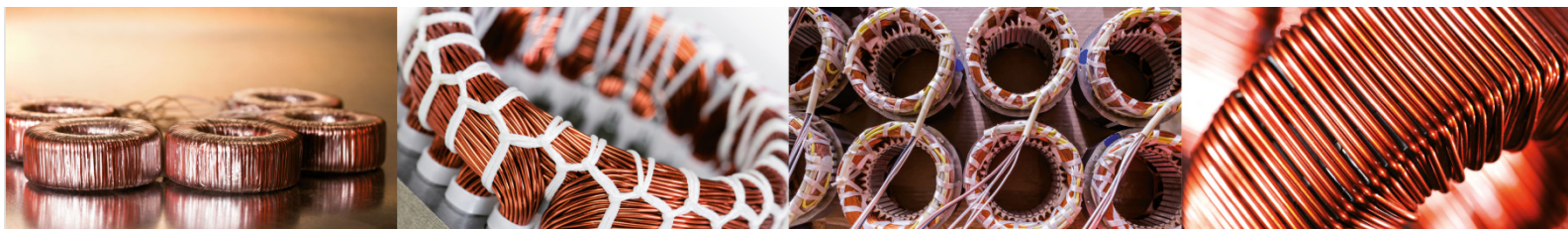




SMART SOLUTIONS IN WINDING WIRE
SMART SOLUTIONS IN WINDING WIRE

1st Half Year 2017 Financial Results Presentation



IRCE Group – Contents

Company Profile

- Highlights
- The Businesses
- Production Plants
- Commercial Offices

Financial Results

- Copper and Aluminium Price Trend
- Profit and Loss Statement
- Balance Sheet
- Business Performance

IRCE Group – Highlights

IRCE is a leading European Group operating in the industries of magnet wires and cables

IRCE Today	1st H 2017	1st H 2016	U.m.
Number of employees	740.0	733.0	Nr
TURNOVER	185.7	153.8	Eur M
EBITDA	11.9	6.2	Eur M
EBIT	5.5	2.3	Eur M
NET RESULT	3.9	1.2	Eur M

History

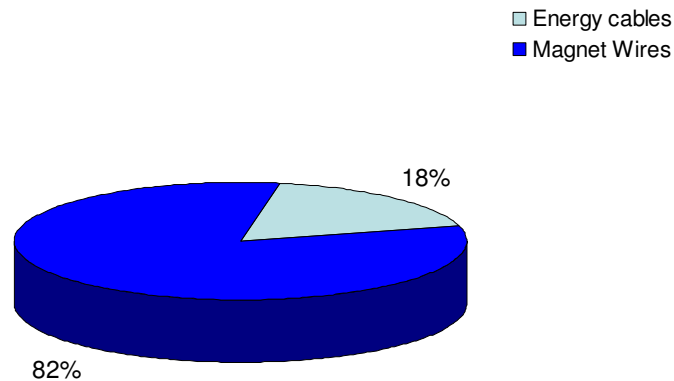
1947	IRCE began its activity in Imola (Italy) with the production of magnet wires
1961	The company started the production of PVC insulated low voltage cables
1996	The Group was listed on the Italian Stock Exchange
1998	Acquisition of Smit Draad Nijmegen BV (The Netherlands)
2001	Acquisition of FD Sims Ltd (UK)
2001	The Group was listed on the Star Market Segment
2007	Construction of Brazil Plant
2007	Acquisition of Stable Magnet Wire P. Ltd (India)
2010	Acquisition of ISODRA GmbH (Germany)
2015	New sales office in Poland

IRCE Group – The Businesses

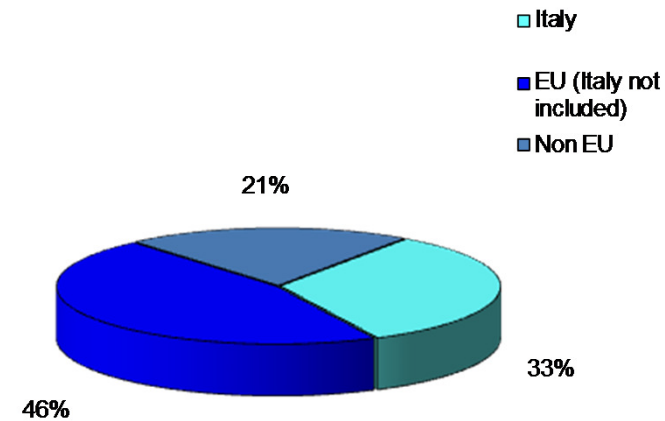
IRCE Group works in two business areas:

- Magnet wires
- Energy cables

Sales breakdown by business areas



Sales breakdown by geographical area



IRCE Group – The Businesses

Magnet Wires

Magnet wires, also known as winding wires or enamelled wires, have multiple applications such as electric motors, generators, transformers, compressors, inductors, relays, solenoid valves, etc. The wire is insulated through the application of many layers of enamels by means of highly sophisticated processes and machines, which demand high levels of investments and large scale of productions.



