



FIDIA GROUP

INTERIM FINANCIAL REPORT

AS AT 30 SEPTEMBER 2014

(Translation from the Italian that is the original report. This translation has to be intended solely for the convenience of international readers)

Fidia S.p.A.

Registered office in San Mauro Torinese, Corso Lombardia, 11

Share capital paid in €5.123.000,00

Turin Register of Companies

Tax Code/VAT number 05787820017

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**Board of Directors
November 14, 2014**

BOARD OF DIRECTORS AND AUDITORS

Board of Directors

Chairman and Managing Director	Giuseppe Morfino (a)
Deputy Chairman	Carlos Maidagan (b)
Directors	Luigino Azzolin (c) (1)
	Anna Ferrero (c) (1) (2)
	Guido Giovando (c) (1) (2)
	Francesco Profumo (d)
	Mariachiara Zanetti (2) (c)

(a) Appointed Chairman at the Shareholders' Meeting on 29 April 2014 until the approval of the financial statements for FY2016; appointed Managing Director by the Board of Directors on 29 April 2014.

(b) Appointed at the Shareholders' Meeting on 29 April 2014 until the approval of the financial statements for FY2016; appointed Deputy Chairman by the Board of Directors on 29 April 2014.

(c) Appointed at the Shareholders' Meeting on 29 April 2014 until the approval of the financial statements for FY2016.

(d) Appointed at the Shareholders' Meeting on 29 April 2014 until the approval of the financial statements for FY2016; appointed Lead Independent Director by the Board of Directors on 29 April 2014.

(1) Member of the Control and Risks Committee.

(2) Member of the Remuneration Committee.

Board of Statutory Auditors (*)

Statutory Auditors	Maurizio Ferrero – Chairman
	Michela Rayneri
	Elena Spagnol

Alternate Auditors	Gian Piero Balducci
	Giovanni Rayneri
	Chiara Olliveri Siccardi

(*) Appointed at the Shareholders' Meeting on 29 April 2014 until the approval of the financial statements for FY2016.

Independent Auditors ()**

Reconta Ernst&Young S.p.A.

(**) Appointed at the Shareholders' Meeting on 27 April 2012 for the nine-year period 2012-2020.

POWERS OF THE CHAIRMAN OF THE BOARD OF DIRECTORS, THE CHIEF EXECUTIVE OFFICER AND DEPUTY CHAIRMAN

Chairman of the Board of Directors and Managing Director: Mr. Giuseppe Morfino

He is the legal representative of the company with regard to third parties and courts of law, with separate signature, to exercise any and all, and the amplest powers of ordinary and extraordinary administration; he is entitled to appoint and revoke special attorneys for specific transactions, with the sole exclusion of the powers and rights expressly reserved to the Board of Directors, under the law or the company By-laws. The Board of the Directors retains the following powers:

- Purchase, sale, and conferment of equity interests,
- Assignment, conferment, and/or hire of the company or any units thereof,
- Purchase of companies or units of a company,
- Purchase and/or transfer of real estate and/or tangible rights and/or related easements,
- Registration of mortgages on corporate real estate,
- Definition of company strategies relating to the purchase and sale of equity interests, company branches and real estate.

Deputy Chairman of the Board of Directors; Mr. Carlos Maidagan

He is the legal representative of the company with regard to third parties and courts of law, with separate signature, to exercise any and all, and the amplest powers of ordinary and extraordinary administration; he is entitled to appoint and revoke special attorneys for specific transactions, with the sole exclusion of the powers and rights expressly reserved to the Board of Directors, under the law or the company By-laws. The Board of the Directors retains the following powers:

- Purchase, sale, and conferment of equity interests,
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- Purchase and/or transfer of real estate and/or tangible rights and/or related easements,
- Registration of mortgages on corporate real estate,
- Definition of company strategies relating to the purchase and sale of equity interests, company branches and real estate.

In his position of Deputy Chairman, he also vested with the capacity of "employer" as well as person in charge of the plants, emissions and wastes.

FIDIA GROUP STRUCTURE



FIDIA GROUP

RECLASSIFIED STATEMENT

AS AT 30 SEPTEMBER 2014

Consolidated reclassified P/L statement

(€ thousand)	30/09/2014	%	30/09/2013	%
Net revenues	32.906	100%	29.426	100%
Changes in inventories of finished goods and W.I.P.	3.784	11,5%	1.269	4,3%
Other operating revenue	975	3,0%	1.827	6,2%
Value of production	37.665	114,5%	32.522	110,5%
Raw materials and consumables	(13.507)	-41,0%	(10.989)	-37,3%
Commissions. transport and contractors	(5.508)	-16,7%	(4.065)	-13,8%
Other services and overheads	(7.341)	-22,3%	(7.297)	-24,8%
Value added	11.309	34,4%	10.171	34,6%
Personnel expenses	(11.192)	-34,0%	(11.551)	-39,3%
EBITDA	117	0,4%	(1.380)	-4,7%
Bad debts provision	(127)	-0,4%	(157)	-0,5%
Depreciation	(467)	-1,4%	(378)	-1,3%
Operating income/(loss) from ordinary business	(477)	-1,4%	(1.915)	-6,5%
Non-recurring (losses)/revenue	300	0,9%	(300)	-1,0%
EBIT	(177)	-0,5%	(2.215)	-7,5%
Net finance income and costs	(277)	-0,8%	(226)	-0,8%
Profit/(Loss) on exchange rates	(179)	-0,5%	23	0,1%
EBT	(633)	-1,9%	(2.418)	-8,2%
Income taxes (current. paid and deferred)	(335)	-1,0%	(248)	-0,8%
Net profit/(loss)	(968)	-2,9%	(2.666)	-9,1%
- Profit/(Loss) of non-controlling interests	(178)	-0,5%	(218)	-0,7%
- Profit/(Loss) of Group	(790)	-2,4%	(2.448)	-8,3%

