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Oggetto	:	The Board of Directors of Gefran S.p.A. approves the results to 30 September 2015

Testo del comunicato

Vedi allegato.

The Board of Directors of Gefran S.p.A. approves the results to 30 September 2015.

- *Revenues down 7.4%: good performances in Europe and North America are not enough to offset the contraction in China.*
- *EBITDA at EUR 3.260 million, with a margin of 3.8%*
- *EBIT negative at EUR 1.468 million*
- *The group launches a restructuring process*

(EUR/000)	30 September 2015		30 September 2014	
Revenues	**86,624**	100%	**93,541**	100%
EBITDA	**3,260**	3.8%	**9,146**	9.8%
EBIT	**(1,468)**	-1.7%	**4,224**	4.5%
Profit (loss) before tax	**(2,605)**	-3.0%	**4,042**	4.3%
Net profit (loss)	**(4,128)**	-4.8%	**5**	0.0%

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

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

Provaglio d'Iseo (BS), 12 November 2015 – The Board of Directors of GEFRAN S.p.A. met today under the chairmanship of Ennio Franceschetti at the Company's headquarters in Provaglio d'Iseo (BS), to approve the results to 30 September 2015.

Revenues for the first nine months of 2015 totalled EUR 86.624 million, compared with EUR 93.541 million in the same period of 2014. The decrease of 7.4% is due to the contraction of the Asian lifts market (-EUR 10.5 million), only partially offset by improved performances in Europe and North America (+EUR 4.8 million).

The **breakdown of revenues by geographical region** shows significant growth in North America (+27.1%), the European Union (+9.4%) and non-EU Europe (+13.4%); a marginally positive result was also registered on the domestic market. The Asia and South America (Brazil) regions registered contractions in revenues.

In Asia, the 35.1% drop in revenues versus the same period of 2014 was due to a broadly unchanged first quarter compared with the same period of last year, and falls of 46.4% and 47.2% in the second and third quarters respectively. Note that the Asia region includes the Chinese and Singapore affiliates, as well as the subsidiary Gefran India, which operates in India and in Gulf countries; These areas posted growth in revenues of EUR 0.700 million (+30.2%) compared with the first nine months of 2014.

A **breakdown of revenues by business area** shows growth in the sensors business of EUR 2.904 million (+8.7%). Revenues of the automation components business, at EUR 22.807 million, grew by EUR 565 thousand (+2.5%) compared with the same period of 2014, despite the slowdown registered in the third quarter of the year. The drives business posted revenues of EUR 29.878 million, a fall of 26.1%. This significant drop was due entirely to the contraction in the revenues of the Chinese and Singapore affiliates, as described above.

Added value was EUR 57.793 million at 30 September 2015 (EUR 58.270 million at 30 September 2014), equivalent to 66.7% of revenues, up 4.4 points on the figure for the first nine months of 2014 (62.3% of revenues). This improvement, which came despite the contraction in volumes that absorbed added value of EUR 4.615 million, was achieved thanks to savings on raw material purchases and an improvement in margins and the mix of products sold, which had a positive impact of EUR 4.138 million.

EBITDA was positive at EUR 3.260 million in the first nine months of 2015, a decrease of EUR 5.886 million from EUR 9.146 million in the same period of 2014, with the EBITDA margin at 3.8%.

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

EBIT was negative at EUR 1,468 million in the first nine months of 2015, compared with a positive result of EUR 4.224 million in the first nine months of 2014. The reasons for this performance are the same as commented on under EBITDA.

Charges from financial assets/liabilities were EUR 1.263 million in the first nine months of 2015, compared with EUR 228 thousand in the first nine months of 2014.

Current deferred **tax** assets and liabilities were negative at EUR 1.336 million at 30 September 2015, compared with a negative figure of EUR 1.846 million in the first nine months of 2014.

The **loss from assets held for sale** was EUR 187 thousand in the first nine months of 2015, an improvement of EUR 2.004 million compared with the figure for the same period of 2014. The item includes the net result from operations in the photovoltaic sector.

The Group **net loss** was EUR 4.128 million in the first nine months of 2015, compared with a more or less break-even result for the same period of 2014.

Operating capital was EUR 33.031 million at 30 September 2015, compared with EUR 34.009 million at 31 December 2014, an overall decrease of EUR 978 thousand.

Shareholders' equity was EUR 63.834 million at 30 September 2015, compared with EUR 65.980 million at 31 December 2014. The decrease is mainly due to the loss for the year, partly offset by the translation of subsidiaries' shareholders' equity figures expressed in local currency into the presentation currency, which had a positive effect of EUR 2.054 million on the translation reserve.

Net debt came out at EUR 28.045 million at 30 September 2015; although still higher than the figure at 31 December 2014, this is lower than at both 31 March 2015 and 30 June 2015, when it was EUR 31.439 million and EUR 29.527 million respectively.

Main events and outlook

In light of macroeconomic trends and taking into account the performance of the first nine months of 2015, the management - in the absence of events that cannot at present be forecast and net of the costs not yet fully quantified of a restructuring process - believes that the Group will book consolidated revenues of approximately EUR 115 million, and an EBITDA margin of around 5%.

Chief Executive Officer Maria Chiara Franceschetti commented on the results:

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

The Board of Directors voted today to close the representative offices in Russia and Mexico, and to discontinue operations in South Africa. It also gave the go-ahead to the management reorganisation of the Shanghai (China) and Singapore subsidiaries.

It should also be highlighted that there were significant positive factors in these first nine months of the year: the US and Europe registered double-digit growth, the Italian market is again showing interesting signs, while the sensors business, in which Gefran continues to invest, posted a very good performance".

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Fausta Coffano, the Director responsible for drawing up the Company's accounting statements, hereby declares, pursuant to paragraph 2, article 154-bis of the TUF, that the information contained in this press release accurately represents the figures contained in the Group's accounting records.

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The interim financial statements to 30 September 2015 are available at the Company's headquarters and at Borsa Italiana S.p.A.. They may also be viewed in the "investor relations/financial reports" section of the Company's website (www.gefran.com) and on the website (www.emarketstorage.com) managed by BIt Market Services S.p.A..

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*The **Gefran Group** operates directly on the main international markets, through sales branches in Italy, France, Germany, Switzerland, the UK, Belgium, Spain, Turkey, Russia, the US, Brazil, China, Singapore, India, and through manufacturing branches also in Germany, Switzerland, Brazil, the US and China.*

*The **Gefran Group** currently has more than 850 employees.*
*The key factors behind **Gefran**'s success are specialist know-how, design and production flexibility, capacity for innovation and the quality of its processes and products. Absolute control of process technology and application know-how also enable **Gefran** to produce instruments and integrated systems for specific applications in a variety of industrial sectors, including the processing of plastics, the food and pharmaceutical industries, packaging and die casting machines.*
***Gefran** has been listed on the Italian Stock Exchange since 9 June 1998, and became part of the STAR (high-requisite stock) segment in 2001. On 31 January 2005, it became part of ALL STAR, which became the FTSE Italia STAR on 1 June 2009*.

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Annex 1 – Group consolidated income statement for the period ending 30 September 2015

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

Annex 2 – Group consolidated income statement for the third quarter of 2015

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

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Annex 3 – Results by business and geographical region to 30 September 2015

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

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

Annex 4 – consolidated cash flow statement

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

Annex 5 – Restated statement of financial position

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

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