casadio, declares that the information contained in this quarterly report is an accurate representation of the documents, accounting books and records.