Consolidated statement of financial position

(€ thousand)	30/9/2014	31/12/2013	30/9/2013
Net tangible assets	4.257	1.806	1.760
Intangible assets	632	410	367
Financial assets	16	16	16
Other financial assets	2.372	2.311	2.166
Fixed assets – (A)	7.277	4.543	4.309
Net trade receivables from customers	10.165	9.178	8.174
Closing inventories	20.937	16.661	19.624
Other current assets	1.887	1.525	1.554
Short-term (current) assets – (B)	32.989	27.364	29.352
Trade payables to suppliers	(11.320)	(8.409)	(8.165)
Other current liabilities	(13.553)	(10.091)	(13.991)
Short-term (current) liabilities – (C)	(24.873)	(18.500)	(22.156)
Net working capital (D) = (B+C)	8.116	8.864	7.196
Termination benefits - TFR (E)	(2.303)	(2.263)	(2.305)
Other long-term liabilities (F)	(362)	(496)	(573)
Net invested capital (G) = (A+D+E+F)	12.728	10.648	8.627
Financial position			
Available-for-sale financial assets	-	-	-
Cash on hand, bank deposits	(7.637)	(8.493)	(10.531)
Short-term loans	5.228	4.302	5.062
Other current financial payables	-	140	182
Short-term financial position (receivable)/payable	(2.409)	(4.051)	(5.287)
Long-term loans, net of current portion	(2.615)	1.852	2.053
Net financial position (receivable)/payable (H)	206	(2.199)	(3.234)
Share capital	5.123	5.123	5.123
Reserves	5.651	6.613	6.700
Net profit/(loss)	(790)	(1.435)	(2.448)
Total equity of Group	9.984	10.301	9.375
Total equity of non-controlling interests	2.538	2.546	2.486
Total equity (I)	12.522	12.847	11.861
Own funds and net financial position (L) = (H+I)	12.728	10.648	8.627

GROUP ECONOMIC AND FINANCIAL PERFORMANCE

Revenues

The revenues of the nine months period ending 30 September 2014 have been 32.906 thousand euros, an increase by 11,8% in comparison with 29.426 thousand euros in the same period of last year.

All the three sectors where the Group operates have improved in comparison with 30 September 2013. The electronic division (CNC) reports an increase by 46,8% (2.557 thousand euros vs 1.742 thousand euros as at 30 September 2013) confirming the trend already experienced in the Q1 and Q2. In the high speed milling machine sector (HSM) the revenues show an improvement by 9,7% (21.757 thousand euros vs 19.835 thousand euros as at 30 September 2013). Finally the after sale service sector (Service) has achieved also in the Q3 2014 a further revenues increase and the turnover has improved by 9,5% in comparison with the same period 2013 (8.592 thousand euros in comparison with 7.849 thousand euros reported in the same nine month period of last year).

The revenues trend per business lines is shown below:

(Euro/000)	30.9.2014	%	30.9.2013	%	Var. %
CNC	2.557	7,8%	1.742	5,9%	46,8%
HSM	21.757	66,1%	19.835	67,4%	9,7%
Service	8.592	26,1%	7.849	26,7%	9,5%
Total	32.906	100%	29.426	100%	11,8%

The revenues by geographical region is illustrated in the following tables:

(Euro/000)	CNC and SOFTWARE 30.9.2014	%	CNC and SOFTWARE 30.9.2013	%	Var. %
ITALY	445	17,4%	500	28,7%	-11,0%
EUROPE	1.153	45,1%	776	44,5%	48,6%
ASIA	634	24,8%	73	4,2%	768,5%
NORTH and SOUTH AMERICA	324	12,7%	260	14,9%	24,6%
REST OF THE WORLD	1	0,0%	133	7,6%	-99,2%
TOTAL	2.557	100%	1.742	100%	46,8%

(Euro/000)	HSM		HSM		Var. %
GEOGRAPHIC REGION	30.9.2014	%	30.9.2013	%	
ITALY	1.208	5,6%	1.295	6,5%	-6,7%
EUROPE	4.749	21,8%	5.584	28,2%	-15,0%
ASIA	10.311	47,4%	10.213	51,5%	1,0%
NORTH and SOUTH AMERICA	5.452	25,1%	2.743	13,8%	98,8%
REST OF THE WORLD	37	0,2%	-	-	-
TOTAL	21.757	100%	19.835	100%	9,7%

(Euro/000)	SERVICE		SERVICE		Var. %
GEOGRAPHIC REGION	30.9.2014	%	30.9.2013	%	
ITALY	1.449	16,9%	1.297	16,5%	11,7%
EUROPE	3.072	35,8%	2.782	35,4%	10,4%
ASIA	1.734	20,2%	1.632	20,8%	6,3%
NORTH and SOUTH AMERICA	2.182	25,4%	1.895	24,1%	15,1%
REST OF THE WORLD	155	1,8%	243	3,1%	-36,2%
TOTAL	8.592	100%	7.849	100%	9,5%

(Euro/000)	TOTAL TURNOVER		TOTAL TURNOVER		Var. %
GEOGRAPHIC REGION	30.9.2014	%	30.9.2013	%	
ITALY	3.102	9,4%	3.092	10,6%	0,3%
EUROPE	8.974	27,3%	9.142	31,0%	-1,8%
ASIA	12.679	38,5%	11.918	40,5%	6,4%
NORTH and SOUTH AMERICA	7.958	24,2%	4.898	16,6%	62,5%
REST OF THE WORLD	193	0,6%	376	1,3%	-48,7%
TOTAL	32.906	100%	29.426	100%	11,8%

CNC and software

The revenues of the electronic sector (CNC) report, in the nine months period, a growth by 46,8% in comparison with the same period of last year and reach 2.557 thousand euros (1.742 thousand euros as at 30 September 2013).

The increase has involved all the main markets where the Group operates with the only exception of the Italian market (slightly down from 500 to 445 thousand euros that means -11,0%) and of the Rest of the World, area where the revenues are virtually zero, but also last year its contribution to the overall turnover was very low.

HSM

The HSM division reports a growth of revenues by approx. 10% in comparison with the nine months period of 2013 and they reach 21.757 thousand euros (19.835 thousand euros as at 30 September 2013).

