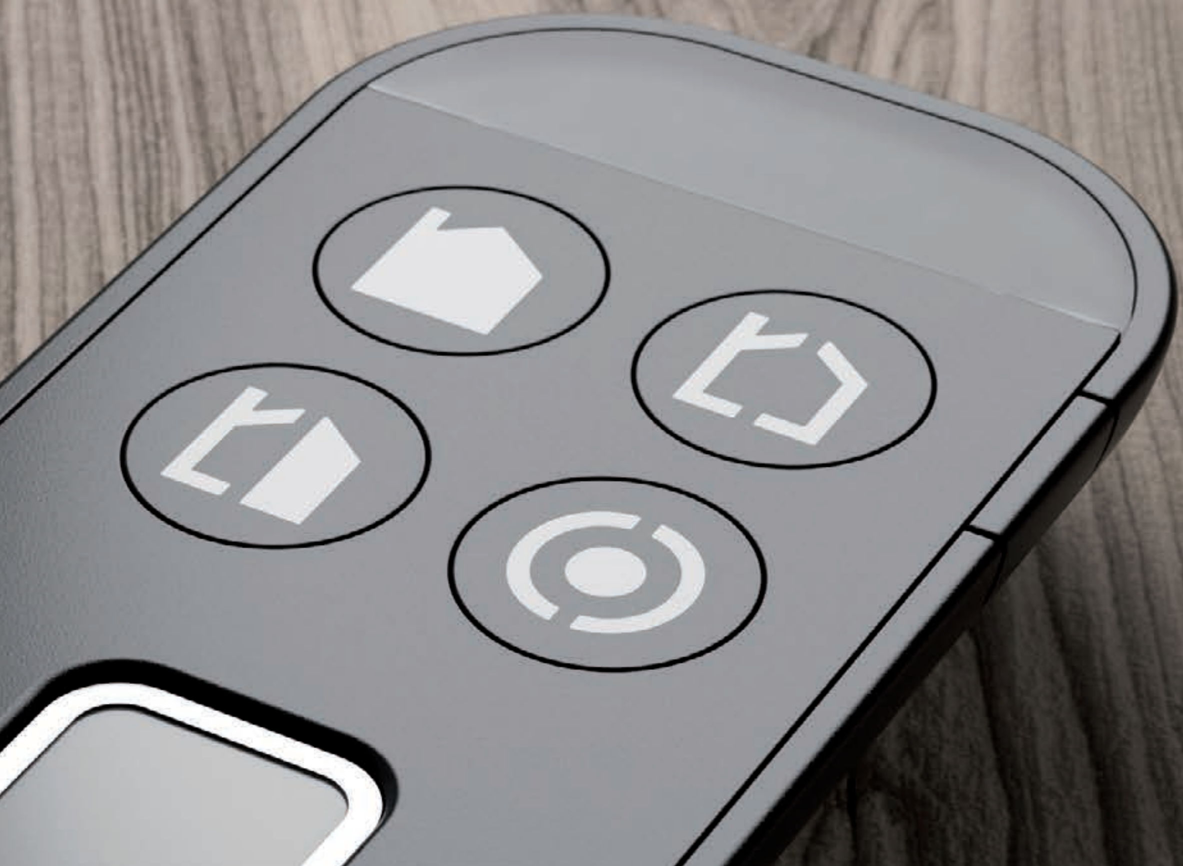
NICE S.P.A.

HALF-YEAR FINANCIAL REPORT AS OF JUNE 30, 2015

TheNiceGroup



Nice S.p.A.

Half-Year Financial Report

as at

30 June 2015

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General Information

Corporate bodies and information

Board of Directors	
Lauro Buoro (*)	Chairman of the Board of Directors
Luciano Iannuzzi (*)	Director
Mauro Sordini (*)	Chief Executive Officer
Denise Cimolai (*)	Director
Emanuela Banfi	Independent director
Giorgio Zanutto (*)	Director
Dario Fumagalli (*)	Director
Lorenzo Galberti (*)	Director
Antonio Bortuzzo	Independent director
Gian Paolo Fedrigo	Independent director

(*) Powers and assignments for ordinary and extraordinary management within the limits established by the law and the Articles of Association and in compliance with the prerogatives reserved for the Shareholders' Meeting and Board of Directors, as per the Board of Directors' resolution of 6 May 2015.

Board of Statutory Auditors

Giuliano Saccardi	Chairman of the Board of Statutory Auditors
Monica Berna	Standing Statutory Auditor
Enzo Dalla Riva	Standing Statutory Auditor
David Moro	Alternate Statutory Auditor
Manuela Salvestrin	Alternate Statutory Auditor

Audit and Risk Committee

Antonio Bortuzzo
Emanuela Banfi
Gian Paolo Fedrigo

Remuneration Committee

Antonio Bortuzzo
Emanuela Banfi
Gian Paolo Fedrigo

Independent Auditors

BDO Italia S.p.A.

Registered office and corporate details

Nice S.p.A.
Via Pezza Alta 13 - Z.I. Rustignè
I-31046 Oderzo (TV), Italy
Ph: +39 0422 853838
Fax: +39 0422 853585
Share capital: Euro 11,600,000.00 fully paid in
Tax code 02717060277
VAT no. 03099360269
www.niceforyou.com

Investor Relations

Laura Artich
e-mail: ir@niceforyou.com
Ph: +39 0422 505481

Report on Operations

Economic and financial highlights of Nice Group

Financial data (Thousands of Euro)	1H 2015	%	1H 2014	%	Δ %
Revenue	142,606	100.0%	135,162	100.0%	5.5%
Gross profit*	78,519	55.1%	74,821	55.4%	4.9%
EBITDA**	20,905	14.7%	21,134	15.6%	-1.1%
Operating profit	16,877	11.8%	17,349	12.8%	-2.7%
Net profit	6,964	4.9%	8,399	6.2%	-17.1%
Group net profit	6,919	4.9%	8,359	6.2%	-17.2%

* 'Gross Profit' is defined as the difference between revenue and the cost of goods sold (consisting of the sub-items purchase of basic components, outsourced processing, and change in inventories).

** 'EBITDA' represents net profit before depreciation & amortisation, finance income & expenses, and taxes.

Equity data (Thousands of Euro)	30/06/2015	31/12/2014
Net working capital*	80,639	74,413
Fixed assets and other non-current assets	149,146	125,788
Non-current liabilities	(19,178)	(10,133)
Net capital invested**	**210,607**	**190,068**
Net financial position (cash)	6,237	(11,555)
- of which cash and cash equivalents	*(54,155)*	*(61,978)*
- of which financial assets	*(4,812)*	*(4,835)*
- of which financial liabilities	*65,204*	*55,258*
Shareholders' Equity	204,370	201,623
Total financing sources	**210,607**	**190,068**

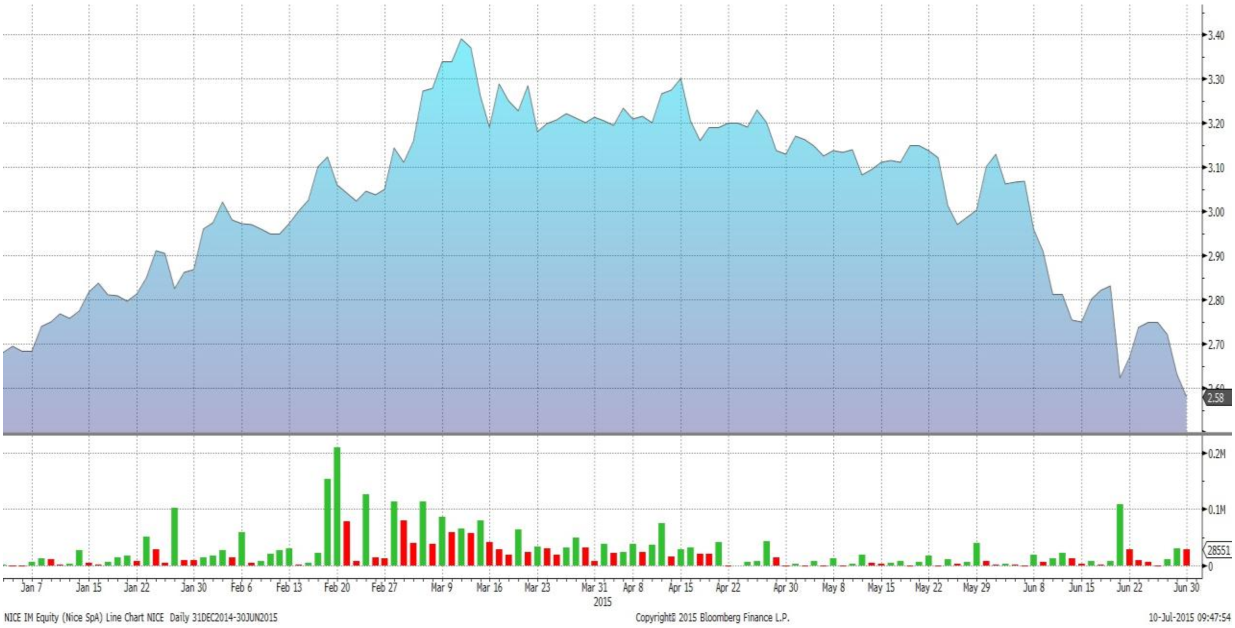
* 'Net working capital' is defined as the sum of inventories, trade receivables, tax receivables, other current assets, trade payables, tax payables (due within 12 months) and other current liabilities.

** 'Net capital invested' is defined as the algebraic sum of Net working capital (as defined above), fixed assets, other non-current assets and non-current liabilities (the latter net of medium-/long-term loans).

Cash flow data (Thousands of Euro)	1H 2015	1H 2014
Cash flow from operating activities	8,425	9,140
Cash flow used in investing activities	(4,627)	(4,174)
Free Operating Cash Flow	3,798	4,966
Acquisitions	(9,890)	0
Free Cash Flow	*(6,092)*	*4,966*
Cash flow used in financing activities	(2,024)	(14,130)
Effect of exchange-rate changes on cash and cash equivalents	293	203
Cash flow of the period	*(7,823)*	*(8,961)*
Cash and cash equivalents at the beginning of the period	**61,978**	**63,523**
Cash and cash equivalents at the end of the period	**54,155**	**54,562**

Share performance

The share performance of Nice stock during the first half of 2015 is shown below.



As at 30 June 2015, Nice stock registered a per-share price of Euro 2.58 and the corresponding market capitalisation was Euro 299,280,000.

The following table summarises the main share and stock market data for the first half of 2015 (source: Bloomberg):

Share and stock market data	1H 2015
Price as at 30/06/2015	€ 2.58
Maximum price in 1H 2015 (12/03/2015)	€ 3.48
Minimum price in 1H 2015 (30/06/2015)	€ 2.57
Market capitalisation as at 30/06/2015	299,280,000
Average no. of outstanding shares	110,664,000
No. of common shares	116,000,000

Control of the Company

As at 30 June 2015, Nice Group S.p.A. directly controlled 69.72% of Nice S.p.A.'s share capital. Nice Group S.p.A., with registered office in Oderzo (Province of Treviso) – Italy, is a holding company owned by Lauro Buoro (68.42%). The remaining 31.58% is held by Nice Group S.p.A. itself in the form of treasury shares.
The financial statements of Nice Group S.p.A. are available at the registered office in Via Pezza Alta no. 13 - Oderzo (Province of Treviso).
The financial statements of Nice S.p.A. are available on the website www.niceforyou.com, in the Investor Relations section.

Shares owned by directors and statutory auditors

As at 30 June 2015, directors and statutory auditors directly or indirectly held a total of 87,371,983 Nice S.p.A. shares, broken down as follows:

Full name	No. of shares held as at 01/01/2015	No. of shares bought in 1H 2015	No. of shares held as at 30/06/2015	Nature of possession
Lauro Buoro - through Nice Group SpA	80,879,583	0	80,879,583	owned
Lauro Buoro - Nice SpA treasury shares	5,336,000	0	5,336,000	owned
Lorenzo Galberti	1,144,400	0	1,144,400	owned
Giorgio Zanutto	7,000	0	7,000	owned
Denise Cimolai	5,000	0	5,000	owned
Total	**87,371,983**	**0**	**87,371,983**	

Transactions with related parties

Nice S.p.A. is indirectly controlled by the Italian company Nice Group S.p.A.
The Group's transactions with related parties are the following:

- Nice Group S.p.A.: property lease and receivables from participation in the Italian tax consolidation scheme.
- Nice Immobiliare S.r.l.: property leases and renovation of a building;
- Nice Automatismos Espana S.A.: property lease from Nice Real Estate SL;
- S.C. Nice Romania S.A.: financial receivable due from Nice Real Estate SRL and property lease from Nice Real Estate SRL;
- Silentron S.p.A.: property lease from Dorado Srl, a company managed by Giuseppe Mallarino, who is also the CEO of Silentron S.p.A.;
- Nice Home Automation CJSC: the company has trade relations with companies owned by the non-controlling interests of Nice Home Automation CJSC;
- Nice Team Sail S.r.l.: sponsorship agreement. The company is indirectly managed by Lauro Buoro, who is also the Chairman of Nice S.p.A.;
- Fattoria Camporotondo S.agr.s.: supply of wine products. This company is indirectly managed by Lauro Buoro, who is also the Chairman of Nice S.p.A.;
- Modular Professional S.r.l.: supply of production material and purchase of some assets. This company is indirectly managed by Lauro Buoro, who is also the Chairman of Nice S.p.A.;
- Fly Nice: consortium set up by Nice S.p.A. and other companies controlled by Lauro Buoro. It provides air transport services to the consortium members.

