

The Board of Directors of Gefran S.p.A. approves the consolidated results as at 31 March 2016

- Revenues amounted to EUR 29.5 million (-2.6% compared to the first quarter of 2015)
- EBITDA amounted to EUR 1.7 million (a positive figure of EUR 1.9 million in the first quarter of 2015); if the non-recurring components are not included, EBITDA for the first quarter of 2016 would have amounted to EUR 3,085 thousand (10.6% of revenues)
- EBIT amounted to EUR 157 thousand (a positive figure of EUR 253 thousand in the first quarter of 2015); if the non-recurring components are not included, EUR 1,528 thousand (5.3% of revenues)
- Net debt was a negative figure of EUR 23,791 thousand, an improvement of EUR 1,087 thousand over the figure at 31 December 2015.

Group income statement highlights

(EUR /000)	31 March 2016		31 March 2015	
Revenues	29,524	100.0%	30,309	100.0%
EBITDA	1,714	5.8%	1,854	6.1%
EBIT	157	0.5%	253	0.8%
Profit (loss) before tax	(682)	-2.3%	1,434	4.7%
Group net profit (loss)	(712)	-2.4%	1,064	3.5%

Group income statement highlights, excluding non-recurring components

(EUR /000)	31 March 2016		31 March 2015	
Revenues	29,003	100.0%	30,309	100.0%
EBITDA	3,085	10.6%	1,854	6.1%
EBIT	1,528	5.3%	253	0.8%
Profit (loss) before tax	689	2.4%	1,434	4.7%
Group net profit (loss)	659	2.3%	1,064	3.5%

Group statement of financial position highlights

(EUR /000)	31 March 2016	31 Dec 2015
Net invested capital	83,802	86,508
Net working capital	39,512	40,166
Shareholders' equity	61,225	62,984
Net financial position	(23,791)	(24,878)

(EUR /000)	31 March 2016	31 March 2015
Operating cash flow	2,845	(6,647)
Investments	954	1,322

Provaglio d'Iseo (BS), 12 March 2016 – 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 at 31 March 2016.

Revenues in the first quarter of 2016 amounted to EUR 29,524 thousand, compared to EUR 30,309 thousand in the same period of 2015 (-2.6%), mainly due to the difficulties in the Asian, South American and non-European Union markets, only partially offset by the growth in Italy, the European Union and North America.

New orders were up during the quarter, amounting to EUR 32,678 thousand; this compares with EUR 30,458 thousand in the first quarter of 2015. The EUR 2,220 thousand increase in new orders was mainly due to the good performance of the drives business in Europe.

The breakdown by **geographic area** shows that there was significant growth in North America (+19.5% compared to the same period in 2015), Italy (+2.7%), the European Union (+1.3%) and the rest of the world (+11%), while there was a drop-off in the Asian market.

The breakdown of **revenues by business area** shows that the sensor business was stable, but there was a fall in sales in the components business for automation and drives of 3.2% and 6.6% respectively compared to the first quarter of 2015.

Added value amounted to EUR 19,985 thousand (67.7% of revenues) in the first three months of the year, substantially in line with 2015 with respect to the percentage of revenues.

Personnel costs were EUR 13,116 thousand in the first quarter of 2016 compared with EUR 12,645 thousand in the same period of 2015; the EUR 471 thousand increase reflects the non-recurring costs borne by the Parent Company Gefran S.p.A. for winding-up the Spanish branch (EUR 192 thousand), and opening the procedure for redundancies for 55 employees in the Italian factories (EUR 1,700 thousand).

Not including these non-recurring components, of a total negative amount of EUR 1,892 thousand, personnel costs amounted to EUR 11,224 thousand, down EUR 1,421 thousand compared to the first quarter of 2015 due to the significant reorganisation of the Group subsidiaries and Gefran S.p.A. itself.

EBITDA amounted to EUR 1,714 thousand in the first quarter (EUR 1,854 thousand in the first quarter of 2015), equal to 5.8% of revenues (6.1% as at 31 March 2015), a fall of EUR 140 thousand compared to the first three months of 2015. Excluding the non-recurring components, EBITDA for the first quarter of 2016 was EUR 3,085 thousand (equivalent to 10.6% of revenues), up compared to the same period in 2015 in both absolute terms and in relation to the percentage to revenues.

EBIT was positive in the first quarter of 2016, and amounted to EUR 157 thousand, compared with an EBIT of EUR 253 thousand for the same period of 2015.

Taxes were negative in the amount of EUR 516 thousand in the first quarter of 2016, compared with EUR 229 thousand in the same period of the previous year.

The result from operating activities in the first quarter of 2016 was a negative EUR 1,198 thousand compared with a positive figure of EUR 1,205 thousand in the first quarter of 2015.

Excluding all the above-mentioned non-recurring components, the result from operating activities was positive in the amount of EUR 173 thousand in the first quarter of 2016.