Energy Cables



Cables produced by the Group encompass the complete range of Low Voltage and Medium Voltage building and industrial cables, and power cords with plugs. Cables can be insulated with PVC, rubber, polyethylene, etc.. They are used for the construction of electricity plants in residential and industrial buildings and for the wiring and cabling of electrical appliances. The principal final industry sectors are the construction industry, housing and industrial applications, and consumer durables industries (domestic appliances and other electrical appliances).

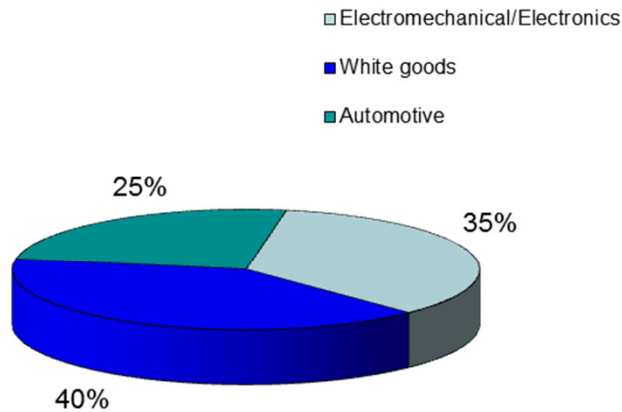
IRCE Group – The Businesses

> Magnet Wires

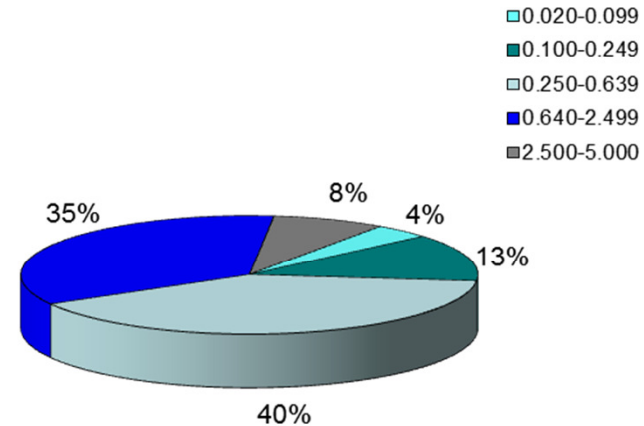
> Market share

In the Magnet Wire business IRCE manufactures and sales the complete range of products, and is mainly engaged in the segments of the fine and medium wires. It mainly operates in Europe, where it is third by size.

Sales breakdown by industry



Sales breakdown by size



IRCE Group – The Businesses

> *Magnet Wires*

> *Major customers by sectors*

White Goods

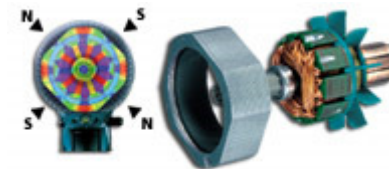
Whirlpool / Embraco
BSH
Nidec motor
Secop
Ceme
Elica Spa
A.R.S. Elettromeccanica
Gruppo Cebi

Electromechanical/Electronics

Siemens
Schneider Electric
EBM-Papst Mulfingen
Cummins Generator Technologies
Tyco Electronics
Panasonic
Finder

Automotive

Denso Manufacturing
Robert Bosch
Mahle Letrika D.O.O.
G. Cartier Technologies
Magna Electronics



IRCE Group – The Businesses

> *Energy Cables*

The group produces the full range of low and medium voltage cables and cords with plugs.