- Nice Deutschland Gmbh: financial debt with Elero Gmbh's related parties.

Sales and purchases among related parties take place at arm's length. Balances outstanding as at the reporting date are unsecured, non-interest bearing and settled in cash. No guarantees have been given or received for receivables from or payables to related parties.

Regarding the economic and financial transactions with related parties that took place during the first half of 2015, please refer to the details reported in the explanatory notes.

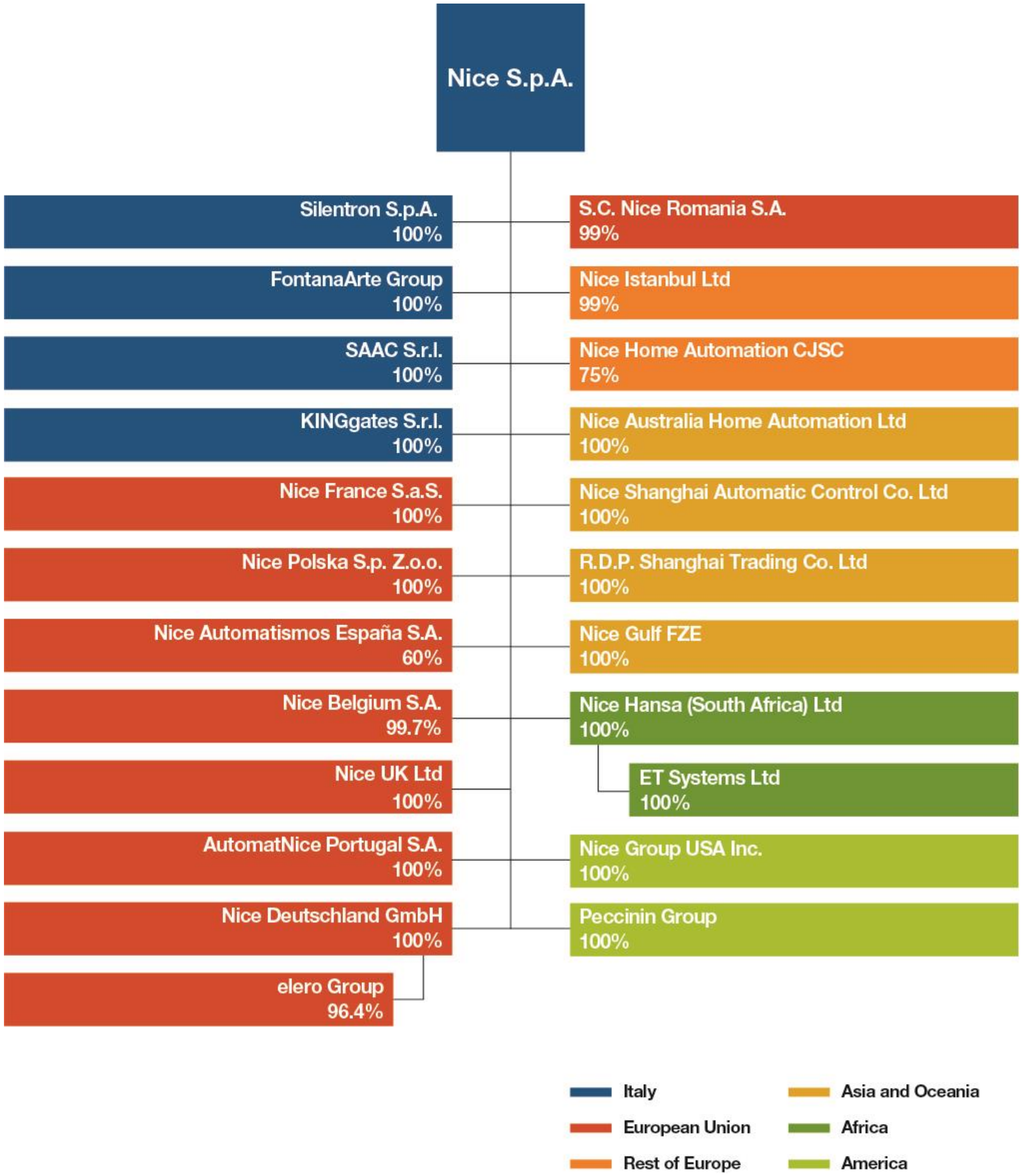
Group business description

Nice's business is the design, production and marketing of Home Automation systems. These systems provide automation of gates for residential, commercial and industrial buildings, garage doors and road barriers, and of awnings, rolling shutters, solar screens and alarm systems. The various systems can be integrated and controlled by means of a single radio control unit.
With the acquisition of FontanaArte S.p.A., which took place in December 2010, the Group also expanded its operations to lighting.

Group structure

The following chart presents Nice Group's corporate structure as at 30 June 2015. The Group operates via 34 companies, detailed in the attachments, located as follows:

- *Italy*: Nice S.p.A., Silentron S.p.A., Saac S.r.l., FontanaArte S.p.A., King Gates Srl, elero Italia S.r.l. (in liquidation);
- *European Union:* Nice France Sas, Nice Automatismos Espana S.A., Nice UK Ltd, Nice Belgium S.A., Nice Polska S.p. Z.o.o., Nice Deutschland Gmbh, S.C. Nice Romania S.A., AutomatNice Portugal S.A., elero GmbH, elero AB, FontanaArte France S.a.S.;
- *Rest of Europe:* Nice Istanbul Ltd, Nice Home Automation CJSC;
- *Asia and Oceania:* Nice Shanghai Automatic Control Ltd, R.D.P. Shanghai Trading Ltd, Nice Australia Home Automation Ltd, FontanaArte Trading Co. Ltd, elero Motors & Controls Pvt. Ltd., elero Singapore Pte. Ltd., Nice Gulf FZE;
- *Americas:* Nice Group USA Inc., FontanaArte Corp., Peccinin Portoes Automaticos Industrial Ltda, elero Latinoamérica (in liquidation), Genno Tecnologia LTDA, Omegaport Equipamentos de Seguranca LTDA;
- *Africa:* Nice Hansa (South Africa) Ltd, ET Systems (Pty) Ltd.


Nice S.p.A.
Silentron S.p.A. 100%
FontanaArte Group 100%
SAAC S.r.l. 100%
KINGgates S.r.l. 100%
Nice France S.a.S. 100%
Nice Polska S.p. Z.o.o. 100%
Nice Automatismos España S.A. 60%
Nice Belgium S.A. 99.7%
Nice UK Ltd 100%
AutomatNice Portugal S.A. 100%
Nice Deutschland GmbH 100%
elero Group 96.4%
S.C. Nice Romania S.A. 99%
Nice Istanbul Ltd 99%
Nice Home Automation CJSC 75%
Nice Australia Home Automation Ltd 100%
Nice Shanghai Automatic Control Co. Ltd 100%
R.D.P. Shanghai Trading Co. Ltd 100%
Nice Gulf FZE 100%
Nice Hansa (South Africa) Ltd 100%
ET Systems Ltd 100%
Nice Group USA Inc. 100%
Peccinin Group 100%
Italy
European Union
Rest of Europe
Asia and Oceania
Africa
America

Comments on economic and financial results

Operating performance – Group economic results

Following is the 1H 2015 income statement reclassified according to Nice Group's management scheme, including a comparison with the previous year:

(Thousands of Euro)	1H 2015	%	1H 2014	%	Δ %
Revenue	**142,606**	**100.0%**	**135,162**	**100.0%**	**5.5%**
Cost of goods sold	(64,087)	-44.9%	(60,341)	-44.6%	
Gross Profit	**78,519**	**55.1%**	**74,821**	**55.4%**	**4.9%**
Industrial costs	(4,690)	-3.3%	(4,528)	-3.4%	
Marketing costs	(5,232)	-3.7%	(4,000)	-3.0%	
Trade costs	(7,132)	-5.0%	(6,596)	-4.9%	
General costs	(12,758)	-8.9%	(12,325)	-9.1%	
Personnel costs	(27,802)	-19.5%	(26,238)	-19.4%	
Total Operating Costs	**(57,614)**	**-40.4%**	**(53,687)**	**-39.7%**	**7.3%**
EBITDA	**20,905**	**14.7%**	**21,134**	**15.6%**	**-1.1%**
Depreciation and amortisation	(4,028)	-2.8%	(3,785)	-2.8%	
EBIT	**16,877**	**11.8%**	**17,349**	**12.8%**	**-2.7%**
Financial management and other costs	(1,644)	-1.2%	(1,876)	-1.4%	
Pre-tax profit	**15,233**	**10.7%**	**15,473**	**11.4%**	**-1.6%**
Taxes	(8,269)	-5.8%	(7,074)	-5.2%	
Net profit	**6,964**	**4.9%**	**8,399**	**6.2%**	**-17.1%**
Profit attributable to non-controlling interests	45	0.0%	40	0.0%	
Group net profit	**6,919**	**4.9%**	**8,359**	**6.2%**	**-17.2%**
Tax rate	*54.3%*		*45.7%*		

Pursuant to Consob Communication n. DEM/6064293 of 28 July 2006, it is pointed out that alternative Performance indicators have been defined in the paragraph 'Economic and financial highlights of Nice Group' of this report.

Consolidated Revenue

Nice Group sales in 1H 2015 totalled Euro 142.6 million, up 5.5% year-on-year. The growth was concentrated primarily in the markets outside Europe.

The following chart shows the geographical revenue breakdown:

(Thousands of Euro)	1H 2015	%	1H 2014	%	Δ %	Δ % (2)
France	21,876	15.3%	22,729	16.8%	-3.8%	-3.8%
Italy	19,022	13.3%	19,653	14.5%	-3.2%	-3.2%
Europe 15 (1)	39,802	27.9%	39,013	28.9%	2.0%	1.5%
Rest of Europe	24,358	17.1%	25,845	19.1%	-5.8%	-2.9%
Rest of the World	37,548	26.3%	27,922	20.7%	34.5%	29.1%
Total Revenue	**142,606**	**100.0%**	**135,162**	**100.0%**	**5.5%**	**4.8%**

(1) Excluding France and Italy (2) at constant exchange rates

In the first half of 2015 France, which accounts for 15.3% of Group sales, reported revenue of Euro 21.9 million, with a decrease of 3.8% compared to the first half of 2014.

Italy, with sales of Euro 19.0 million, decreased by 3.2% year-on-year.

In the first half of 2015, Europe 15 reported sales of Euro 39.8 million, a 2.0% increase year-on-year, primarily attributable to a growth of volumes recorded in Spain and the UK.

The Rest of Europe sales in the first half 2015 amounted to Euro 24.4 million, with a decrease of 5.8% year-on-year. The decline is mainly due to a contraction in volumes recorded in Russia.

The Rest of the World, with a 26.3% share of Group sales, grew by 34.5% with sales of Euro 37.5 million. This growth was recorded, to different extents, in all the countries of this area.

Profitability Indicators

Gross profit (calculated as the difference between revenue and cost of goods sold) in the first half of 2015 totalled Euro 78.5 million, growing by 4.9% compared to Euro 74.8 million in the first half of 2014 and with a margin on sales of 55.1%, compared to 55.4% in the first half of 2014.

EBITDA in the first half of 2015 amounted to Euro 20.9 million with a 14.7% margin, compared to Euro 21.1 million and a 15.6% margin in the first half of 2014. 1H 2015 EBITDA included Euro 0.9 million in costs incurred for participating in the R+T trade fair – an event taking place every three years – which was held in Stuttgart in February. Without this expense, EBITDA would have been Euro 21.8 million with a 15.3% margin.