On the market, there was the expected upturn of revenues in the Asiatic area that in the Q3 has recovered in comparison with Q1 and Q2, reporting revenues in line with the first nine months 2013 (10.311 thousand euros as at 30 September 2014 vs 10.213 thousand euros as at 30 September 2013, that means a 1% growth). The American market has confirmed in the Q3 the positive trend already shown at the end of the 1st H and the revenues has almost doubled YoY (5.452 thousand euros vs 2.743) mainly for the good performance in the USA. On the other side the European area slowdowns, but, in consideration of the good order book, by the end of the year the revenues will reach approx. the same level of last year.

As at 30 September 2014 38 milling systems have been accepted by the final customers, compared to 32 at the end of the Q3 2013.

Service

The revenues of the Service division report an increase by 9,5% in the nine months 2014 and reach 8.592 thousand euros in comparison with 7.849 thousand euros in the same period 2013, confirming the positive trend already experienced since many years.

The growth has been strong in all the geographic areas where the Group operates (+11,7% Italy, +10,4% rest of Europe, +6,3% Asia e +15,1% Americas) with the only exception of the Rest of the World that, anyhow, keeps on representing a not significant part on the total turnover of the Group.

Sales and marketing activity

The following tables show the trend in the backlog orders and in the new orders in the two periods under consideration.

With reference to the Service sector the commercial data (order entry and back log order) will not be shown because they almost match with the revenues as the time to fulfill the intervention requests is very short.

(Euro/000)	CNC and SOFTWARE 30.9.2014	CNC and SOFTWARE 30.9.2013	Var. %
Backlog orders as at 1.1	939	414	126,8%
Orders entry	2.797	2.532	10,5%
Revenues	(2.557)	(1.742)	46,8%
Backlog orders as at 30.9	1.179	1.204	-2,1%

	HSM	HSM	Var.
(Euro/000)	30.9.2014	30.9.2013	%
Backlog orders as at 1.1	26.277	21.244	23,7%
Orders entry	35.730	25.717	38,9%
Revenues	(21.757)	(19.835)	9,7%
Backlog orders as at 30.9	40.250	27.126	48,4%

	TOTAL	TOTAL	Var.
(Euro/000)	30.9.2014	30.9.2013	%
Backlog orders as at 1.1	27.216	21.658	25,7%
Orders entry	38.527	28.249	36,4%
Revenues	(24.314)	(21.577)	12,7%
Backlog orders as at 30.9	41.429	28.330	46,2%

Orders entry by geographical region

(Euro/000)	CNC and SOFTWARE		CNC and SOFTWARE		Var. %
GEOGRAPHIC REGION	30.9.2014	%	30.9.2013	%	
ITALY	310	11,1%	564	22,3%	-45,0%
EUROPE	1.034	37,0%	1.053	41,6%	-1,8%
ASIA	701	25,1%	325	12,8%	115,7%
NORTH and SOUTH AMERICA	719	25,7%	462	18,2%	55,6%
REST OF THE WORLD	33	1,2%	128	5,1%	-74,2%
TOTAL	2.797	100%	2.532	100%	10,5%

(Euro/000)	HSM		HSM		Var. %
GEOGRAPHIC REGION	30.9.2014	%	30.9.2013	%	
ITALY	1.427	4,0%	1.137	4,4%	25,5%
EUROPE	6.735	18,8%	5.735	22,3%	17,4%
ASIA	21.200	59,3%	15.841	61,6%	33,8%
NORTH and SOUTH AMERICA	6.368	17,8%	3.004	11,7%	112,0%
REST OF THE WORLD	-	-	-	-	-
TOTAL	35.730	100%	25.717	100%	38,9%

(Euro/000) GEOGRAPHIC REGION	TOTAL ORDER ENTRY 30.9.2014	%	TOTAL ORDER ENTRY 30.9.2013	%	Var. %
ITALY	1.737	4,5%	1.701	6,0%	2,1%
EUROPE	7.769	20,2%	6.788	24,0%	14,5%
ASIA	21.901	56,8%	16.166	57,2%	35,5%
NORTH and SOUTH AMERICA	7.087	18,4%	3.466	12,3%	104,5%
REST OF THE WORLD	33	0,1%	128	0,5%	-74,2%
TOTAL	38.527	100%	28.249	100%	36,4%

CNC and software

The orders entry of the CNC sector shows a 10,5% increase in comparison with the same period of last year.

This trend is the consequence of a strong growth in Asia (where the orders collected in nine months are more than doubled in comparison with 30 September 2013) and in the Americas (+55,6% compared to the same period of last year). On the other side the Italian market is down (564 thousand euros as at 30 September 2013 to 310 thousand euros as at 30 September 2014) and the other European countries almost unchanged (1.034 thousand euros as at 30 September 2014, 1.053 thousand euros as at 30 September 2013).

HSM

New orders in the HSM sector has reached the maximum level ever experienced by the Group. In fact the order acquisition has been, in nine months, 35.730 thousand euros, an amount 38,9% higher than 2013 nine months and in line to the good performance of the 2013 full year.

The main market keeps on being Asia and, on the top of that China, that even in the nine months of the 2014 fiscal year reports a significant increase; nevertheless the most important improvement has been recorded in the Americas, mainly for the good performance in the USA; in this area the orders are more than doubled compared to the same nine months period 2013. Also the European and the Italian markets have reported a sales increase respectively by 17,4% and by 25,5%.