The **result from assets held for sale** in the first quarter of 2016 was a positive EUR 486 thousand, from the sale of the branch relating to the distribution of automation sensors and components in Spain/Portugal to a Spanish distributor, and compares with a negative result of EUR 141 thousand in the first quarter of 2015 which included the net result from operations in the photovoltaic sector.



Group net loss amounted to EUR 712 thousand, compared with a profit of EUR 1,064 thousand in the same period of 2015.

Excluding the non-recurring components, the result for the first quarter of 2016 was a profit of EUR 659 thousand.

Operating capital was EUR 31,853 thousand as at 31 March 2016, compared with EUR 31,920 thousand at 31 December 2015, showing substantial balance due to the increase in trade payables which offset the growth in inventories and trade receivables.

Shareholders' equity at 31 March 2016 was EUR 61,225 thousand, compared with EUR 62,984 thousand at 31 December 2015. The reduction was mainly due to the loss for the year of EUR 712 thousand, in addition to the negative change in the other capital reserves, which amounted to EUR 1,047 thousand.

Net debt at 31 March 2016 was a negative EUR 23,791 thousand, an improvement of EUR 1,087 thousand from 31 December 2015.

Maria Chiara Franceschetti, Chief Executive Officer of Gefran S.p.A., thus commented: *"The first quarter results show that the action taken in 2015 has produced the desired effects. Both the Group and Gefran S.p.A. are back in profit if non-recurring expenses are not included. The slight drop in revenue compared to the first quarter of 2015 is due to the performance of the Asian markets. However, revenues from the other geographic areas are positive, confirming the solid international presence of the Group. We therefore believe that we can meet the targets established for 2016: consolidated revenues of 8% higher than the previous year, with recovery of the EBITDA margin, forecast to be approximately 8% of revenues, and EBIT between 3% and 3.5%".*

Pursuant to paragraph 2, article 154-bis of the Consolidated Law on Finance, Fausta Coffano, the Director responsible for drawing up the company's accounting statements, declared that the information contained in this press release accurately represents the figures contained in the Group's accounting records.

The Interim financial statements at 31 March 2016 is available at the registered office of the company, at Borsa Italiana S.p.A. and can be viewed on the Internet site of the company (www.gefran.com), under the section "investor relations/bilanci e relazioni".

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Annex 1 - Consolidated Income Statement of the Group at 31 March 2016

(EUR /000)	1Q 2016			1Q 2015			Chg. '16-'15	
	Excl. non-rec.	Incl. non-rec.	Fin-al	Excl. non-rec.	Incl. non-rec.	Fin-al	Excl. non-rec. Value	%
a Revenues	29,003	(521)	29,524	30,309		30,309	(1,306)	-4.3%
b Consumption of materials and products	9,539		9,539	9,810		9,810	(271)	-2.8%
c Added value (a-b)	19,464	(521)	19,985	20,499	0	20,499	(1,035)	-5.0%
d Other operating costs	5,563		5,563	6,503		6,503	(940)	-14.5%
e Personnel costs	11,224	(1,892)	13,116	12,645		12,645	(1,421)	-11.2%
f Increases for internal work	408		408	503		503	(95)	-18.9%
g EBITDA (c-d-e+f)	3,085	1,371	1,714	1,854	0	1,854	1,231	66.4%
h Depreciation, amortisation and impairments	1,557		1,557	1,601		1,601	(44)	-2.7%
i EBIT (g-h)	1,528	1,371	157	253	0	253	1,275	504.0%
l Gains (losses) from financial assets/liabilities	(761)		(761)	1,175		1,175	(1,936)	-164.8%
m Gains (losses) from shareholdings value at equity	(78)		(78)	6		6	(84)	-1400.0%
n Profit (loss) before tax (i+l+m)	689	1,371	(682)	1,434	0	1,434	(745)	-52.0%
o Taxes	(516)		(516)	(229)		(229)	(287)	125.3%
p Result from operating activities (n+o)	173	1,371	(1,198)	1,205	0	1,205	(1,032)	-85.6%
q Profit (loss) from assets held for sale	486		486	(141)		(141)	627	-444.7%
r Group net profit (loss) (p+q)	659	1,371	(712)	1,064	0	1,064	(405)	-38.1%

Annex 2 - Consolidated Results by Business at 31 March 2016

	1Q 2016					1Q 2015				
	Revenue s	EBITDA	% of revenue s	EBIT	% of revenue s	Revenue s	EBITDA	% of revenue s	EBIT	% of revenue s
(EUR /000)										
Sensors	12,568	3,319	26.4%	2,775	22.1%	12,600	3,032	24.1%	2,504	19.9%
Automation components	7,989	(123)	-1.5%	(593)	-7.4%	8,255	98	1.2%	(441)	-5.3%
Drives	9,694	(1,482)	-15.3%	(2,025)	-20.9%	10,382	(1,276)	-12.3%	(1,810)	-17.4%
Eliminations	(727)					(928)				
Total	29,524	1,714	5.8%	157	0.5%	30,309	1,854	6.1%	253	0.8%