Group net profit totalled Euro 6.9 million compared to Euro 8.4 million in the first half of 2014. The net profit of the first half of 2015 includes a higher price paid for the purchase of Elero's non-controlling interests for about Euro 1 million.

Operating performance – Financial position

As at 30 June 2015, net working capital amounted to Euro 80.6 million, compared to Euro 74.4 million as at 31 December 2014, showing an improvement compared to Euro 83 million as at 30 June 2014, primarily due to a decrease in receivables.

The table below sets forth some data related to the Group cash flows:

(Euro thousand)	1H 2015	1H 2014
Net profit	6,964	8,399
Amortisation, depreciation and other non-monetary changes	5,210	3,053
Changes in Net Working Capital	(3,748)	(2,312)
Cash flow from operating activities	**8,426**	**9,140**
Investments	(4,626)	(4,174)
Free Operating Cash Flow	**3,800**	**4,966**
Acquisitions	(9,890)	-
Free cash flow	**(6,091)**	**4,966**
Net financial position of acquired companies	986	-
Residual debt for acquisitions	(5,558)	-
Payment of dividends	(5,257)	(4,759)
Other changes	(1,873)	194
Sub-total	**(11,702)**	**(4,565)**
Changes in the net financial position	**(17,792)**	**401**
Opening net financial position	**11,555**	**(337)**
Closing net financial position	**(6,237)**	**64**

The Group's net financial position is a debt of Euro 6.2 million compared to Euro 0.1 million as at 31 June 2014 and compared to Euro 11.6 million as at 31 December 2014. In the first half of 2015, changes in the net financial position include the payment of dividends of Euro 5.3 million approved by the Shareholders' Meeting of 24 April 2015 and the acquisition of the South-African company ET Systems Ltd, concluded on 2 March 2015.

Following is the Group's net financial position as at 30 June 2015 and 31 December 2014:

(Thousands of Euro)	30/06/2015	31/12/2014
A. Cash	48	15
B. Other cash equivalents	54,107	61,963
C. Shares held for trading	0	0
D. Liquidity (A) + (B) + (C)	**54,155**	**61,978**
E. Current financial receivables	1,297	1,322
F. Current bank loans	(2,383)	(1,633)
G. Current portion of non-current debt	(25,520)	(47,885)
H. Other current financial payables	(3,939)	(5,693)
I. Current financial debt (F) + (G) + (H)	**(31,842)**	**(55,211)**
J. Net current financial debt (I) + (E) + (D)	**23,610**	**8,089**
Non-current financial receivables (*)	3,514	3,513
K. Non-current bank loans	(30,172)	(47)
L. Bonds issued	0	0
M. Other non-current payables	(3,189)	0
N. Non-current financial debt (K) + (L) + (M) (**)	**(29,847)**	**3,466**
O. Net financial debt (J) + (N)	**(6,237)**	**11,555**

(*) Non-current financial receivables are included in the item 'Other non-current assets' of the 'Consolidated statement of financial position'.

(**) Non-current financial debt includes also non-current finance receivables.

The table below sets forth the reconciliation statement between Nice S.p.A. shareholders' equity and net profit with the corresponding consolidated shareholders' equity and net profit as at 30 June 2015 and 31 December 2014:

(Thousands of Euro)	Shareholders' Equity 30/06/2015	Net Profit/(Loss) 1H 2015	Shareholders' Equity 31/12/2014	Net Profit/(Loss) 2014
Shareholders' equity and profit/(loss) for the year as reported in the financial statements of the parent company	**216,118**	**7,252**	**214,118**	**18,987**
Derecognition of the carrying value of consolidated equity investments:				
- difference between carrying value and shareholders' equity	(70,980)		(51,210)	
- earnings		2,162		3,571
- goodwill	54,155		32,915	
- other intangible fixed assets	10,985		11,102	
Derecognition of the effects of transactions among consolidated companies:				
- intra-group profits included in the value of closing inventories	(5,246)	(642)	(4,604)	(364)
- intra-group dividends		(1,851)		(6,404)
Other transactions	(662)	43	(698)	87
Shareholders' equity and profit/(loss) for the year as reported in the consolidated financial statements	**204,370**	**6,964**	**201,623**	**15,877**

Significant events after the reporting period

No significant events occurred after the reporting period.

Business outlook

Thanks to the results achieved in the first half of 2015 and to the sound financial position that has always characterised Nice Group, the management believes that it will be possible to pursue its investment plans in order to achieve the growth objectives set for the future.

Oderzo, 27 August 2015.

On behalf of the Board of Directors

The Chairman

Lauro Buoro

Half-year condensed consolidated financial statements as at 30 June 2015

Consolidated statement of financial position as at 30 June 2015 and 31 December 2014*

(Thousands of Euro)	30/06/2015	31/12/2014	NOTES
ASSETS			
Non-current assets			
Intangible fixed assets	95,517	74,699	(2)
Tangible fixed assets	39,414	36,859	(3)
Other non-current assets	3,905	3,876	(4)
Deferred tax assets	13,823	13,867	(5)
Total non-current assets	**152,659**	**129,301**	
Current assets			
Inventories	72,003	61,287	(6)
Trade receivables	68,822	58,976	(7)
Other current assets	3,247	3,324	(8)
Tax receivables	9,967	10,856	(9)
Other current financial assets	1,299	1,322	(10)
Cash and cash equivalents	54,155	61,978	(11)
Total current assets	**209,493**	**197,743**	
Total assets	**362,152**	**327,044**	
SHAREHOLDERS' EQUITY AND LIABILITIES			
Group Equity	**206,069**	**203,794**	
Equity attributable to non-controlling interests	(1,699)	(2,171)	
Total shareholders' equity	**204,370**	**201,623**	(12)
Non-current liabilities			
Provisions for risks and charges	2,394	2,427	(13)
Termination benefits	1,769	1,748	
Medium-/long-term loans	30,172	47	(14)
Other non-current liabilities	12,083	-	(15)
Tax payables (due after 12 months)	190	48	
Provision for deferred tax liabilities	5,931	5,910	(16)
Total non-current liabilities	**52,539**	**10,180**	
Current liabilities			
Bank overdrafts and loans	27,903	49,518	(17)
Other financial liabilities	3,939	5,693	(18)
Trade payables	51,380	41,284	(19)
Other current liabilities	12,067	8,578	(20)
Tax payables (due within 12 months)	9,954	10,168	(21)
Total current liabilities	**105,243**	**115,241**	
Total liabilities	**157,782**	**125,421**	
Total shareholders' equity and liabilities	**362,152**	**327,044**	

* Pursuant to Consob resolution no. 15519 of 27 July 2006, the effects of transactions with related parties are described in note 35.

Half-year consolidated income statement as at 30 June 2015 and 2014*

(Thousands of Euro)	1H 2015	1H 2014	NOTES
Revenue	**142,606**	**135,162**	(31)
Operating costs:			
Costs for basic components, ancillary materials and consumables	(59,107)	(55,501)	(22)
Costs for services	(29,213)	(26,574)	(23)
Rental and lease costs	(4,012)	(4,052)	(24)
Personnel costs	(27,802)	(26,238)	(25)
Other operating costs	(2,929)	(3,406)	(26)
Depreciation and amortisation	(4,028)	(3,785)	(27)
Other income	1,362	1,743	
Operating profit	**16,877**	**17,349**	
Finance income	3,499	1,982	(28)
Finance expense	(5,129)	(3,124)	(29)
Other expenses	(14)	(734)	
Pre-tax profit	**15,233**	**15,473**	
Taxes for the period	(8,269)	(7,074)	(30)
Net profit	**6,964**	**8,399**	
Net profit attributable to non-controlling interests	45	40	
Group net profit	**6,919**	**8,359**	

* Pursuant to Consob resolution no. 15519 of 27 July 2006, the effects of transactions with related parties are described in note 35.

Consolidated earnings per share	**1H 2015**	**1H 2014**
(Euro thousand)		
Average number of shares	110,664,000	110,664,000
Group net profit	6,919	8,359
Per-share data (Euro)		
Basic, for net profit attributable to ordinary shareholders of the parent company	0.06252	0.07553
Diluted, for net profit attributable to ordinary shareholders of the parent company	0.06252	0.07553

Consolidated half-year comprehensive income statement as at 30 June 2015 and 2014

(Thousands of Euro)	1H 2015	1H 2014
Net profit	**6,964**	**8,399**
Other items of comprehensive income after taxes not reclassified to profit or loss	-	-
Other items of comprehensive income after taxes reclassified to profit or loss	1,102	1,881
- Actuarial loss on termination benefits	-	-
- Exchange differences on translation of foreign financial statements	*1,102*	*1,881*
Total comprehensive income (loss) after taxes	**8,066**	**10,280**
Attributable to:		
Non-controlling interests	471	(35)
Owners of the parent	7,595	10,315

Consolidated statement of cash flow as at 30 June 2015 and 30 June 2014

(Thousands of Euro)	1H 2015	1H 2014
CASH FLOW FROM OPERATING ACTIVITIES:		
Group net profit	**6,919**	**8,359**
Net profit attributable to non-controlling interests	45	40
Depreciation, amortization and impairment	4,028	3,785
Net change in other provisions	1,234	(599)
Changes in current assets and liabilities:		
Decrease (increase) in Receivables due from customers	(9,477)	(8,058)
Other current assets	154	833
Inventories	(8,065)	(707)
Payables due to suppliers	8,354	(872)
Other current liabilities	2,739	3,164
Tax receivables/payables	2,546	3,328
Total adjustments and changes	**1,506**	**781**
Cash flow from operating activities	**8,425**	**9,140**
CASH FLOW USED IN INVESTING ACTIVITIES:		
Investments in intangible fixed assets:	(567)	(553)
Investments in tangible fixed assets:	(4,060)	(3,621)
Other changes in equity investments	(9,890)	-
Cash flow used in investing activities	**(14,517)**	**(4,174)**
CASH FLOW USED IN FINANCING ACTIVITIES:		
Dividend distribution	(5,257)	(4,759)
Net change in medium-/long-term loans	29,995	(10,302)
Net change in short-term loans	(22,502)	1,137
Net change in other financial liabilities	(6,259)	-
Net change in other non-current liabilities	1,100	(96)
Net change in medium-/long-term tax payables	-	(127)
Net change in other non-current assets	(29)	(90)
Net change in other financial assets	1,987	(133)
Translation differences and other changes in Equity	(1,059)	240
Cash flow used in financing activities	**(2,024)**	**(14,130)**
Effect of exchange rate differences on cash and cash equivalents	293	203
Decrease in cash and cash equivalents	**(7,823)**	**(8,961)**
Cash and cash equivalents at the beginning of the period	61,978	63,523
Cash and cash equivalents at the end of the period	**54,155**	**54,562**

Consolidated statement of changes in shareholders’ equity as at 30 June 2015

(Thousands of Euro)	Share capital	Legal reserve	Share premium reserve	Treasury shares	Retained earnings and reserves	Translation reserve	Group Shareholders’ Equity	Profit (loss) attributable to non-controlling interests	Share capital and reserves attributable to non-controlling interests	Total Shareholders’ Equity
Balance as at 31 December 2014	**11,600**	**2,320**	**32,179**	**(20,771)**	**194,342**	**(15,876)**	**203,794**	**433**	**(2,604)**	**201,623**
Profit for the period					6,919		6,919	45		6,964
Translation difference						676	676		426	1,102
Comprehensive income					**6,919**	**676**	**7,595**	**45**	**426**	**8,066**
Dividend distribution					(5,257)		(5,257)			(5,257)
Other changes					(62)		(62)			(62)
Balance as at 30 June 2015	**11,600**	**2,320**	**32,179**	**(20,771)**	**195,942**	**(15,200)**	**206,070**	**45**	**(1,745)**	**204,370**

Consolidated statement of changes in shareholders’ equity as at 30 June 2014

(Thousands of Euro)	Share capital	Legal reserve	Share premium reserve	Treasury shares	Retained earnings and reserves	Translation reserve	Group Shareholders’ Equity	Profit (loss) attributable to non-controlling interests	Share capital and reserves attributable to non-controlling interests	Total Shareholders’ Equity
Balance as at 31 December 2013	**11,600**	**2,320**	**32,179**	**(20,771)**	**183,475**	**(13,847)**	**194,956**	**125**	**(1,315)**	**193,766**
Profit for the period					8,359		8,359	40		8,399
Translation difference						1,956	1,956		(75)	1,881
Comprehensive income					**8,359**	**1,956**	**10,315**	**40**	**(75)**	**10,280**
Dividend distribution					(4,759)		(4,759)			(4,759)
Balance as at 30 June 2014	**11,600**	**2,320**	**32,179**	**(20,771)**	**187,075**	**(11,891)**	**200,512**	**40**	**(1,265)**	**199,287**

Explanatory notes to the half-year condensed consolidated financial statements as at 30 June 2015

Company information

Nice S.p.A. is an Italian joint-stock company established and located in Oderzo (province of Treviso) – Via Pezza Alta, 13 Z.I. Rustignè. It is the operating holding company of a group of entities (Nice Group), which is primarily active in the design, production and marketing of automation systems for gates, garage doors, rolling shutters, awnings, and access, security and lighting systems.