The distribution of the backlog orders by geographical region was as follows at 30 September 2014:

(Euro/000) GEOGRAPHIC REGION	CNC and SOFTWARE 30.9.2014	%	CNC and SOFTWARE 30.9.2013	%	Var. %
ITALY	88	7,5%	193	16,0%	-54,4%
EUROPE	263	22,3%	540	44,9%	-51,3%
ASIA	349	29,6%	269	22,3%	29,7%
NORTH and SOUTH AMERICA	479	40,6%	202	16,8%	137,1%
REST OF THE WORLD	-	-	-	-	-
TOTAL	1.179	100%	1.204	100%	-2,1%

(Euro/000)	HSM		HSM		Var. %
GEOGRAPHIC REGION	30.9.2014	%	30.9.2013	%	
ITALY	1.553	3,9%	474	1,7%	227,6%
EUROPE	6.108	15,2%	5.551	20,5%	10,0%
ASIA	27.243	67,7%	18.680	68,9%	45,8%
NORTH and SOUTH AMERICA	5.346	13,3%	2.421	8,9%	120,8%
REST OF THE WORLD	-	-	-	-	-
TOTAL	40.250	100%	27.126	100%	48,4%

(Euro/000)	TOTAL ORDER ENTRY		TOTAL ORDER ENTRY		Var. %
GEOGRAPHIC REGION	30.9.2014	%	30.9.2013	%	
ITALY	1.641	4,0%	667	2,4%	146,0%
EUROPE	6.371	15,4%	6.091	21,5%	4,6%
ASIA	27.592	66,6%	18.949	66,9%	45,6%
NORTH and SOUTH AMERICA	5.825	14,1%	2.623	9,3%	122,1%
REST OF THE WORLD	-	-	-	-	-
TOTAL	41.429	100%	28.330	100%	46,2%

The order book as at 30 September 2014, amounting to 41.429 thousand euros, is higher by over 46% compared to 30 September 2013. The improvement, achieved together with a revenues increase, is mainly due to the significant growth of the orders collection and to the high opening back-log.

Other operating revenues

Other operating revenues in the first nine months of 2014 amounted to 975 thousand euros (1.827 thousand euros in the same period of 2013). This figure includes the other incomes coming from the ordinary activity, but that cannot be included in the typical sale of goods and services.

This figure includes:

- EU and Italy's Ministry of University grants to Fidia S.p.A. for research and development (346 thousand euros, 1.196 thousand euros at 30 September 2013 as well as 679 thousand euros in grants from the local government in Shenyang (China) to the Chinese subsidiary Shenyang Fidia NC & M Co. Ltd);
- increases in tangible assets own built and the capitalization of product development costs (232 thousand euros vs. 211 thousand euros at 30 September 2013);
- release of the warranty and bad debts provision and/or any accruals in excess of the risk to be covered (40 thousand euros vs. 129 thousand euros as at 30 September 2013);

- Capital gains from disposal of fixed assets (17 thousand euros as at 30 September 2014; 32 thousand euros as at 30 September 2013);
- contingent assets, recovery of costs. and other operating revenue (340 thousand euros as at 30 September 2014; 259 thousand euros as at 30 September 2013).

Value of production

In the nine months the value of production reaches 37.665 thousand euros and so improves in comparison to 32.522 thousand euros of the same 2013 period (+5.143 thousand euros). The increase is due both to the growth of revenues and to the higher change of stock of finished goods and WIP; on the other side, the "Other operating revenues" are down.

Other services and operating costs

This figure amounts in the nine months 2014 to 7.341 thousand euros and it is substantially in line with 7.297 thousand euros of the same period 2013 (+44 thousand euros).

Added value

As at 30 September 2014 it is 11.309 thousand euros (34,4% of revenues), an improvement in comparison with 10.171 thousand euros (34,6% of revenues) in the same period of last year, mainly as a consequence of a higher value of production.

Personnel

The following tables illustrate the trends in the staff and labour costs.

	30.9.2014	30.9.2013	Var. ass.	Var. %
Executives	8	9	-1	-11,1%
Clerks and cadres	271	275	-4	-1,5%
Workers	40	41	-1	-2,4%
Total employees	319	325	-6	-1,8%
Total average number of employees	321,0	333,0	-12	-3,6%

	30.9.2014	30.9.2013	Var. ass.	Var. %
Cost of labour (Euro/000)	11.192	11.551	-359	-3,1%

The labour cost shows, in the two comparing periods, a reduction by 359 thousand euros, that means -3,1%. As a result of the improved turnover, the weight of the cost of labour on the revenues moves from 39,3% of September 30, 2013 to 34,0% of September 30, 2014.

Gross operating margin (EBITDA)

The gross operating margin is positive and amounts to 117 thousand euros (+0,4% of revenues) and so improves in comparison with the same period of last year when the group had reported an EBITDA negative by 1.380 thousand euros.

Operating margin from ordinary business

Operating income from ordinary business at 30 September 2014 reports a loss of 477 thousand euros. Also this indicator, thus still negative, strongly improves in comparison with the 1.915 thousand euros loss reported as at 30 September 2013.

Non-recurring revenue

In the first half of 2013 the parent company Fidia S.p.A. allocated a provision of 300 thousand euros for an accident covered by a specific insurance policy.

During 2014 the insurance company recognized the merits of the claim and settled it.

Operating margin (EBIT)

Following the aforementioned non-recurring item, the operating margin (EBIT) as at 30 September 2014 is negative by 177 thousand euros; EBIT as at 30 September, 2013 was encumbered by a provision of the same amount and it was negative by 2.215 thousand euros.

Finance income/(charges) - Net exchange rate differences

The net finance charges are a bit worse than the first nine months 2013 (net charges for 277 thousand euros as at 30 September 2014 vs 226 thousand euros in the same period of last year) because of the *fair value* evaluation of some forward contracts to cover the risk of exchange rate for which it was not possible to apply the *hedge accounting* policy. The net exchange rate differences, either already realized or coming from accounting adjustments, generated net loss for approx. 179 thousand euros vs net profit for 23 thousand euros as at 30 September 2013.

EBT

The result before tax (EBT) is, in the nine months, a loss by 633 thousand euros compared to a loss by 2.418 thousand euros in the same period 2013.

Net result attributable to the Group

The Group's net result after taxes of 335 thousand euros and after hiving-off of losses of third parties (178 thousand euros), is a loss of 790 thousand euros compared to a loss of 2.448 thousand euros in the first nine months of 2013.