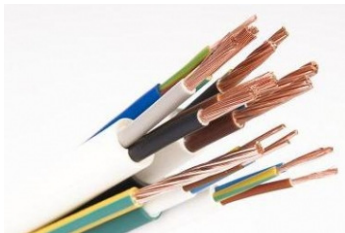
Cable customers are divided into two main sectors:

Distributors of electrical material

Com-Cavi Spa
Sonepar
Tkd Kabel GmbH

Industrial sector (white goods)

Whirlpool Group
Electrolux Group
Unionalpha Spa (Indesit Group supplier)
Bata Srl (Indesit Group supplier)
Selectra Srl
Dieter Eifler GmbH



IRCE Group – Production Plants

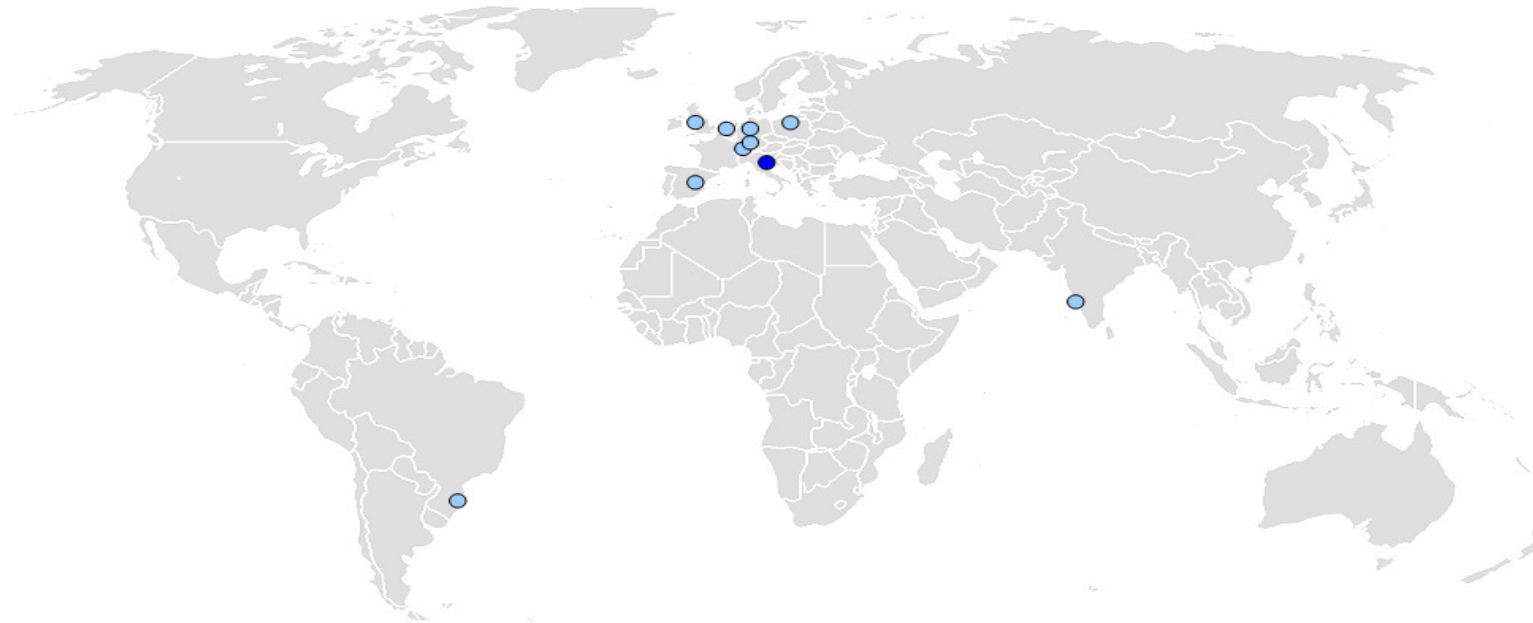


1. IRCE SpA – Headquarters Imola – Italy	Copper and Aluminium Round Magnet Wire and LV Energy Cables	Covered Area: 46,000 Sqm Employees: 250
2. IRCE SpA Guglionesi - Italy	LV/MV Energy Cables	Covered Area: 24,000 Sqm Employees: 80
3. IRCE SpA Umbertide - Italy	Copper and Aluminium Round Magnet Wire	Covered Area: 19,400 Sqm Employees: 50
4. IRCE SpA Miradolo – Italy	Power Cords with Plugs	Covered Area: 5,500 Sqm Employees: 40
5. Smit Draad Nijmegen BV Nijmegen – The Netherlands	Copper Rectangular Magnet Wire Continuously Transposed Cable (CTC)	Covered Area: 9,800 Sqm Employees: 115
6. FD Sims Ltd Blackburn – UK	Copper and Aluminium Round and Rectangular Magnet Wire	Covered Area: 7,000 Sqm Employees: 45
7. IRCE Ltda Joinville - Brazil	Copper and Aluminium Round and Rectangular Magnet Wire Continuously Transposed Cable (CTC)	Covered Area: 21,500 Sqm Employees: 85
8. Stable Magnet Wire P. Ltd. Cochin – India	Copper Round Magnet Wire	Employees: 28
9. ISODRA GmbH Kierspe -Germany	Copper Round Magnet Wire	Employees: 10