The publication of the Nice S.p.A. consolidated financial statements for the period ended 30 June 2015 was approved by the Board of Directors on 27 August 2015.

Contents and format of consolidated financial statements

These half-year condensed consolidated financial statements as at 30 June 2015 have been prepared by the Board of Directors based on accounting records updated to 30 June 2015 and in compliance with IAS 34 – "Interim Financial Reporting" – endorsed by the European Union and in force on the reporting date.

These half-year condensed consolidated financial statements do not include all the information required for preparation of annual consolidated financial statements. Given this, this report should be read in conjunction with the annual consolidated financial statements as at 31 December 2014.

The consolidated financial statements have been drawn up based on the historical-cost principle - except in the case of derivative financial instruments, which are recorded at fair value - and also on the assumption that the business is a going concern. The carrying value of assets and liabilities involved in fair value hedging transactions, and which otherwise would have been posted at cost, has been adjusted to take account of changes in fair value attributable to the risks hedged.

The currency unit used is the Euro and, unless otherwise indicated, all amounts are rounded to thousands of Euro.

For comparative purposes, the consolidated statement of financial position shows the comparison with the equity data of the consolidated financial statements as at 31 December 2014, while the interim consolidated income statement shows the comparison with the financial data of the half-year condensed consolidated financial statements as at 30 June 2014.

Principles of consolidation

The consolidated financial statements include the financial statements of the Parent Company Nice S.p.A. and of the Italian and foreign companies directly or indirectly controlled by Nice S.p.A. through its subsidiaries or associates.
Subsidiaries' financial statements are drawn up applying the same accounting standards as the Parent Company. Consolidation adjustments have been made if necessary to achieve the uniformity of any items affected by the use of different accounting standards. All the intra-group balances and transactions, including any unrealised profits deriving from relations among Group companies, have been fully derecognised.
The principles of consolidation applied include derecognition of equity investments in view of the recognition of investee companies' assets and liabilities on a line-by-line basis, and derecognition of all intra-group transactions and thus of payables, receivables, sales, purchases, and profits and losses not realised with third parties. Subsidiaries are consolidated on a line-by-line basis starting from the acquisition date, i.e. from the date when the Group takes control, and they cease to be considered as consolidated on the date when control is transferred outside the Group. Any difference between the acquisition cost and book equity of investee companies at the time of acquisition of the investment is allocated – if positive – to specific assets of the acquired companies, based on their current value as at the acquisition date, and amortised on a straight-line basis according to the investment's future useful life, with the remainder, if the prerequisites to do so exist, being allocated to Goodwill. In this latter case, the amounts are not amortised but are tested for impairment at least annually and, in any case, whenever it is deemed appropriate. If a negative difference results from derecognition, this is recognised through profit or loss.
If the conditions do not exist for definitive allocation of the price paid to purchase control of a company, use is made of the longer deadline (12 months) allowed by the relevant accounting standard (IFRS 3 – 'Business combinations').
Non-controlling interests represent the part of profits or losses and of net assets not owned by the Group, for which risks and rewards were not transferred to the subsidiary and are shown as a separate item in the income statement, while in the statement of financial position they are shown among shareholders' equity items, separately from the Group shareholders' equity.

As at 30 June 2015 the subsidiaries consolidated on a line-by-line basis were the following:

- **Nice S.p.A.** is the parent company. It manages the design, production and marketing of Nice products;
- Nice France S.a.S., a company that markets the Group's products in France;
- Nice Polska Sp. z.o.o., a company that markets the Group's products in Poland;
- Nice Automatismos Espana S.A., a company that markets the Group's products in Spain;
- Nice Belgium S.A., a company that markets the Group's products in Belgium;
- Nice Shanghai Automatic Control Co. Ltd., a company that markets the Group's products in the Far Eastern market and produces a product line for the local market;
- R.D.P. Shanghai Trading Ltd., a company that purchases basic components in the Asian market for subsequent resale to the Group companies;
- Nice UK Ltd., a company that markets the Group's products in the UK;
- Nice Deutschland Gmbh, a company that markets the Group's products in Germany;
- Nice Group USA Inc., a company that markets the Group's products and designs, produces and markets automation systems in the USA;
- S.C. Nice Romania S.A., a company that markets the Group's products in Romania;

- Nice Istanbul Ltd, a company that markets the Group's products in Turkey;
- Nice Australia Home Automation Pty Ltd, a company that markets the Group's products in Australia;
- AutomatNice Portugal S.A., a company that markets the Group's products in Portugal;
- Nice Hansa (SA) Pty Ltd., a company that markets gate automation systems in South Africa;
- ET Systems Ltd, a company that designs, produces and markets gate automation systems in South Africa.
- Silentron S.p.A., a company that designs, produces and markets alarm systems;
- Nice Home Automation CJSC, a company that markets the Group's products in Russia;
- SAAC S.r.l., a company that markets and installs Nice products;
- Nice Gulf FZE, a company that markets the Group's products in the Middle East;
- **FontanaArte S.p.A.**, a company that designs, produces and markets lighting systems;
- FontanaArte Corp (USA), a company that markets lighting systems in the USA market;
- FontanaArte Trading Co. Ltd (China), a company that markets lighting systems in China;
- FontanaArte France S.A.S., a company that markets lighting systems in the French market;
- Peccinin Portoes Automaticos Industrial Ltda, a company that designs, produces and markets gate automation systems in the Latin American market;
- Genno Tecnologia LTDA, a company that designs, produces and markets perimeter security systems and electronic accessories in the Latin American market;
- Omegaport Equipamentos de Seguranca LTDA, a company that designs, produces and markets gate automation systems in the Latin American market;
- King Gates Srl, a company that operates in the automation sector, designing, producing and selling automation systems for gates and garage doors;
- **elero GmbH**, a company that operates in the design, production and marketing of products by elero, which holds:
- elero Motors & Controls Pvt. Ltd., a company that markets elero products in India;
- elero Italia S.r.l. in liquidation, a company that marketed elero products in Italy;
- elero Singapore Pte. Ltd., a company that markets elero products in Asia;
- elero Latinoamérica in liquidation, a company that marketed elero products in Latin America;
- elero AB, a company that markets the Group's products in Sweden.

It should be noted that, as at 30 June 2015, the company Nice Middle East was not included in the scope of consolidation because, as it happened in 2013 and 2014, there were not the conditions for exercising control over the subsidiary due to the current complex political situation in Syria.

Consolidated financial statements are presented in Euro, which is the Group's functional and presentation currency. Foreign companies' financial statements expressed in currencies other than the Euro are translated into Euro applying the following methods:

- the assets and liabilities of these subsidiaries, excluding shareholders' equity and the period's profit or loss, are translated into Euro at the exchange rate in force on the reporting date;
- income statement items are translated into Euro using the period's average exchange rate.

Foreign exchange differences arising from translation are recognised directly in equity and are shown separately in a specific equity reserve called "Translation reserve".

The exchange rates applied are shown in the table below and correspond to those published by the Ufficio Italiano dei Cambi (Italian Foreign Exchange Office):

Currency	1H 2015 average	Spot 30/06/2015	1H 2014 average	Spot 30/06/2014
Polish zloty – PLN	4.13967	4.19110	4.17549	4.15680
Chinese yuan renminbi – CNY	6.94110	6.93660	8.44525	8.47220
Turkish lira – TRY	2.86201	2.99530	2.96757	2.89690
Australian dollar – AUD	1.42595	1.45500	1.50034	1.45370
US dollar – USD	1.11585	1.11890	1.37034	1.36580
Pound sterling – GBP	0.73238	0.71140	0.82089	0.80150
Romanian leu – RON	4.44752	4.47250	4.46604	4.38300
South African rand – ZAR	13.29908	13.64160	14.67768	14.45970
Russian ruble – RUB	64.60237	62.35500	48.04825	46.37790
Singapore dollar - SGD	1.50587	1.50680	1.72785	1.70470
Indian rupee - INR	70.12237	71.18730	83.37561	82.20230
Swedish krona- SEK	9.34216	9.21500	8.95268	9.17620
Brazilian real - BRL	3.30764	3.46990	3.15097	3.00020
United Arab Emirates dirham - AED	4.09693	4.10748	5.03327	5.01636

Accounting standards

The accounting standards used to prepare these Half-year condensed financial statements, drawn up in accordance with IAS 34 – Interim Financial Reporting, are the same as those used to draw up the Consolidated financial statements as at 31 December 2014, with the exception of the standards and interpretations listed under paragraph "Accounting standards, amendments and interpretations effective from 1 January 2015".

Accounting standards, amendments and interpretations effective from 1 January 2015

Amendments to IAS 19 - Defined benefit plans: employee contributions

IAS 19 requires the entity to consider contributions from employees or third parties in the accounting treatment of defined benefit plans. When these contributions are linked to service, they should be attributed to periods of service as liabilities. This amendment clarifies that, if the amount of the contributions is independent of the number of years of service, they can, but are not required to, be recognised as a reduction in the service costs occurring in the period in which the service is rendered, rather than allocating the contributions to the periods of service. This amendment is not applicable to the Group, since none of the Group entities have plans involving contributions from employees or third parties.

Annual Improvements IFRS - 2010-2012

This cycle of improvements includes the following:

IAS 24 –Related party disclosures

This amendment clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to related party disclosure requirements. In addition, an entity that uses management services must report the expenses incurred for those services. The change is not applicable to Nice Group since it does not receive management services from other entities.

IFRS 8 –Operating segments

The amendment is applicable on a retrospective basis and clarifies that:

− an entity must disclose the judgements made by the management in applying the aggregation criteria under paragraph 12 of IFRS 8, including a brief description of the operating segments that have been aggregated and of their economic characteristics (for example: sales, gross margin) used to establish whether the segments are "similar";

− reconciliation of the segment assets with total assets is required only if such amounts are provided to the chief operating decision maker, as it is required for segment liabilities.

No significant effects on the financial statements are expected since the Group is organised in just one business segment, within which there are product differentiations that, however, are not separate business units.

IFRS 2 –Share-based payment

The improvement clarifies several issues related to the definition of performance conditions and service conditions, which are part of the vesting conditions, and states that:

− a performance condition must include a service condition;

−a performance target must be achieved during the service period;

- a performance target may relate to the transactions or assets of an entity or to those of another entity within the same Group;

- a performance condition can be a market or non-market related condition;

−if the counterparty, regardless of the reasons, ceases to provide services during the vesting period, the service condition is not met.

These improvements have no effects on the financial statements since the aforementioned definitions are consistent with the methods by which the Group has identified in previous periods the performance conditions and service conditions that are part of the vesting conditions.

Amendments to IFRS 3 – Business combinations

The amendment is applicable on a prospective basis and clarifies that all agreements related to contingent consideration that is classified as an asset or liability (or assets) and generates from a business combination must be subsequently measured at fair value with changes recognised in profit or loss, both for contingent consideration that is within the scope of IFRS 9 (or of IAS 39, as applicable) or otherwise. No significant effects on the Group's financial statements should be noted.

Amendments to IAS 16 - Property, Plant and Equipment and IAS 38 - Intangible Assets

The amendment is applicable on a retrospective basis and clarifies that, in IAS 16 and IAS 38, an asset can be revalued based on observable data both by adjusting the gross book value of the asset to the market value, and by determining the market value of the book value, and proportionally adjusting the gross book value so that the resulting book value is equal to the market value. In addition, the accumulated amortisation/depreciation is the difference between the gross book value and the book value of the asset. The amendment has no effects on the financial statements since the Group has not yet recognised any revaluation adjustments during the interim reporting period.

Amendments to IFRS 3 – Business combinations

The amendment clarifies, for the purpose of the scope of exception of IFRS 3, that:

− not only joint ventures but also joint arrangements are excluded from the scope of IFRS 3;

− this scope of exclusion applies only to the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself.

The amendment does not apply to the Group since it does not currently have any joint arrangements.

Amendments to IFRS 13 - Fair value measurement

The amendment clarifies that the portfolio exception set forth in IFRS 13 is applicable not only to financial assets and liabilities but also to other contracts accounted for within the scope of IFRS 9 (or IAS 39, whichever is applicable). The amendment does not affect the Group because it does not apply the portfolio exception to which IFRS 13 refers.