CONSOLIDATED FINANCIAL POSITION

Net financial position

(Euro/000)	30.9.2014	31.12.2013	30.9.2013
Financial position			
Available-for-sale financial assets	-	-	-
Cash on hand, bank deposits	7.637	8.493	10.531
Overdrawn bank accounts and short-term advances	(4.247)	(2.610)	(4.023)
Short-term loans	(981)	(1.692)	(1.039)
Other current financial payables	-	(140)	(182)
Short-term financial position - (receivable)/payable	2.409	4.051	5.287
Long-term loans, net of current portion	(2.615)	(1.852)	(2.053)
Net financial position - receivable/(payable)	(206)	2.199	3.234

The detailed assets and liabilities of the net financial position are illustrated in the following table.

(Euro/000)	30.9.2014	31.12.2013	30.9.2013
Available-for-sale financial assets	-	-	-
Cash on hand, bank deposits			
Fidia S.p.A.	3.235	3.531	4.128
Fidia Co.	494	716	1.165
Fidia GmbH	755	1.229	633
Fidia Iberica S.A.	392	404	563
Fidia S.a.r.l.	188	238	343
Beijing Fidias Machinery & Electronics Co.,Ltd	1.919	1.790	2.946
Fidia do Brasil Ltda.	28	20	28
Shenyang Fidias NC & M Co., Ltd	624	563	723
OOO Fidias	-	-	-
Fidia India Private Ltd.	2	2	2
	7.637	8.493	10.531
Total cash on hand	7.637	8.493	10.531

(Euro/000)	30.9.2014	31.12.2013	30.9.2013
Short-term loans and advances			
Fidia S.p.A.	(5.186)	(4.270)	(5.052)
Fidia GmbH	(39)	(29)	(10)
Fidia Iberica S.A.	(3)	(3)	-
	(5.228)	(4.302)	(5.062)
Other current financial payables			
Fidia S.p.A.	-	(140)	(182)

	-	(140)	(182)
Long-term loans, net of current portion			
Fidia S.p.A.	(2.574)	(1.801)	(2.043)
Fidia GmbH	(33)	(41)	(10)
Fidia Iberica S.A.	(8)	(10)	-
	(2.615)	(1.852)	(2.053)
Total financial payables	(7.843)	(6.294)	(7.297)

At 30 September 2014, the net financial position was negative by 206 thousand euros; the change compared to 31 December 2013 has mainly to do with the real estate investment made in the first semester of the year that produced a cash absorption and the raising of a financial debt with leasing companies for a total amount of 2.600 thousand euros.

The following table contains a summary of the condensed cash flow statement at 30 September 2014 showing the cash flows composing the net financial position.

CONSOLIDATED CONDENSED CASH FLOW STATEMENT

(Euro/000)	30.9.2014	30.9.2013
A) Cash and cash equivalents at the beginning of the reporting period	5.883	4.694
B) Cash from/(used in) operating activities	(427)	3.437
C) Cash from/(used in) investing activities	(3.097)	(595)
D) Cash from/(used in) financing activities	244	(906)
Differences in exchange rates	787	(122)
E) Net change in cash and cash equivalents	(2.493)	1.814
F) Cash and cash equivalents at year-end	3.390	6.508
Breakdown of cash and cash equivalents:		
Cash and cash equivalents	7.637	10.531
Overdrawn bank accounts	(4.247)	(4.023)
	3.390	6.508

Comparison of operating result and equity of the Parent Company and equivalent values of the Group

In compliance with the Consob Communication dated 28 July 2006, the following table provides the reconciliation of the Group's net income or loss and equity at 30 September 2014 (excluding minority interests) with those of the parent company Fidias S.p.A. (in thousand euros).

	Shareholders' equity 31.12.2013	Change in S.E. 2014	Result at 30.9.2014	Shareholders' equity 30.9.2014
Financial Statements of Fidia S.p.A.	7.424	(243)	(1.606)	5.575
Consolidation adjustments				
* Elimination of book value of investments	3.191	812	587	4.590
* Transactions between consolidated companies	(390)		265	(125)
* Tax effect on consolidation adjustments	12		(9)	3
* Other adjustments	37		(27)	10
* Exchange rate differences on intra-group transactions	27	(96)		(69)
Consolidated Financial Statements (attributable to the Group)	10.301	473	(790)	9.984

SEGMENT REPORTING

Earnings performance by business sector

The following table shows earning performance broken down by business segment. The data of the Group are presented with a breakdown into three sectors Numerical Controls - CNC -, High Speed Milling Systems - HSM - and after-sales service - Service.

The last column of the income statement shows those items that cannot be classified; these items are mainly general and administrative costs and costs for advertising, promotion and trade fairs incurred for all three business lines.

Inter-segment revenues consist of numerical controls, electrical control panels, drives and systems transferred from the electronics segment to the milling systems segment and of mechanical components and milling heads provided to the electronics segment for specific applications.

CONSOLIDATED P/L BY BUSINESS SECTOR

Progressive data at Sept. 2014 (€thousand)	CNC		HSM		SERVICE		Non all.	TOTALE
	2014	%	2014	%	2014	%	2014	2014
Revenues	2.557	60,3%	21.757	100,0%	8.592	100,0%	-	32.906
Cross-sector revenues	1.683	39,7%		0,0%	-	0,0%	-	
Total revenues	4.240	100,0%	21.757	100,0%	8.592	100,0%	-	32.906
Changes in inventories of finished goods and W.I.P.	(60)	-1,4%	4.050	18,6%	(206)	-2,4%	-	3.784
Raw materials and consumables	(868)	-20,5%	(11.670)	-53,6%	(889)	-10,3%	(80)	(13.507)
Cross-sector expenses	(75)	-1,8%	(2.026)	-9,3%	380	4,4%	38	
Commissions, transport and contractors	(348)	-8,2%	(4.880)	-22,4%	(273)	-3,2%	(6)	(5.507)
Sales margin	2.889	68,1%	7.231	33,2%	7.604	88,5%	(48)	17.676
Other operating revenue	389	9,2%	216	1,0%	40	0,5%	330	975
Other operating expenses	(475)	-11,2%	(1.985)	-9,1%	(1.602)	-18,6%	(3.279)	(7.341)
Personnel expenses	(2.141)	-50,5%	(3.436)	-15,8%	(2.817)	-32,8%	(2.798)	(11.192)
Depreciation and amortization	(31)	-0,7%	(219)	-1,0%	(102)	-1,2%	(243)	(595)
Operating income/(loss) from ord. business	631	14,9%	1.807	8,3%	3.123	36,3%	(6.038)	(477)