Irce Spa

Via Lasie, 12/A - 40026 Imola BO – Italy www.irce.it

IRCE Group – Commercial Offices



- IRCE SpA - Headquarters - Imola (IT)
- IRCE SpA - Sales Office - Milan (IT)
- Isolveco Srl - Padova (IT)
- Isomet AG - Otelfingen (CH)
- DMG GmbH - Florstadt (DE)
- IRCE SI - Polinya' (Barcellona) (E)
- FD Sims Ltd - Blackburn (UK)
- Smit Draad Nijmegen BV - Nijmegen (NL)
- IRCE Ltda - Joinville (BR)
- Stable Magnet Wire P. Ltd - Cochin (IN)
- ISODRA GmbH - Kierspe (DE)
- IRCE SP. ZO. O - Legnica (PL)
- Agents and Distributors in the main countries

IRCE Group – Contents

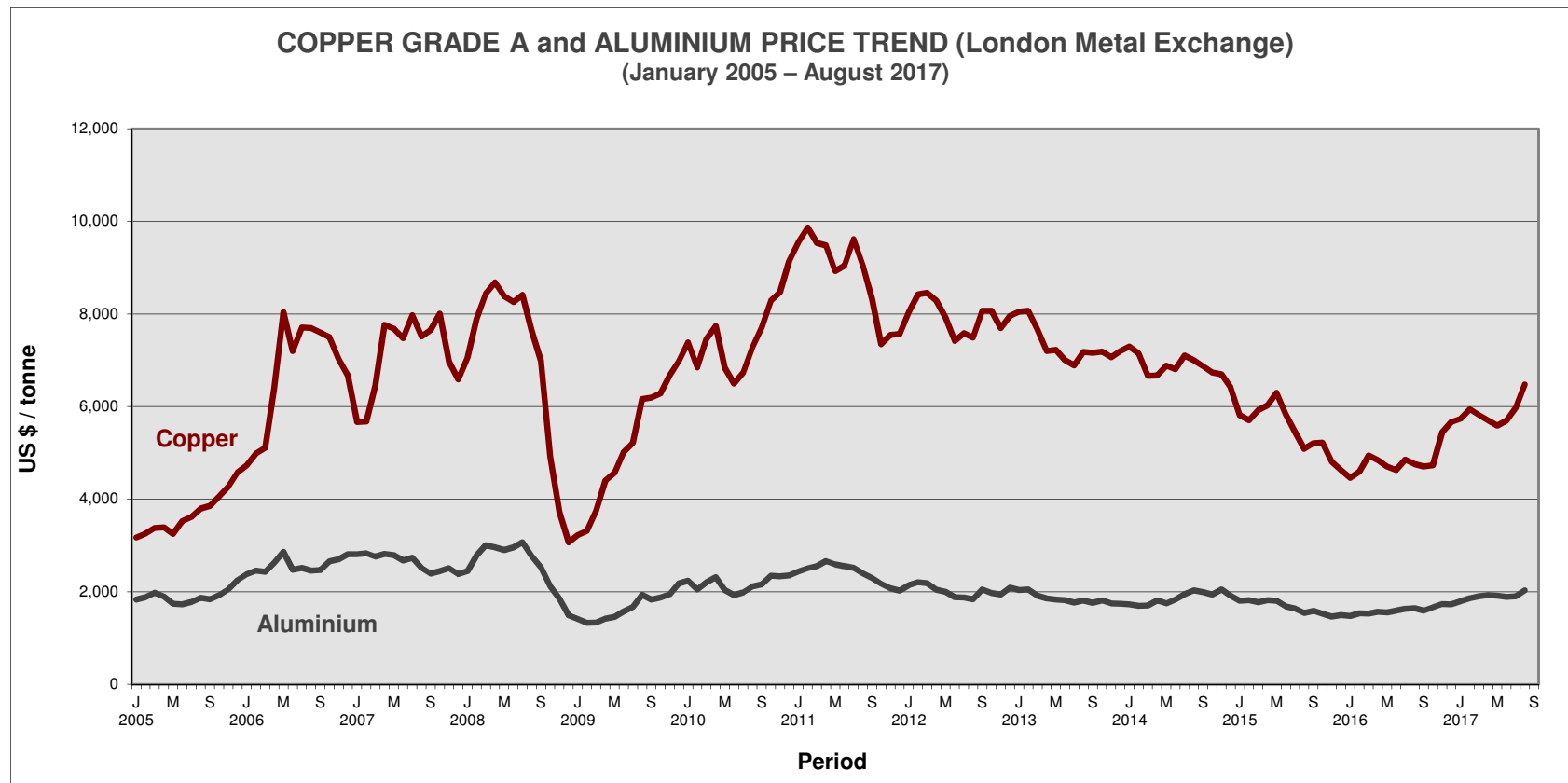
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IRCE Group – Copper and Aluminium price trend