Amendments to IAS 40 – Investment property

The description of ancillary services in IAS 40 makes a distinction between investment property and owner-occupied property (e.g. property, plant and equipment). The amendment is applicable on a prospective basis and clarifies that, in determining whether a specific transaction represents the purchase of an asset or a business combination, IFRS 3 must be used rather than the description of ancillary services provided in IAS 40. The amendment does not have impacts on the Group financial statements since, in determining whether a transaction represents the purchase of an asset or a business combination, the Group has made reference to IFRS 3 and not IAS 40.

Significant accounting estimates

Preparation of financial statements and their notes in compliance with IFRSs requires directors to make discretionary assessments, estimates and assumptions that affect the values of revenue, costs, assets and liabilities and the indication of contingent liabilities as at the reporting date. The estimates and assumptions used are based on experience and on other factors considered important. Estimates and assumptions are regularly reviewed and the effects of any change made to them are reflected in profit or loss for the period when the estimate is revised.

Estimates are used to calculate:

Impairment of intangible assets with an indefinite useful life

On each reporting date, the Group tests all intangible assets with an indefinite useful life to see whether there are any indicators of impairment.

More specifically, goodwill is tested for possible impairment at least annually and during the year if such indicators exist. This test requires estimation of the value in use of the cash generating unit to which the investment's cost and goodwill are attributed, in turn based on estimation of the future cash flows expected from the unit and discounted to present value based on an appropriate discount rate. As at 30 June 2015, the carrying value of goodwill was Euro 73,677 thousand (as at 31 December 2014: Euro 52,897 thousand). Further details are provided in note 2.

Other non-financial assets are tested annually for impairment when there are indications suggesting that carrying value may not be recovered.

Deferred tax assets

Deferred tax assets are recognised in view of all temporary differences and all tax losses carried forward, to the extent that there will possibly be adequate future taxable income in view of which these temporary differences can be absorbed and such tax losses used. A significant discretionary assessment is required to directors to calculate the amount of deferred tax assets that can be recorded in the accounts. They have to estimate the probable timing and amount of future taxable income as well as a planning strategy for future taxes.

Other estimated items

Estimates are also used to calculate bad-debt provisions and for inventory obsolescence, depreciation and amortisation, employee benefit obligations, and provisions for risks and charges.

Breakdown of the main items on the consolidated statement of financial position as at 30 June 2015

Non-current assets

1. Business combinations

ET Systems Ltd

On 2 March 2015, Nice purchased 100% of ET Systems Ltd - a South African company specialised in the production and marketing of gate automation systems, which has been operating for over twenty five years - with its five branches and sales of approximately 130 million Rand. It is currently the second largest player in this sector in South Africa.
For this acquisition, Nice has paid 130 million Rand as an advance payment. Part of the balance, estimated to date at 73 million Rand overall, shall be determined on the basis of the economic results as shown in the financial statements as at 28/2/2015 and the other part on the basis of the profit or loss as at 28/2/2016.

As at 30 June 2015, the price paid was provisionally allocated to goodwill, making use of the longer term (12 months) allowed by IFRS 3 ‘Business Combinations’.

(Thousands of Euro)

ET Systems Ltd	**Fair value**	**Carrying values**
Cash	1,961	1,961
Intangible fixed assets	17	17
Tangible fixed assets	474	474
Receivables acquired	920	920
Inventory acquired	1,901	1,901
Supplier Payables acquired	(709)	(709)
Liabilities acquired	(1,907)	(1,907)
Total	2,658	2,658
Estimated price	15,448	15,448
Provisional goodwill	12,790	12,790
Liquidity connected to the acquisition		
Cash and cash equivalents acquired		1,961
Payments made		(9,890)
Net liquidity acquired / (used)		(7,929)

In the first half of 2015, ET Systems contributed to consolidated revenue with approximately Euro 3.5 million.

Genno Tecnologia Ltda and Omegaport Equipamentos de Seguranca LTDA

At the end of March 2015, Nice finalised an agreement allowing it to control and consolidate, according to IFRS 10 requirements, Genno Tecnologia LTDA and Omegaport Equipamentos de Seguranca LTDA, two Brazilian companies operating in the production and sale of home automation systems and security systems.
With this transaction, Nice has strengthened its position in the Latin American market and will be able to benefit from synergies with the subsidiary Peccinin.

Based on the agreements reached, Nice has acquired the usufruct rights over 51% of Genno Tecnologia LTDA and Omegaport Equipamentos de Seguranca LTDA share capital. The agreements set forth that Nice can acquire 100% of Genno Tecnologia LTDA and Omegaport Equipmentos de Seguranca LTDA share capital by March 2018.
The settlement on the price will occur upon Nice's exercise of the options. The maximum price for exercising the option on 100% of Genno Tecnologia LTDA and Omegaport Equipamentos de Seguranca LTDA share capital is Euro 3.4 million and Euro 5.4 million, respectively.
In the first half of the year, these companies have contributed to consolidated revenue with approximately Euro 1.9 million.

2. Intangible fixed assets

The following table shows changes in intangible fixed assets in the first half of 2015:

(in Thousands of Euro)	**Goodwill**	**Software, licences and concessions**	**Trademarks**	**Customer relations**	**Technological know-how**	**Development costs**	**Other intangible fixed assets**	**Total**
Cost:								
As at 01/01/2014	54,748	7,314	20,051	2,543	2,649	105	4,902	92,312
Increases	-	1,201	-	-	-	-	162	1,363
Disposals	-	-	-	-	-	-	(17)	(17)
Translation differences	(1,164)	-	1	264	-	-	68	(831)
As at 31/12/2014	**53,584**	**8,515**	**20,052**	**2,807**	**2,649**	**105**	**5,115**	**92,827**
Increases for acquisitions	20,676	190					4	20,870
Increases		437					130	567
Translation differences	104	(6)		188			53	339
As at 30/06/2015	**74,364**	**9,136**	**20,052**	**2,995**	**2,649**	**105**	**5,302**	**114,603**
Amortisation and impairment losses:								
As at 01/01/2014	-	(3,914)	(5,669)	(1,766)	(1,854)	(104)	(1,959)	(15,266)
Impairment	(659)							(659)
Amortisation	(28)	(1,146)	(50)	(299)	(220)	-	(243)	(1,986)
Disposals	-	-	-	-	-	-	16	16
Translation differences	-		-	(158)	-	-	(75)	(233)
As at 31/12/2014	**(687)**	**(5,060)**	**(5,719)**	**(2,223)**	**(2,074)**	**(104)**	**(2,261)**	**(18,128)**
Increases for acquisitions		(24)					(9)	(33)
Amortisation		(568)	(25)	(120)	(110)		(185)	(1,008)
Translation differences				-			83	83
As at 30/06/2015	**(687)**	**(5,652)**	**(5,744)**	**(2,343)**	**(2,184)**	**(104)**	**(2,372)**	**(19,086)**
Net carrying value:								
As at 30/06/2015	**73,677**	**3,484**	**14,308**	**652**	**465**	**1**	**2,930**	**95,517**
As at 31/12/2014	**52,897**	**3,455**	**14,333**	**584**	**575**	**1**	**2,854**	**74,699**

As at 30 June 2015, intangible fixed assets amounted to Euro 95,517 thousand compared to Euro 74,699 thousand as at 31 December 2014.

The change in intangible fixed assets is attributable to the increase thereof due to the investments made as well as the exchange rate differences on the opening balances of values expressed in foreign currencies (in particular the 'Goodwill' item).

Amortisation and impairment of intangible fixed assets are included under the item Depreciation and Amortisation of the income statement, discussed under point 27 below.

Goodwill

The value recognised as goodwill refers to the higher value paid for the acquisition of some investees that have been consolidated on a line-by-line basis, compared to the fair value of the assets and liabilities acquired.

The following table details goodwill, also indicating its nature.

(Thousands of Euro)	**30/06/2015**	**31/12/2014**
Acquisition of Nice France	1,503	1,503
Acquisition of Nice Automatismos Espana	674	674
Acquisition of Motus	4,036	4,036
Acquisition of Nice Hansa company branch	-	-
Acquisition of Silentron	3,485	3,485
Acquisition of MC Menke	2,173	2,173
Acquisition of Apollo	8,016	7,389
Acquisition of Nice Home Automation	4,246	3,660
Acquisition of SAAC	524	524
Acquisition of FontanaArte	62	62
Acquisition of Peccinin	9,056	9,758
Acquisition of King	1,507	1,507
Acquisition of Elero	18,126	18,126
Acquisition of ET Systems	12,324	-
Acquisition of Genno	2,499	-
Acquisition of Omega	5,446	-
Total goodwill	**73,677**	**52,897**

Impairment test on goodwill and intangible assets with an indefinite useful life allocated to each cash generating unit (CGU).

The goodwill acquired through business combinations is allocated to the following CGUs on a geographical basis:

- Goodwill of Nice France: French market;
- Goodwill of Nice Automatismos Espana: Spanish market;
- Goodwill of Motus: Italian market;
- Goodwill of Nice Hansa and ET Systems: South African market;
- Goodwill of Silentron: Italian market;
- Goodwill of MC Menke: German market;
- Goodwill of Apollo: US market;
- Goodwill of Nice Home Automation: Russian market;
- Goodwill of SAAC: Italian market;
- Goodwill of FontanaArte: Italian market;
- Goodwill of Peccinin Portoes Automaticos Industrial Ltda, Genno Tecnologia Ltda and Omegaport Equipamentos de Seguranca LTDA: Latin American market;

- Goodwill of King Gates: Italian market;
- Goodwill of elero: German market.

As at 30 June 2015, management duly considered (a) the outcome of impairment tests when preparing financial statements for the year ended 31 December 2014; (b) the evolution of the business in the period, substantially consistent with the expected scenario and used for the purposes of impairment testing; and (c) the impossibility of making new forecasts for future financial years due to the uncertainties still characterising some core markets. Based on these considerations, management did not deem it appropriate to repeat full impairment testing on the value of goodwill.

It should be noted that the trademark relating to the acquisition of FonatanaArte is not subject to amortisation but to impairment testing.

Investments for the period primarily refer to the goodwill deriving from business combinations as commented on in note 1 above. It should be noted that this increase, amounting to Euro 20,676 thousand, corresponds to the total consolidation difference of the acquisitions carried out in the first half of 2015, which was temporarily allocated to goodwill.

3. Tangible fixed assets

The following table shows changes in tangible fixed assets in the first half of 2015:

(in Thousands of Euro)	**Land and buildings**	**Plant and machinery**	**Industrial and Commercial Equipment**	**Other Tangible Assets**	**Improvements on leased assets**	**Fixed assets under construction and advances**	**Total**
Cost:							
As at 01/01/2014	18,360	13,173	28,262	13,201	4,521	1,637	79,154
Increases	405	732	1,834	983	233	3,077	7,264
Disposals	(16)	(54)	(68)	(60)	(10)	-	(208)
Reclassifications			38				38
Translation differences	(39)	39	134	31	-	-	165
As at 31/12/2014	**18,710**	**13,890**	**30,200**	**14,155**	**4,744**	**4,714**	**86,413**
Increases for acquisitions	142	560	132	435		125	1,394
Increases		381	1,385	628		1,666	4,060
Translation differences	60	88	133	65			346
As at 30/06/2015	**18,912**	**14,919**	**31,850**	**15,283**	**4,744**	**6,505**	**92,213**
Depreciation and impairment losses:							
As at 01/01/2014	**(3,611)**	**(7,519)**	**(21,409)**	**(10,499)**	**(997)**	**-**	**(44,035)**
Depreciation	(39)	(1,350)	(2,070)	(1,665)	(508)	-	(5,632)
Disposals	-	22	3	141	-	-	166
Translation differences	10	(22)	(29)	(12)	-	-	53
As at 31/12/2014	**(3,640)**	**(8,869)**	**(23,505)**	**(12,035)**	**(1,505)**	**-**	**(49,554)**
Increases for acquisitions	(10)	(205)	(54)	(230)			(499)
Depreciation		(697)	(1,151)	(1,172)			(3,020)
Translation differences	3	43	132	96			274
As at 30/06/2015	**(3,647)**	**(9,728)**	**(24,578)**	**(13,341)**	**(1,505)**	**-**	**(52,799)**
Net carrying value:							
As at 30/06/2015	**15,265**	**5,191**	**7,272**	**1,942**	**3,239**	**6,505**	**39,414**
As at 31/12/2014	**15,070**	**5,021**	**6,695**	**2,120**	**3,239**	**4,714**	**36,859**

As at 30 June 2015, tangible fixed assets amounted to Euro 39,414 thousand, net of the depreciation for the period of Euro 3,020 thousand and net investments of Euro 4,060 thousand.