Progressive data at Sept. 2014 (€thousand)	CNC		HSM		SERVICE		Non all.	TOTALE
	2013	%	2013	%	2013	%	2013	2013
Revenues	1.742	50,7%	19.835	99,8%	7.849	100,0%	-	29.426
Cross-sector revenues	1.693	49,3%	38	0,2%	-	0,0%	-	
Total revenues	3.435	100,0%	19.873	100,0%	7.849	100,0%	-	29.426
Changes in inventories of finished goods and W.I.P.	(295)	-8,6%	1.606	8,1%	(42)	-0,5%	-	1.269
Raw materials and consumables	(1.105)	-32,2%	(8.916)	-44,9%	(831)	-10,6%	(137)	(10.989)
Cross-sector expenses	(61)	-1,8%	(2.126)	-10,7%	416	5,3%	40	
Commissions, transport and contractors	(448)	-13,0%	(3.342)	-16,8%	(271)	-3,5%	(4)	(4.065)
Sales margin	1.526	44,4%	7.095	35,7%	7.121	90,7%	(101)	15.641
Other operating revenue	1.063	30,9%	470	2,4%	64	0,8%	230	1.827
Other operating expenses	(475)	-13,8%	(1.661)	-8,4%	(1.549)	-19,7%	(3.612)	(7.297)
Personnel expenses	(2.456)	-71,5%	(3.191)	-16,1%	(3.170)	-40,4%	(2.734)	(11.551)
Depreciation and amortization	(64)	-1,9%	(240)	-1,2%	(46)	-0,6%	(185)	(535)
Operating income/(loss) from ord. business	(406)	-11,8%	2.473	12,4%	2.420	30,8%	(6.402)	(1.915)

BUSINESS OUTLOOK FOR THE CURRENT YEAR

In the Q3 2014 there was the expected recovery in terms of revenues and profitability.

On the commercial side the orders intake maintains high level on the Q3 too and the orders collected in nine months by the three divisions have been 47,1 million euros, an improvement by more than 30% compared to the same nine months period of last year. The performance has been definitely positive in the HSM sector where the new orders acquired have reached, at the end of September, a level as high as the 2013 full year and totalling more than 35 million euros.

The order book at the end of the Q3 is 41,4 million euros, an increase by over 46% in comparison with September 30, 2013 and by over 52% in comparison with the back log order at the end of the fiscal year 2013.

According to the production plans and in consideration of the high order book (that at the end of the Q3 is 41,4 million euros), the Q4 is foreseen to report further revenues increase, confirming the positive trend achieved in the Q3.

On behalf of the Board of Directors
The Chairman and Managing Director
Mr. Giuseppe Morfino

FIDIA GROUP

Interim Financial Statements and notes

as at 30 September 2014

CONSOLIDATED INCOME STATEMENT

(€ thousand)	Notes	1.1 - 30.9.2014	1.1 - 30.9.2013
- Net sales	1	32.906	29.426
- Other operating revenue	2	975	1.827
Total revenues		33.881	31.253
- Changes in inventories of finished goods and work in progress		3.784	1.269
- Raw materials and consumables	3	(13.507)	(10.989)
- Personnel expenses	4	(11.192)	(11.551)
- Other operating expenses	5	(12.849)	(11.362)
- Depreciation and amortization	6	(594)	(535)
Operating profit/(loss) of ordinary business		(477)	(1.915)
- Non-recurring revenue/(charges)	7	300	(300)
Operating profit/(loss)		(177)	(2.215)
- Finance revenue/(expenses)	8	(456)	(203)
Profit/(loss) before tax		(633)	(2.418)
- Income taxes	9	(335)	(248)
Profit/(loss) of the reporting period		(968)	(2.666)
Profit/(loss) attributable to:			
- Shareholders of parent company		(790)	(2.448)
- Other non-controlling interests		(178)	(218)
(euro)			
Earnings per ordinary share	10	(0,15)	(0,48)
Diluted earnings per ordinary share	10	(0,15)	(0,48)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€ thousand)	Notes	1.1 – 30.9. 2014	1.1 – 30.9. 2013
Profit (loss) of the reporting period (A)		(968)	(2.666)
Other Comprehensive Profit/(Loss) that may subsequently be reclassified to profit or loss:			
Profit/(loss) on cash flow hedges	20	(282)	11
Profit(loss) on translation of financial statements of foreign companies	20	983	(138)
Tax effect pertaining to Other comprehensive profit/(loss) that may subsequently be reclassified to profit or loss	20	78	(3)
Total Other comprehensive profit/(loss) that may subsequently be reclassified to profit or loss. net of tax effect (B1)		779	(130)
Other comprehensive profit/(loss) that may not subsequently be reclassified to profit or loss:			
Actuarial gains/(losses) on defined benefit plans	20	(54)	(18)
Tax effect pertaining to Other comprehensive profit/(loss) that may not subsequently be reclassified to profit or loss	20	15	5
Total Other comprehensive profit/(loss) that may not subsequently be reclassified to profit or loss. net of tax effect (B2)		(39)	(13)
Total Other comprehensive profit/(loss). net of tax effect (B)=(B1)+(B2)		740	(143)
Total comprehensive profit/(loss) of the reporting period (A)+(B)		(228)	(2.809)
Total comprehensive profit/(loss) attributable to:			
Shareholders of parent company		(221)	(2.581)
Non-controlling interests		(7)	(228)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€thousand)	Notes	30 September 2014	31 December 2013
ASSETS			
NON-CURRENT ASSETS			
- Property, plant and equipment	11	4.257	1.806
- Intangible assets	12	632	410
- Investments	13	16	16
- Other non-current financial assets			-
- Other non-current receivables and assets	14	1.425	1.479
- Pre-paid tax assets	9	947	832
TOTAL NON-CURRENT ASSETS		7.277	4.543
CURRENT ASSETS			
- Inventories	15	20.937	16.661
- Trade receivables	16	10.165	9.178
- Current tax receivables	17	375	164
- Other current receivables and assets	17	1.512	1.342
- Other current financial assets	18	-	19
- Cash and cash equivalents	19	7.637	8.493
TOTAL CURRENT ASSETS		40.626	35.857
TOTAL ASSETS		47.903	40.400
LIABILITIES			
EQUITY			
- Share capital and reserves attributable to shareholders of parent company		9.984	10.301
- Other non-controlling interests		2.538	2.546
TOTAL CONSOLIDATED EQUITY	20	12.522	12.847
NON-CURRENT LIABILITIES			
- Other non-current payables and liabilities	21	137	394
- Termination benefits	22	2.303	2.263
- Deferred tax liabilities	9	66	73
- Other non-current financial liabilities	23	159	29
- Non-current financial liabilities	24	2.615	1.852
TOTAL NON-CURRENT LIABILITIES		5.280	4.611
CURRENT LIABILITIES			
- Current financial liabilities	24	5.228	4.302
- Other current financial liabilities	25	213	140
- Trade payables	26	11.320	8.409
- Current tax payables	27	797	1.138
- Other current payables and liabilities	27	11.357	8.051
- Provisions for risks and expenses	28	1.186	902
TOTAL CURRENT LIABILITIES		30.101	22.942
TOTAL LIABILITIES		47.903	40.400