IRCE Group – Profit and Loss Statement

Euro million	1st H 2017	% Turn.	1st H 2016	% Turn.	change %	FY 2016	% Turn.	FY 2015	% Turn.
<i>Hollow turnover wires</i>	34.4		31.3		9.9%	59.7		63.7	
<i>Hollow turnover cables</i>	7.2		7.7		-6.5%	15.2		17.1	
Total hollow turnover	41.6		39.0		6.7%	74.9		80.8	
TURNOVER (copper included)	185.7	100.0%	153.8	100.0%	20.7%	295.9	100.0%	349.9	100.0%
Other income	0.3	0.2%	0.5	0.3%	-40.0%	0.8	0.3%	0.6	0.2%
TOTAL REVENUES	186.0	100.2%	154.3	100.3%	20.5%	296.7	100.3%	350.5	100.2%
Cost of material including change in stock	(139.1)	-74.9%	(115.8)	-75.3%	20.1%	(226.7)	-76.6%	(275.7)	-78.8%
Personnel costs	(16.6)	-8.9%	(16.2)	-10.5%	2.5%	(30.8)	-10.4%	(32.4)	-9.3%
Other costs and services	(18.4)	-9.9%	(16.1)	-10.5%	14.3%	(32.0)	-10.8%	(34.2)	-9.8%
EBITDA	11.9	6.4%	6.2	4.0%	91.3%	7.2	2.4%	8.2	2.3%
Depreciation and provisions	(6.4)	-3.4%	(3.9)	-2.5%	64.1%	(7.9)	-2.7%	(7.5)	-2.1%
EBIT	5.5	3.0%	2.3	1.5%	137.1%	(0.7)	-0.2%	0.7	0.2%
Copper derivatives	0.2	0.1%	0.7	0.5%	-71.4%	1.7	0.6%	3.0	0.9%
Net financial charges	0.5	0.3%	(0.5)	-0.3%	-200.0%	(0.2)	-0.1%	1.7	0.5%
RESULT BEFORE TAXES (EBT)	6.2	3.3%	2.5	1.6%	146.0%	0.8	0.3%	5.4	1.5%
Taxes	(2.8)	-1.5%	(1.3)	-0.8%	115.4%	(0.7)	-0.2%	(2.4)	-0.7%
NET RESULT non-controlling interests	3.4	1.8%	1.2	0.8%	178.7%	0.1	0.0%	3.0	0.9%
Minorities	(0.5)	-0.3%	0.0	0.0%	-	0.0	0.0%	0.0	0.0%
NET RESULT	3.9	2.1%	1.2	0.8%	219.7%	0.1	0.0%	3.0	0.9%
EBITDA	11.9	6.4%	6.2	4.0%	91.3%	7.2	2.4%	8.2	2.3%
Copper derivatives	0.2	0.1%	0.7	0.5%	-71.4%	1.7	0.6%	3.0	0.9%
EBITDA Adjusted (*)	12.1	6.5%	6.9	4.5%	74.9%	8.9	3.0%	11.2	3.2%
Depreciation and provisions	(6.4)	-3.4%	(3.9)	-2.5%	64.1%	(7.9)	-2.7%	(7.5)	-2.1%
EBIT Adjusted (*)	5.7	3.1%	3.0	2.0%	88.7%	1.0	0.3%	3.7	1.1%