<u>Plant and machinery</u>

The increase in the item Plant and Machinery includes equipment for regulatory and operational product testing.

<u>Industrial and commercial equipment</u>

This item mainly relates to moulds that are lent free of charge to sub-suppliers; the investment for the year relates to equipment for new products launched on the market.

Other assets

This item mainly includes furniture, fittings and IT equipment.

Fixed assets under construction and advances

This item includes advances paid for the construction of the new building called “The Place” at the headquarters and other investments in progress regarding other companies of the Group.

4. Other non-current assets

This item mainly includes a loan granted to an important customer of the Group, aimed at further consolidating the already existing industrial partnership.

5. Deferred tax assets

The following table sets forth the temporary differences that originated deferred tax assets:

	30/06/2015			**31/12/2014**		
(Thousands of Euro)	**Amount of temporary differences**	**Tax effect (% rate)**	**Tax effect**	**Amount of temporary differences**	**Tax effect (% rate)**	**Tax effect**
Unrealised profits on inventories	7,096	26.0%	1,848	6,300	26.9%	1,695
Deferred tax assets of foreign subsidiaries’ tax losses	31,282	30.8%	9,624	33,219	29.1%	9,678
Other deferred tax assets			2,351			2,494
Total deferred tax assets			**13,823**			**13,867**

The Group fully recognised deferred tax assets relating to temporary differences between taxable income and the statutory pre-tax profit or loss of Group companies because it believes that future taxable income will absorb all the temporary differences (including consolidation adjustments) that have generated them.

Measurement of deferred tax has been based, for Italian companies, on the Italian corporate income tax (IRES) rate (27.5%) and, where applicable, to the regional income tax (IRAP) rate (3.9%). In the case of foreign subsidiaries, it has been based on their local tax rates.

Deferred tax assets mainly relate to:

- Prior tax losses reported by some foreign subsidiaries that have been recognised in the financial statements since they are considered to be recoverable in a reasonably short time.
- Reversal of unrealised profits on intra-group sales recognised in inventories as at the reporting date. In relation to this point, it should be noted that this effect has been calculated applying the tax rates of the countries where the inventories were held at the end of the reporting period. Because of this, the tax rate indicated in the table is a weighted average of the various countries’ tax rates.
- Other deferred tax assets mainly refer to adjustment provisions that are not relevant for tax purposes.

Current assets

6. Inventories

The following table shows the breakdown of inventories as at 30 June 2015 and 31 December 2014:

(Thousands of Euro)	30/06/2015	31/12/2014
Basic components, ancillary materials and consumables	30,939	25,212
Work in progress and semi-finished products	15,847	9,648
Finished products	28,674	29,457
Inventory write-down provision	(3,457)	(3,030)
Total inventories	**72,003**	**61,287**

Inventories at the end of the period increased by Euro 10,716 thousand compared to the end of previous year.
The increase is largely justified by the procurement policy, which is based on the sale forecasts for the entire period and also by the contributions of the newly acquired companies.
Inventories are recognised net of the inventory write-down provision. As at 30 June 2015, this provision was increased by Euro 427 thousand for the purposes of a prudent measurement of inventories.

7. Trade receivables

The following table sets forth the breakdown of receivables due from customers and the relevant adjustment provisions as at 30 June 2015 and 31 December 2014:

(Thousands of Euro)	30/06/2015	31/12/2014
Receivables due from customers – Italy	18,317	15,156
Receivables due from customers – EU	34,907	28,594
Receivables due from customers – outside EU	22,884	21,719
Receivables due from customers	**76,109**	**65,469**
Bad-debt provision	(7,287)	(6,493)
Total trade receivables	**68,822**	**58,976**

Receivables due from customers increased by Euro 9,846 thousand. The increase is primarily attributable to a growth in sales during the last part of the first half of the year and also to contributions from the newly acquired companies.

Trade receivables are non-interest bearing and are normally collected within 90-120 days.

As at 30 June 2015, trade receivables amounted to Euro 68,822 thousand, net of the bad-debt provision of Euro 7,287 thousand. The changes in the bad-debt provision for the periods under consideration were as follows:

(Thousands of Euro)	30/06/2015	31/12/2014
Provision at the beginning of the period	**6,493**	**6,518**
Allocation	1,198	1,666
Use	(404)	(1,691)
Provision at the end of the period	**7,287**	**6,493**

The provision existing at the end of the period represents a prudent estimate of the current risk.

8. Other current assets

Other current assets comprise other receivables normally payable within 12 months.

9. Tax receivables

This item mainly includes receivables due from tax authorities for VAT.

10. Other current financial assets

This item mainly includes receivables and other financial assets measured at fair value.

11. Cash and cash equivalents

The following table shows the breakdown of cash and cash equivalents as at 30 June 2015 and 31 December 2014:

(Thousands of Euro)	30/06/2015	31/12/2014
Bank and post office deposits	54,107	61,963
Cash and cash on hand	48	15
Cash and cash equivalents	**54,155**	**61,978**

Cash and cash equivalents and bank demand deposits accrue interest at variable rates based on the rate of return of deposits. The fair value of cash and cash equivalents corresponds to their carrying value.
In the statement of cash flows, prepared according to changes in cash flows, cash and cash equivalents correspond to the item ‘Cash and cash equivalents’.

For the analysis of changes in cash and cash equivalents during the period, reference should be made to the statement of cash flows.

12. Shareholders’ Equity

The following table sets forth the breakdown of shareholders’ equity:

(Thousands of Euro)	30/06/2015	31/12/2014
Share Capital	11,600	11,600
Legal Reserve	2,320	2,320
Share premium reserve	32,179	32,179
Treasury shares	(20,771)	(20,771)
Retained earnings and reserves	189,022	178,898
Translation reserves	(15,200)	(15,876)
Profit for the period	6,919	15,444
Group Shareholders' Equity	**206,069**	**203,794**
Share capital and reserves attributable to non-controlling interests	(1,744)	(2,604)
Profit attributable to non-controlling interests	45	433
Shareholders' Equity attributable to non-controlling interests	**(1,699)**	**(2,171)**
Total Shareholders' Equity	**204,370**	**201,623**

The share capital totals 116,000,000 shares with a par value of Euro 0.1 each, for a total amount of Euro 11,600,000.
The legal reserve is equal to one fifth of the share capital.
In previous financial years, as part of the buyback programme approved by the Shareholders' Meeting, the Group purchased 5,336,000 shares for a total amount of Euro 20,771 thousand. This amount is recognised as a direct reduction of shareholders' equity.
The item 'retained earnings and reserves' comprises earnings from previous years and the consolidation reserve.

The number of shares outstanding at the beginning and at the end of the first half of 2015 is equal to 110,664,000 and remained unchanged during the period.

The translation reserve relates to the differences caused by translation into Euro of financial statements expressed in foreign currencies.

Foreign subsidiaries do not present revenue reserves that, in the event of distribution to the parent company, would lead to a significant tax charge.

Shareholders' equity attributable to non-controlling interests is the portion of shareholders' equity and profit or loss for the period of subsidiaries not wholly owned.

Non-current liabilities

13. Provisions for risks and charges

The following table shows the breakdown of the provisions for risks and charges as at 30 June 2015 and 31 December 2014:

(Thousands of Euro)	30/06/2015	31/12/2014
Product warranty provision	1,000	1,082
Provision for miscellaneous risks	1,138	1,160
Provision for bonuses to customers	0	37
Provision of. Customers' additional indemnity	256	148
Total provisions for risks and charges	**2,394**	**2,427**

Product warranty provision

The 'Product warranty provision' is allocated based on forecasts of the cost to be incurred, presumably over two financial years following the reporting date, to fulfil the obligation of contract warranty for products already sold as at the reporting date.

Provision for miscellaneous risks

The Provision for miscellaneous risks mainly includes amounts allocated for ongoing organisational restructuring.
This provision also includes Euro 500 thousand allocated at the end of 2013 in view of the assessments carried out by tax authorities and concluded in 2013. As at 30 June 2015, the allocation was deemed appropriate.

Provision for bonuses to customers

The Provision for bonuses to customers includes the amounts paid to customers for reaching the sales objectives. They will consist of free products.

Provision for customers' additional indemnity

The Provision for customers' additional indemnity includes amounts allocated for indemnities due to the agents in the event of termination of employment due to the Company. The allocations were determined on the basis of the category and industry sector economic agreements and were calculated on the amounts of the commissions accrued by agents during the first half of 2015 and in prior years.

14. Medium- and long-term loans

The change in medium- and long-term loans is due to the renegotiation of some existing loans.

15. Other non-current liabilities

This item includes the non-current portion of payables for the acquisitions carried out in the period for a total of Euro 10,983 thousand and a financial liability of Euro 1,100 thousand related to the repurchase of a non-controlling interest in a subsidiary.

16. Provision for deferred tax liabilities

The following table shows the differences that originated deferred tax liabilities as at 30 June 2015 and as at 31 December 2014:

	30/06/2015			31/12/2014		
(Thousands of Euro)	Amount of temporary differences	Tax effect (% rate)	Tax effect	Amount of temporary differences	Tax effect (% rate)	Tax effect
Reversal of goodwill amortisation	2,778	31.40%	872	2,646	31.40%	831
Silentron technological know-how	550	31.40%	173	660	31.40%	207
Apollo customer relations	599	35.00%	210	662	35.00%	232
FontanaArte trademark	14,191	31.40%	4,456	14,191	31.40%	4,456
Other differences			220			184
Total deferred tax liabilities			**5,931**			**5,910**

Following the purchase price allocation relating to the acquisitions made in previous years and the recognition of the FontanaArte trademark, tax liabilities have been allocated relating to the intangible fixed assets identified as they are not relevant for tax purposes, but were not recognised in the income statement. The tax rates applied are those in force in the countries where the acquired companies are based.

Current liabilities

17. Bank overdrafts and loans

This item mainly refers to bank advances and to the current portion of bank loans.

18. Other current financial liabilities

Current financial liabilities as at 30 June 2015 include the current portion of the payables for the acquisition of ET Systems Ltd and the fair value measurement of financial instruments. During the first half of 2015, the payable for the purchase of minorities in the subsidiary Elero, which at 31/12/2014 was recognised under current financial liabilities for Euro 5,160 thousand, was derecognised. The total amount paid was Euro 6,132 thousand and the higher value hand an impact of Euro 972 thousand on the finance expense of the first half of 2015.

19. Trade payables

The following table shows the breakdown of trade payables as at 30 June 2015 and as at 31 December 2014:

(Thousands of Euro)	30/06/2015	31/12/2014
Payables due to suppliers - Italy	35,423	30,494
Payables due to suppliers – EU	9,921	6,959
Payables due to suppliers – outside EU	6,035	3,831
Total trade payables	**51,380**	**41,284**

As at 30 June 2015, trade payables amounted to Euro 51,380 thousand, an increase of Euro 10,096 thousand compared to 31 December 2014.

Trade payables are non-interest bearing and are normally settled within 90-120 days. Terms and conditions referring to related parties are not different from those applied to third-party suppliers.

It should be noted that the carrying value of trade payables corresponds to their fair value.

20. Other current liabilities

The following table shows the breakdown of other current liabilities:

(Thousands of Euro)	**30/06/2015**	**31/12/2014**
Payables to personnel	5,943	4,446
Payables to social security agencies	2,659	2,240
Payables for tax consolidation	1,468	0
Other payables	1,997	1,892
Total other current liabilities	**12,067**	**8,578**

<u>Payables to social security agencies</u>

Payables to social security agencies mainly refer to amounts payable to such agencies for social security charges pertaining to the year 2014 and paid at the beginning of 2015.

<u>Payables to personnel</u>

The amounts due to employees for holidays not taken, monthly payments and accrued bonuses relate to holidays accrued but not yet taken as at the reporting date. These amounts include the related social security contributions. These payables are not significant and are generally paid within the following month, except for the payable for holidays accrued but not taken that is paid or used within the following year.

<u>Payables for tax consolidation</u>

These payables refer to the liabilities of the parent company Nice S.p.A. due to Nice Group S.p.A., deriving from participation in the Italian tax consolidation scheme. For further information on this receivable, please see note 30. Taxes for the period.

<u>Other payables</u>

These are payables of various origin that are not significant and are generally paid within the next month.

21. Tax payables (due within 12 months)

Tax payables due within 12 months mainly refer to the amount payable for current tax, net of the relevant prepaid taxes, and to taxes already withheld.