CONSOLIDATED CASH FLOW STATEMENT

(€ thousand)	1.1 - 30.9.2014	1.1 - 30.9.2013
A) Cash and cash equivalents at the beginning of the reporting period	5.883	4.694
B) Cash from/(used in) operating activities during the period:		
- Earnings of Group and NCIs	(968)	(2.666)
- Depreciation and amortization of tangible assets	467	378
- Net losses (gains) on disposal of tangible assets	(17)	(31)
- Net change in provisions for termination benefits	41	(30)
- Net change in provisions for risks and expenses	284	35
- Net change (assets) liabilities for (pre-paid) deferred taxes	(122)	(80)
- Dividends paid		(68)
Net change in working capital:		
- receivables	(1.316)	3.540
- inventories	(4.276)	286
- payables	5.480	2.073
	(427)	3.437
C) Cash from/(used in) investing activities		
- Investing activities:		
Property, plant and equipment	(2.935)	(414)
intangible assets	(307)	(216)
- Profit on sale of:		
Property, plant and equipment	145	35
Financial assets	-	-
	(3.097)	(595)
D) Cash from/(used in) financing activities		
- Change in loans	50	(907)
- Change in capital and reserves	(339)	(74)
- Net change in amounts due by other interests	171	(109)
- Net change in current and non-current financial assets and liabilities	362	184
	244	(906)
Differences in exchange rates	787	(122)
E) Net change in cash and cash equivalents	(2.493)	1.814
F) Cash and cash equivalents at end of reporting period	3.390	6.508
Breakdown of cash and cash equivalents:		
Cash and cash equivalents	7.637	10.531
Overdrawn bank accounts	(4.247)	(4.023)
	3.390	6.508

CONSOLIDATED NET EQUITY

(€ thousand)	Share capital	Own shares	Capital reserves	Retained earnings	Cash flow hedge reserve	Translation reserve	Reserve for actuarial profit/loss	Other reserves	Total equity of Group	Non-controlling interests	Total Equity
Balance at 1/1/2013	5.123	(45)	1.240	4.708	(16)	769	34	213	12.026	2.812	14.838
Total comprehensive profit/(loss)	-	-	-	(2.448)	8	(128)	(13)	-	(2.581)	(228)	(2.809)
Other changes	-	-	-	(69)	-	-	-	-	(69)	(99)	(168)
Balance at 30/9/2013	5.123	(45)	1.240	2.191	(8)	641	21	213	9.376	2.485	11.861
Balance at 1/1/2014	5.123	(45)	1.240	3.224	(6)	489	63	213	10.301	2.546	12.847
Total comprehensive profit/(loss)	-	-	-	(790)	(204)	812	(39)	-	(221)	(7)	(228)
Other changes	-	-	-	(96)	-	-	-	-	(96)	(1)	(97)
Balance at 30/9/2014	5.123	(45)	1.240	2.338	(210)	1.301	24	213	9.984	2.538	12.522

Notes

SIGNIFICANT ACCOUNTING STANDARDS

This interim financial report at 30 September 2014 was prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and adopted by the European Union. The designation "IFRS" also includes all currently valid International Accounting Standards ("IAS"), as well as all interpretations of the International Accounting Reporting Interpretations Committee ("IFRIC"), formerly the Standing Interpretations Committee ("SIC").

This interim report was prepared in accordance with IAS 34 – *Interim Financial Reporting*, applying the same accounting principles and policies used in the preparation of the Consolidated Financial Statements at 31 December 2013, with the exception of the contents of the next paragraph "Accounting standards, amendments and interpretations applied since 1 January 2014".

The preparation of the interim financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and the disclosure of contingent assets and liabilities at the date of the interim financial statements. If in the future such estimates and assumptions, which are based on management's best judgment at the date of this interim report, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change. For a fuller description of the valuation processes more relevant to the Group, please refer to the section "Use of estimates" of the consolidated financial statements at 31 December 2013.

Moreover, certain valuation procedures, in particular those of a more complex nature such as the determination of the impairment of non-current assets, are only carried out in full during the preparation of the annual financial statements, when all the information required is available, unless there are signs of impairment that require an immediate assessment of possible loss.

The Group conducts operations that have historically shown cyclical and seasonal variations of total sales during the year and higher revenues are usually recorded in the second half of the year compared to the first.

Income taxes were determined on the basis of the best estimate of the average rate expected for the whole financial year by each company included in the scope of consolidation.