Annex 3 - Consolidated Results by Geographic Area at 31 March 2016

(EUR /000)	1Q 2016		1Q 2015		Chg. '15-'14	
		%		%	value	%
Italy	8,856	30.0%	8,627	28.5%	229	2.7%
European Union	8,266	28.0%	8,163	26.9%	103	1.3%
Europe non-EU	1,469	5.0%	1,580	5.2%	(111)	-7.0%
North America	3,875	13.1%	3,243	10.7%	632	19.5%
South America	864	2.9%	1,212	4.0%	(348)	-28.7%
Asia	6,083	20.6%	7,384	24.4%	(1,301)	-17.6%
Rest of the World	111	0.4%	100	0.3%	11	11.0%
Total	29,524	100%	30,309	100%	(785)	-2.6%

Data not audited by the independent auditors.

Annex 4 - Reclassified Consolidated Statement of Financial Position at 31 March 2016

	31-Mar-16	%	31-Dec-15	%
(EUR /000)				
Intangible assets	14,917	17.5	15,126	17.2
Tangible assets	38,584	45.4	39,389	44.8
Financial assets	7,961	9.4	8,202	9.3
Net fixed assets	61,462	72.3	62,717	71.4
Inventories	23,050	27.1	22,674	25.8
Trade receivables	34,342	40.4	34,023	38.7
Trade payables	(17,880)	(21.0)	(16,531)	(18.8)
Other assets/liabilities	(7,659)	(9.0)	(8,246)	(9.4)
Operating capital	31,853	37.5	31,920	36.3
Provisions for risks and future liabilities	(3,260)	(3.8)	(1,856)	(2.1)
Deferred tax provisions	(808)	(1.0)	(868)	(1.0)
Employee benefits	(5,445)	(6.4)	(5,405)	(6.2)
Invested capital from operations	83,802	98.6	86,508	98.5
Invested capital from assets held for sale	1,214	1.4	1,354	1.5
Net invested capital	85,016	100.0	87,862	100.0
Shareholders' equity	61,225	72.0	62,984	71.7
Medium- to long-term financial payables	9,357	11.0	10,879	12.4
Short-term financial payables	34,291	40.3	38,352	43.7
Financial liabilities for derivatives	282	0.3	274	0.3
Financial assets for derivatives	(12)	(0.0)	(25)	(0.0)
Cash and cash equivalents and short-term financial receivables	(20,127)	(23.7)	(24,602)	(28.0)
Net debt relating to operations	23,791	28.0	24,878	28.3
Total sources of financing	85,016	100.0	87,862	100.0

Data not audited by the independent auditors.

Annex 5 - Consolidated Cash Flow Statement at 31 March 2016

(EUR /000)	31 Mar 2016	31 Mar 2015
A) CASH AND CASH EQUIVALENTS AT THE START OF THE PERIOD	24,602	20,732
B) CASH FLOW GENERATED BY (USED IN) OPERATIONS IN THE PERIOD:		
Net profit (loss) for the period	(712)	1,064
Depreciation/amortisation	1,557	1,601
Capital losses (gains) on the sale of non-current assets	78	23
Capital losses (gains) on the sale of assets held for sale	(486)	0
Net result from financial operations	839	(1,181)
Change in provisions for risks and future liabilities	1,444	(144)
Change in other assets and liabilities	(587)	(2,855)
Change in deferred taxes	58	(116)
Change in trade receivables	(319)	(3,608)
Change in inventories	(376)	(4,465)
Change in trade payables	1,349	3,034
TOTAL	2,845	(6,647)
C) CASH FLOW GENERATED BY (USED IN) INVESTMENT ACTIVITIES		
Investments in:		
- Property, plant & equipment and intangible assets	(954)	(1,322)
- Equity investments and securities	0	0
- Acquisitions net of acquired cash	0	0
- Financial receivables	0	0
Disposal of non-current assets	(7)	12
TOTAL	(961)	(1,310)
D) FREE CASH FLOW (B+C)	1,884	(7,957)
E) CASH FLOW GENERATED BY (USED IN) FINANCING ACTIVITIES		
New financial payables	0	4,000
Repayment of financial payables	(2,906)	(3,129)
Increase (decrease) in current financial payables	(2,677)	4,859
Interest received (paid)	(225)	(380)
Change in shareholders' equity reserves	(951)	1,991
Dividends paid	0	0
TOTAL	(6,759)	7,341
F) CASH FLOW FROM CONTINUING OPERATIONS (D+E)	(4,875)	(616)
G) CASH FLOW FROM OPERATING ASSETS HELD FOR SALE	626	-
H) Exchange translation differences on cash at hand	(226)	897
I) NET CHANGE IN CASH AT HAND (F+G+H)	(4,475)	281
J) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+I)	20,127	21,013

Data not audited by the independent auditors.