Breakdown of the main items on the interim consolidated income statement as at 30 June 2015

22. Costs for the use of basic components and consumables

The following table shows the use of basic components, ancillary materials and consumables:

(Thousands of Euro)	1H 2015	1H 2014
Purchase of basic components, semi-finished products and consumables:	*66,565*	*56,214*
Purchase of basic components	63,802	54,028
Other industrial purchases	1,388	1,344
Commercial purchases	1,375	842
Change in inventories	*(7,458)*	*(713)*
Use of basic components and consumables	**59,107**	**55,501**

The use of basic components, semi-finished products and consumables increased by Euro 3,606 thousand in absolute terms.

23. Costs for services

The following table details the costs for services:

(Thousands of Euro)	1H 2015	1H 2014
Direct production services	7,949	7,131
Industrial services	3,096	3,078
Trade services	10,990	9,753
General services	7,178	6,612
Total costs for services	**29,213**	**26,574**

Costs for services increased by Euro 2,639 thousand in absolute terms.
The costs of direct production services mainly refer to outsourced processing. Industrial services include costs relating to outsourced planning and design, certifications, expenses for trademarks and patents. Trade costs mainly relate to transport costs on sales, commissions, trips, travels and other trade costs, as well as marketing and advertising costs. General services include fees for directors and statutory auditors, legal, tax, notarial and financial consulting, insurance, utilities and other general costs.

24. Rental and lease costs

The following table shows the breakdown of rental and lease costs:

(Thousands of Euro)	1H 2015	1H 2014
Rental costs	2,954	2,866
Hire fees	1,058	1,186
Total rental and lease costs	**4,012**	**4,052**

Rental costs mainly refer to rents for Nice S.p.A.'s registered office, owned by the related company Nice Immobiliare S.r.l. The amount of lease fees with Nice Immobiliare were determined on the basis of an appraisal provided by an independent expert.

Hire fees (mainly for motor vehicles) refer to the rents paid for vehicles under long-term leases.

25. Personnel costs

The following table details personnel costs:

(Thousands of Euro)	1H 2015	1H 2014
Wages and salaries	21,636	19,995
Social security costs	4,993	4,976
Termination benefits	458	462
Other expenses	715	805
Total personnel costs	**27,802**	**26,238**

Group employees as at 30 June 2015 were 1,589 compared to 1,269 as at 30 June 2014.

26. Other operating costs

Other operating costs include the allocation made to the bad-debt provision in order to adjust trade receivables to their realisable value. The residual amount of this item refers to bad-debt expenses and other operating costs such as general expenses, bank commissions and various taxes and duties. The decrease in this item is due to lower general expenses.

27. Depreciation and Amortisation

The following table shows the breakdown of amortisation and depreciation:

(Thousands of Euro)	1H 2015	1H 2014
Depreciation of tangible assets	3,020	2,845
Amortisation of intangible assets	1,008	940
Total amortisation and depreciation	**4,028**	**3,785**

Depreciation mainly consists of depreciation of moulds, testing machinery, industrial equipment, furniture, furnishings and hardware.

28. Finance income

The following table shows the breakdown of finance income:

(Thousands of Euro)	1H 2015	1H 2014
Bank interest income	636	597
Exchange gains	2,691	1,294
Other finance income	172	91
Total finance income	**3,499**	**1,982**

Exchange gains mainly relate to unrealised profits deriving from the translation, at the rate in force as at the reporting date, of assets and liabilities in currencies other than the Euro.

29. Finance expense

The following table shows the breakdown of finance expense:

(Thousands of Euro)	1H 2015	1H 2014
Cash discounts	1,076	998
Exchange losses	2,505	1,331
Bank interest expense	348	684
Other finance expense	1,200	111
Total finance expense	**5,129**	**3,124**

In the first half of 2015, finance expense amounted to Euro 5,129 thousand and increased by Euro 2,005 thousand, mainly due to the recognition of the higher amounts paid for the exercise of the put and call option for the purchase of minorities in the subsidiary Elero. This higher value amounted to Euro 972 thousand.
The increase in finance expense is also attributable to higher exchange losses, most of which unrealised, deriving from the translation, at the rate in force as at the reporting date, of assets and liabilities in currencies other than the Euro.

30. Taxes for the period

The following table shows the breakdown of income taxes, distinguishing between the current, deferred and prepaid component and between Italian and foreign taxes:

(Thousands of Euro)	**1H 2015**	**1H 2014**
Current tax	8,400	7,346
Deferred (prepaid) tax	(131)	(272)
Total taxes	**8,269**	**7,074**

Reconciliation between the theoretical and effective tax charge is presented only for IRES - whose structure has the typical features of a corporate income tax - and considers the tax rate applicable to the Group. For IRAP, to which Italian companies are subject, in view of the different basis used to calculate this tax, the reconciliation between the theoretical and effective tax charge has not been prepared.

Calculation of potential tax	**1H 2015**		**1H 2014**	
Pre-tax profit	15,233		15,473	
Theoretical tax	4,189	27.5%	4,255	27.5%
Effective tax	8,269	54.3%	7,074	45.7%
Difference	*4,080*	26.8%	*2,819*	18.2%
IRAP	542	3.6%	646	4.2%
Non-deductible items	1,425	9.4%		0.0%
Deferred tax	(68)	-0.4%		0.0%
Effect on dividends received	25	0.2%		0.0%
Different tax rates in force in other countries	2,483	16.3%	2,492	16.1%
Other differences	(328)	-2.2%	(319)	-2.1%
Total differences	*4,079*	26.8%	*2,819*	18.2%

The tax rate for the period amounts to 54.3%, higher than 45.7% last year. The tax rate increase is mainly due to non-deductible expenses that include the higher value of the loan relating to the put and call option for the purchase of minorities in the subsidiary Elero, amounting to Euro 972 thousand, and also to a different profit distribution by geographical area.

Taxes have been measured with reference to the taxable income and in compliance with the legislation in force in the individual countries. The Group's Italian companies participated in the Italian Tax consolidation scheme envisaged by Articles 117 *et seq.* of the TUIR (Italian Consolidated Law on Income Taxes) - Italian Presidential Decree no. 917 of 22 December 1986, with Nice Group S.p.A. as consolidator. Transactions arising from such Tax consolidation scheme are governed by specific regulations approved and signed by all members of the tax consolidation scheme. Pursuant to said regulations, the companies recognise, and subsequently transfer, current tax even in case of a tax loss, recording, as a compensation, a receivable due from Nice Group S.p.A. On the other hand, if there is a tax gain, current tax as well as a payable due to the parent company as a compensation shall be recognised. Transactions among the parties are governed by a contract that envisages full recognition of the amount calculated on tax gains or losses transferred at current IRES rates.

31. Segment information

For management purposes, the Group is organised in just one business segment, within which there are product differentiations that, however, are not separate business units. Given this, consistently with the approach adopted in previous financial statements in application of IFRS 8, it was decided to provide information based on geographical areas. This aspect is currently being closely analysed and managed by the management, and the relevant operational responsibilities have been attributed.

It is noted that, in order to better show the procedures for the analysis and reading of the management data, the grouping by geographical area is presented according to the destination market.

The tables below show information on certain assets and liabilities relating to the segments in which the Group operated in the first half of 2015 and 2014.

	1H 2015					
(Thousands of Euro)	**Italy**	**France**	**EU 15**	**Rest of Europe**	**Rest of the World**	**Consolidated**
Net sales	19,022	21,876	39,802	24,358	37,548	142,606
Non-current assets	8,024	11,549	44,254	16,544	58,465	138,836
Non-current liabilities	(5,854)	(4,331)	(11,039)	(5,564)	(19,820)	(46,608)

	1H 2014					
(Thousands of Euro)	**Italy**	**France**	**EU 15**	**Rest of Europe**	**Rest of the World**	**Consolidated**
Net sales	19,653	22,729	39,013	25,845	27,922	135,162
Non-current assets	18,685	13,620	35,668	22,876	26,432	117,281
Non-current liabilities	(2,868)	(1,264)	(4,964)	(1,464)	(495)	(11,055)

Please see paragraph 'Consolidated revenue' in the Report on Operations for the reasons of the most significant changes and for a description of seasonal or cyclical effects as per IAS 34.

32. Earnings per share

As required by IAS 33, information on the data used to calculate basic and diluted earnings per share (EPS) is provided. EPS is calculated by dividing the net profit for the period attributable to the Group shareholders by the weighted average number of shares outstanding during the reporting periods.

For the calculation of basic EPS, it should be noted that the numerator used is the period's net profit or loss less the portion attributable to non-controlling interests. There are no preference dividends, conversion of preference shares and other similar effects requiring adjustments to the profit or loss attributable to holders of ordinary equity instruments.
Diluted EPS is equal to basic EPS, since there are no ordinary shares that could have dilution effect, or shares or warrants that could have the same effect, and, based on the current plan, there is no likelihood of stock options accruing.

The following table shows the profit or loss and the number of ordinary shares used to calculate basic EPS, established according to the method envisaged by IAS 33.

Consolidated earnings per share	**1H 2015**	**1H 2014**
(Euro thousand)		
Average number of shares	110,664,000	110,664,000
Group net profit	6,919	8,359
Per-share data (Euro)		
Basic, for net profit attributable to ordinary shareholders of the parent company	0.06252	0.07553
Diluted, for net profit attributable to ordinary shareholders of the parent company	0.06252	0.07553

No other transactions involving ordinary shares occurred between the reporting date and the date of preparation of the financial statements.

33. Dividends paid and proposed

Dividends paid during the first half of 2015 amounted to Euro 0.0475 per share. The total outlay amounted to Euro 5,257 thousand.
During the first half of 2014 dividends were paid for a total of Euro 4,759 thousand (= Euro 0.043 per share).

34. Commitments and risks

No commitments of a significant amount arose during the first half of 2015.

35. Related-party disclosures

Nice Spa is controlled by the Italian company Nice Group S.p.A. The Group's transactions with related parties are the following:

- Nice Group S.p.A.: property lease and receivables from participation in the Italian tax consolidation scheme;
- Nice Immobiliare S.r.l.: property leases and renovation of a building;
- Nice Automatismos Espana S.A.: property lease from Nice Real Estate SL;
- S.C. Nice Romania S.A.: financial receivable due from Nice Real Estate SRL and property lease from Nice Real Estate SRL;
- Silentron S.p.A.: property lease from Dorado Srl, a company managed by Giuseppe Mallarino, who is also the CEO of Silentron S.p.A.;
- Nice Home Automation CJSC: the company has trade relations with companies owned by the non-controlling interests of Nice Home Automation CJSC;
- Nice Team Sail S.r.l.: sponsorship agreement. The company is indirectly managed by Lauro Buoro, who is also the Chairman of Nice S.p.A.;
- Fattoria Camporotondo S.agr.s.: supply of wine products. This company is indirectly managed by Lauro Buoro, who is also the Chairman of Nice S.p.A.;
- Modular Professional S.r.l.: supply of production material and purchase of some assets. This company is indirectly managed by Lauro Buoro, who is also the Chairman of Nice S.p.A.;

- Fly Nice: consortium set up by Nice S.p.A. and other companies controlled by Lauro Buoro. It provides air transport services to the consortium members;
- Nice Deutschland Gmbh: financial debt with Elero Gmbh's related parties.

Sales and purchases among related parties take place at arm's length. Balances outstanding as at the reporting date are unsecured, non-interest bearing and settled in cash. No guarantees have been given or received for receivables from or payables to related parties.

Economic and financial transactions during the first half of 2015 are summarised in the table below, which does not include the financial liabilities from the acquisition of minorities (amounts in thousands of Euro):

Company/Natural person	Revenue	Invest-ments	Rental and lease costs	Costs for services	Trade payables	Trade receivables	Other current payables	Financial receivables	Financial payables
Nice Group S.p.A.	-	-	(68)	-	(120)	-	(1,468)	-	-
Nice Immobiliare S.r.l.	-	286	(1,325)	-	(55)	1	-	-	-
Nice Real Estate SL	-	-	(209)	-	-	-	-	-	-
Nice Real Estate SRL	-	-	(32)	-	(19)	49	-	1,235	-
Dorado S.r.l.	-	-	(70)	-	-	-	-	-	-
Nice Home Automation related parties	1,766	-	-	-	-	1,530	-	-	-
Fly Nice consortium	-	-	-	(14)	(4)	-	-	-	-
Nice Team Sail S.r.l.	-	-	-	(150)	-	150	-	-	-
Fattoria Camporotondo S. agr. S.	-	-	-	-	(47)	1	-	-	-
Modular Professional Srl	-	9	-	-	(11)	2	-	-	-
Elero related parties	-	-	-	-	-	-	-	-	(1,100)
Total related parties	**1,766**	**295**	**(1,704)**	**(164)**	**(256)**	**1,733**	**(1,468)**	**1,235**	**(1,100)**

Pursuant to Consob resolution no. 15520 of 27 July 2006, it is hereby specified that none of said transactions is considered significant and therefore it is not separately indicated in the consolidated financial statements.