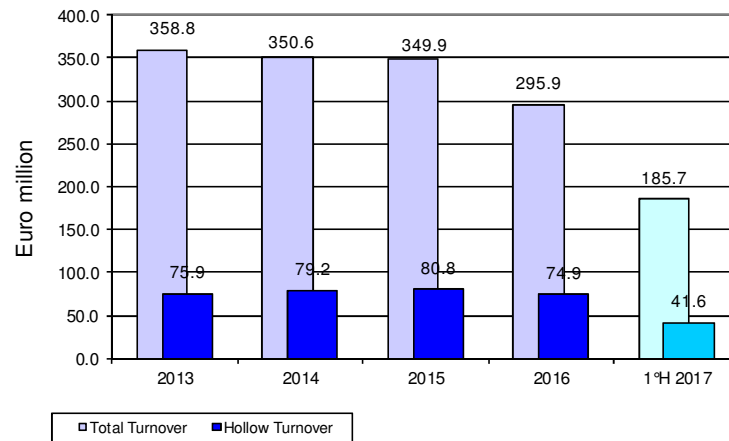
(*) For a better comparison of the operating results, we have introduced the concepts of EBITDA and EBIT Adjusted, that are equal to the traditional definitions plus income or loss on copper derivatives.

IRCE Group – Balance sheet

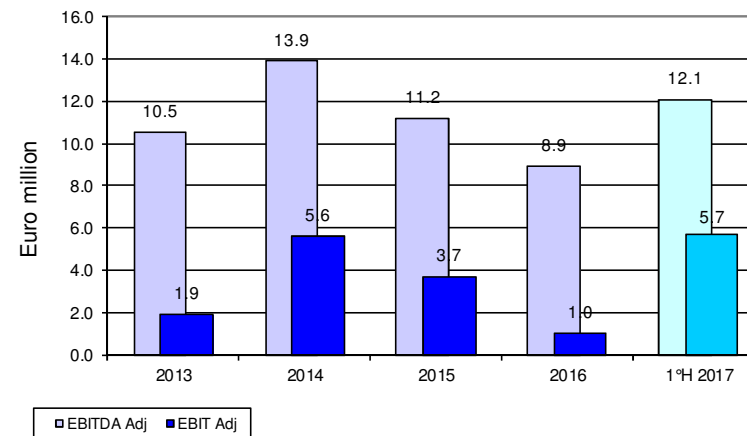
Euro million	30 June 2017		31 December 2016		30 June 2016		31 December 2015	
		%		%		%		%
Working capital	148.4	78.1%	123.4	71.2%	134.5	74.5%	130.2	73.6%
Fixed Assets	56.3	29.6%	59.9	34.5%	59.1	32.7%	57.3	32.4%
Other assets and liabilities	-14.7	-7.7%	-9.9	-5.7%	-13.1	-7.3%	-10.5	-5.9%
NET CAPITAL EMPLOYED	190.0	100.0%	173.4	100.0%	180.5	100.0%	177.0	100.0%
Net Financial Debt	54.4	28.6%	36.2	20.9%	44.0	24.4%	46.2	26.1%
Shareholders' Equity	135.6	71.4%	137.2	79.1%	136.5	75.6%	130.8	73.9%
FINANCING AND EQUITY	190.0	100.0%	173.4	100.0%	180.5	100.0%	177.0	100.0%
INVESTMENTS	2.1		6.0		2.1		4.1	

IRCE Group – Business Performance

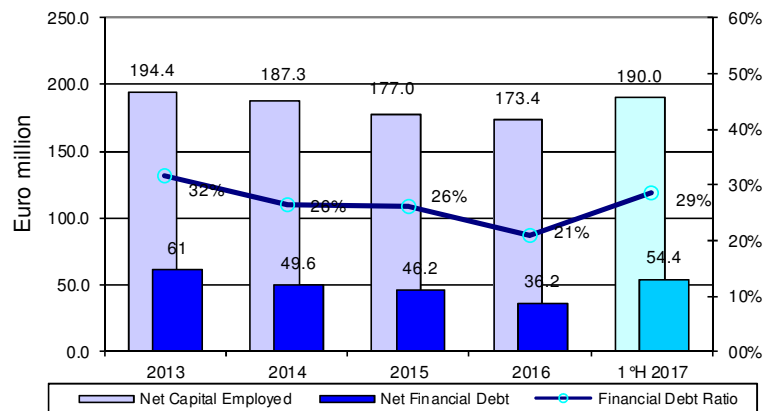
TURNOVER and HOLLOW TURNOVER



EBITDA Adjusted and EBIT Adjusted



NET CAPITAL EMPLOYED and NET FINANCIAL DEBT



WORKING CAPITAL