36. Financial risk management policies and objectives

The Group's net financial position results in a surplus of Euro 6,237 thousand of financial liabilities over cash and cash equivalents.
The Group also holds financial instruments, mainly trade receivables and payables, and in some cases bank advances or overdrafts directly arising from operations.

The main risk arising from the Group's financial instruments is credit risk. It is hereby noted that the interest rate risk is essentially null, given the limited use of bank credit lines (acquisitions have been mainly self-financed or an extension was granted by the sellers), and the exchange rate risk is also very limited.

The credit risk management policy is summarised as follows.

Credit risk

The Group does business only with known and reliable customers. The Group's policy is to subject customers requesting extended payment terms to procedures to check their credit rating. In addition, the balance of receivables is monitored during the year so that the amount of exposure to losses is not significant. Lastly, in case of new customers operating in some countries not belonging to the European Union, the Group usually requests and obtains letters of credit. There is no significant concentration of credit risk in the Group.

Credit risk relating to the Group's other financial assets, which include cash and cash equivalents, features a maximum risk equal to the carrying value of such assets in the event of insolvency of the counterparty.

Liquidity risk

It is believed that the liquidity risk is essentially null, given the cash flows that the Group has always generated and it expects to continue to generate.

37. Share capital management

The Group has limited payables to financial intermediaries and has a financial position that guarantees payment of an adequate dividend to shareholders and the pursuit of a growth strategy that includes acquisitions.

In order to maintain or adjust the capital structure, the Group can adjust the dividends paid to shareholders, repay share capital, or issue new shares.

No change was made to the objectives, policies or procedures during this year.

38. Financial instruments

<u>Fair Value</u>

Comparison of the carrying value and the fair value by class of all the Company's financial instruments recognised in the financial statements does not show any significant differences that should be mentioned, besides those highlighted.

As required by paragraphs 25 and 27 of IFRS 7, the table below presents the comparison of carrying value and fair value by class for all the Company's financial instruments recognised in the financial statements:

(Thousands of Euro)	Carrying value 30/06/2015	Fair value 30/06/2015
Financial assets at fair value through profit or loss	-	-
(i) designated as such at time of initial recognition	-	-
(ii) classified as held for trading	-	-
Financial liabilities at fair value through profit or loss	560	560
(i) designated as such at time of initial recognition	-	-
(ii) classified as held for trading	*560*	*560*
Financial assets measured at amortised cost	126,491	126,491
Trade receivables	*68,822*	*68,822*
Other financial assets	*3,514*	*3,514*
Cash and cash equivalents	*54,155*	*54,155*
Financial liabilities measured at amortised cost	80,383	80,383
Bank overdrafts and loans	*27,903*	*27,903*
Trade payables	*51,380*	*51,380*
Other non-current financial liabilities	*1,100*	*1,100*
Financial assets at fair value through the comprehensive income	-	-

(Thousands of Euro)	Carrying value 31/12/2014	Fair value 31/12/2014
Financial assets at fair value through profit or loss	25	25
(i) designated as such at time of initial recognition	-	-
(ii) classified as held for trading	*25*	*25*
Financial liabilities at fair value through profit or loss	533	533
(i) designated as such at time of initial recognition	-	-
(ii) classified as held for trading	*533*	*533*
Financial assets measured at amortised cost	124,454	124,454
Trade receivables	*58,976*	*58,976*
Other financial assets	*3,500*	*3,500*
Cash and cash equivalents	*61,978*	*61,978*
Financial liabilities measured at amortised cost	90,802	90,802
Bank overdrafts and loans	*49,518*	*49,518*
Trade payables	*41,284*	*41,284*
Financial assets at fair value through the comprehensive income	-	-

Fair value measurement and hierarchy

Regarding financial instruments recognised in the statement of financial position at fair value, IFRS 7 requires that their value would be classified according to a hierarchy of levels that reflects the significance of the inputs used in measuring fair value. The following levels are identified:

- Level 1 – quoted prices in an active market for the asset or liability being measured;
- Level 2 – inputs other than the quoted prices included within Level 1, that are observable in the market, either directly (prices) or indirectly (derived from prices);

- Level 3 – inputs not based on observable market data.

All assets and liabilities measured at fair value as at 30 June 2015 can be classified in Level 2 of the fair value hierarchy. In addition, during the first half of 2015 there were no transfers from Level 1 to Level 2 or Level 3 or vice versa.

In relation to derivative financial instruments, as at 30 June 2015, the Group held only forward exchange contracts, which are not designated as hedging instruments and are aimed at covering operational risk represented by the Group's sales or purchases in foreign currency.

The derivatives in question are represented by instruments that can be traced back to the following situations:

- currency forward purchases through which the Company undertakes to purchase the underlying currency on a given due date and at an established rate;
- currency forward sales through which the Company undertakes to sell the underlying currency on a given due date and at an established rate.

39. Events after the reporting period

No significant events took place after the end of the reporting period.

These consolidated financial statements provide a true and fair view of the financial position, and of the consolidated profit in the first half of 2015.

Oderzo, 27 August 2015.

On behalf of the Board of Directors

The Chairman

Lauro Buoro

Attachments to the half-year condensed consolidated financial statements

List of consolidated Companies as at 30 June 2015

Name	Registered office	Reporting date	Currency	Share Capital	% ownership		
					Direct	indirect	total
Nice S.p.A.	Oderzo (Province of Treviso), Italy	31/12/2015	EUR	11,600,000			
Nice UK LTD	Nottinghamshire, United Kingdom	31/12/2015	GBP	765,000	100.0%		100.0%
Nice Belgium S.A.	Hervelee, Belgium	31/12/2015	EUR	212,000	99.7%		99.7%
Nice Polska S.p. Z.o.o.	Pruszkov, Poland	31/12/2015	PLN	1,000,000	100.0%		100.0%
Nice Automatismos Espana S.A.	Mostoles, Madrid, Spain	31/12/2015	EUR	150,253	60.0%		60.0%
Nice Group USA Inc.	San Antonio, Texas, USA	31/12/2015	USD	1	100.0%		100.0%
Nice France S.a.s.	Aubagne, France	31/12/2015	EUR	4,950,000	100.0%		100.0%
S.C. Nice Romania S.A.	Bucharest, Romania	31/12/2015	RON	383,160	99.0%		99.0%
Nice Deutschland Gmbh	Billerbeck, Germany	31/12/2015	EUR	25,000	100.0%		100.0%
Nice Shanghai Automatic Control Co. LTD	Shanghai, China	31/12/2015	EUR	1,980,000	100.0%		100.0%
R.D.P. Shanghai Trading Co. LTD	Shanghai, China	31/12/2015	EUR	200,000	100.0%		100.0%
Nice Istanbul Makine Ltd	Istanbul, Turkey	31/12/2015	TRY	10,560,000	99.0%		99.0%
Nice Australia Home Automation PTY Ltd	Sydney, Australia	31/12/2015	AUD	3,359,653	100.0%		100.0%
AutomatNice Portugal S.A.	Lisbon, Portugal	31/12/2015	EUR	50,000	100.0%		100.0%
Silentron S.p.A.	Turin, Italy	31/12/2015	EUR	500,000	100.0%		100.0%
Nice Hansa South Africa	Johannesburg, South Africa	31/12/2015	ZAR	22,000,000	100.0%		100.0%
Nice Home Automation CJSC	Moscow - Russia	31/12/2015	RUB	20,000	75.0%		75.0%
SAAC S.r.l.	Treviso (Italy)	31/12/2015	EUR	25,000	100.0%		100.0%
Fontana Arte S.p.A.	Milan (Italy)	31/12/2015	EUR	2,670,000	100.0%		100.0%
FontanaArte Corp. (USA)	Wilmington - Delaware (USA)	31/12/2015	USD	12,000		100.0%	100.0%
FontanaArte Trading Co. Ltd	Shanghai (China)	31/12/2015	CNY	1,136,564		100.0%	100.0%
FontanaArte France S.a.S.	Aubagne, France	31/12/2015	EUR	10,000		76.0%	76.0%
Peccinin Portoes Automaticos Industrial Ltda	Limeira, Brazil	31/12/2015	BRL	24,095,000	100.0%	0.0%	100.0%
King Gates S.r.l.	Pordenone, Italy	31/12/2015	EUR	100,000	100.0%	0.0%	100.0%
elero GmbH	Beuren, Germany	31/12/2015	EUR	1,600,000		96.4%	96.4%
elero Italia S.r.l. (in liquidation)	Milan, Italy	31/12/2015	EUR	10,920		96.4%	96.4%
elero Motors & Controls Pvt. Ltd.	New Delhi, India	31/12/2015	INR	638,200		96.4%	96.4%
elero Latinoamérica (in liquidation)	Montevideo, Uruguay	31/12/2015	UYU	540,000		96.4%	96.4%
elero Singapore Pte. Ltd	Singapore, China	31/12/2015	SGD	2		96.4%	96.4%
elero AB	Malmo, Sweden	31/12/2015	SEK	100,000		96.4%	96.4%
Nice Gulf FZE	Dubai, United Arab Emirates	31/12/2015	AED	1,008,000	100.0%		100.0%
ET Systems (Pty) Ltd	Cape Town, South Africa	28/02/2016	ZAR	150		100.0%	100.0%
Genno Tecnologia LTDA	Santa Rita do Sapucaí, Brazil	31/12/2015	BRL	5,000		51.0% (*)	51.0% (*)
Omegaport Equipamentos de Seguranca LTDA	Toledo (PR), Brazil	31/12/2015	BRL	60,000		51.0% (*)	51.0% (*)

* Usufruct right on shares

Certification of the half-year condensed consolidated financial statements pursuant to Article 81-ter of Consob Regulation no. 11971 of 14 May 1999 as subsequently amended and supplemented

1. The undersigned Mauro Sordini, in his capacity as Chief Executive Officer, and Denise Cimolai, in her capacity as Financial Reporting Manager of Nice S.p.A., herewith certify, also taking into account the requirements of Article 154-bis, paragraphs 3 and 4, of Italian Legislative Decree no. 58 of 24 February 1998:

- the appropriateness in relation to the enterprise's characteristics and
- the effective application

of administration and accounting procedures for the preparation of the half-year condensed consolidated financial statements during the period from 1 January 2015 to 30 June 2015.

2. Analysis and assessment of the adequacy and effectiveness of Nice's administration-accounting internal control system has been performed through the set-up of uniform administration-accounting Internal Control System Model common to the entire Group, developed consistently with the most commonly applied international framework, i.e. the framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (CoSO Report), and also through the use of international auditing standards and best practices.

3. It is further certified that:

3.1 the half-year condensed consolidated financial statements:

a) have been prepared in compliance with the applicable international accounting standards endorsed by the European Community pursuant to Regulation (EC) 1606/2002 of the European Parliament and Council dated 19 July 2002;

b) match the data of corporate books and accounting records;

c) are appropriate to provide a true and fair view of the assets and liabilities, results, and financial position of the issuer and of the companies included in the scope of consolidation.

3.2 the interim report on operations contains a reliable analysis of the key events that took place during the first six months of the year and of their impact on the half-year condensed consolidated financial statements, together with a description of the main risks and uncertainties for the remaining six months of the year. The interim report on operations also contains a reliable analysis of disclosures on significant transactions with related parties.

Oderzo, 27 August 2015

Mauro Sordini	Denise Cimolai
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Review report on interim condensed consolidated financial statements
(Translation from the original Italian text)

To the shareholders of
Nice S.p.A.

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements comprising the statement of financial position, the income statement, the comprehensive income statement, the statement of cash flows, the statement of changes in shareholders' equity and the related explanatory notes of Nice S.p.A. and its subsidiaries (the "Nice Group") as of June 30^{th}, 2015. Directors are responsible for the preparation of these interim condensed consolidated financial statements in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with review standards recommended by Consob (the Italian Stock Exchange Regulatory Agency) in its Resolution no. 10867 of July, 31, 1997. A review of interim condensed consolidated financial statements consist of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the interim condensed consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements of Nice Group as of June 30^{th}, 2015 are not prepared, in all material respects, in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Padova, August 27^{th}, 2015

BDO Italia S.p.A.
Signed by: Stefano Bianchi, Partner

This report has been translated into English language solely for the convenience of international readers