The Group is exposed to financial risks associated with its operations: credit risk, liquidity risk, and market risk (principally relating to exchange rates and interest rates).

This interim report does not include all information and notes on the management of financial risks required in the preparation of the annual report. For a detailed description of this information, please refer to the description in the Fidia Group Consolidated Financial Statements at 31 December 2013, the Notes section "Risk Management" and in Note 31 called named "Financial risk management".

Financial Statements

The Fidia Group presents the income statement by nature of expense, which is deemed more representative compared to the so-called presentation by function. The form chosen complies with the internal reporting methods.

Within said income statement by nature of expenses, under the Profit/(loss), a specific distinction has been made between Profit/(loss) of ordinary business and those revenues and expenses that are the result of non-recurrent transactions in ordinary business management. It

is deemed that this allows for a better measurement of the actual performance of normal business management

The definition of atypical adopted by the Group partially differs from the one set by Consob Notice of July 28, 2006, by which atypical and/or unusual transactions are all those transactions whose significance/relevance, nature of the counterparts, subject-matter of the transaction, transfer pricing method and timing of the event (near year-end) can give rise to doubts on: correctness/completeness of information posted, conflict of interests, safeguard of company equity, safeguard of minority interests.

With reference to the statement of financial position, the "non-current and current" format of presentation has been adopted.

The cash flow statement was drawn up by applying the indirect method.

Accounting principles, amendments and interpretations adopted from 1 January 2014

IFRS 11 - Joint Arrangements

In IFRS 11, the IASB established a new approach for the recognition of joint arrangements, which is based on the rights and obligations of the arrangement as well as on their legal form. Based on this analysis, under IFRS 11 joint arrangements must be divided between joint operations (if the Group has rights to the assets, and obligations for the liabilities, relating to the arrangement) and investments in Joint Ventures (if the Group has rights to the net assets of the arrangement). In accordance with the new standard, interests in joint ventures are accounted for using the equity method while joint operations are subject to recognition of the share of assets, liabilities, income and expenses (in accordance with IAS 31, these interests were previously accounted for using the equity method). The application of this standard had no effect on this interim report.

IFRS 10 - Consolidated Financial Statements

As from 1 January 2014, the new standard as amended is based on existing standards, identifying a single control model that applies to all enterprises, including "structured entities". It also provides guidance for determining the existence of control where it is difficult to ascertain.

The application of this standard had no effect on this interim report.

IFRS 12 - Disclosure of Interests in other Entities

Under the new IFRS 12, as amended, as from 1 January 2014, the IASB has defined and merged the additional disclosures to be provided on all types of interests, including those in subsidiaries, joint arrangements, associates, and structured entities other unconsolidated vehicles, into a new and comprehensive standard. The adoption of the new standard has not resulted in any effect on this interim report.

Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32 - Financial Instruments: Presentation)

These amendments clarify the application of certain criteria for offsetting financial assets and financial liabilities in IAS 32 present. There was no significant effect as a result of application of these amendments to this interim report.

Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36 - Impairment of Assets)

The amendments to IAS 36 – *Recoverable Amount Disclosures for Non-Financial Assets* address disclosures about the recoverable amount of impaired assets if that amount is based on fair value less cost of disposal. The application of these amendments did not have any effect on this interim report and could lead to more disclosures in the notes to the next consolidated annual report.

Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39 - Financial Instruments: Recognition and Measurement)

The amendments to IAS 39 - *Financial Instruments: Recognition and Measurement* allow continuing hedge accounting if a derivative financial instrument designated as a hedging instrument is novated following the application of laws or regulations in order to replace the original counterpart to ensure successful completion of the obligation undertaken and if certain conditions are met. There was no significant effect as a result of application of these amendments to this interim Report.

Recognition of liabilities for the payment of levies other than income taxes (IFRIC 21 – Levies, an interpretation of IAS 37 – Provisions, Contingent Liabilities and Contingent Assets)

This interpretation sets out the recognition of liabilities for the payment of levies other than income taxes and determines specifically which event originates the obligation and the time of recognition of the liability. There was no effect as a result of application of this interpretation to this interim report.

Accounting standards, amendments and interpretations not applicable yet and not adopted in advance by the Group

On the date of this interim report the competent bodies of the European Union had not completed yet the approval process for the application of the following accounting standards, amendments and interpretations.

- In November 2013, the IASB issued minor amendments to IAS 19 - *Employee Benefits* entitled "*Defined benefit plans: Employee contributions*". These amendments relate to the simplification of the accounting treatment of contributions to defined benefit plans by employees or third parties in specific cases. The amendments are effective retrospectively for reporting periods beginning on or after 1 July 2014; early adoption is permitted.
- In December 2013, the IASB issued a set of amendments to IFRS (*Annual Improvements to IFRSs - 2010-2012 Cycle* and *Annual Improvements to IFRSs - 2011-2013 Cycle*). Among others, the most important issues addressed in these amendments are: the definition of vesting conditions in IFRS 2 - *Share-based Payment*, the disclosure concerning estimates and judgments used in the grouping of the operating segments under IFRS 8 - *Operating Segments*, identification and disclosure of a related-party transaction that arises when a service company provides management services for executives with strategic responsibilities for the company that prepares the financial statements in IAS 24 - *Related Party Disclosures*, exclusion from the scope of IFRS 3 - *Business Combinations*, of all kinds of joint arrangements, and some clarifications on exceptions to the application of IFRS 13 - *Fair Value Measurement*. The amendments are effective for annual periods beginning on or after 1 January 2015.
- In the month of May 2014, the IASB issued amendments to IFRS 11 - *Joint Arrangements: Recognition of the acquisition of interests in joint operations*, providing clarification on the accounting treatment of the acquisition of interests in joint operations that constitute a business. The amendments are effective retrospectively for annual periods beginning on

or after 1 January 2016, with early application permitted.

- In May 2014, the IASB issued an amendment to IAS 16 – *Property, Plant and Equipment* and IAS 38 - *Intangible assets*. The IASB clarified that the use of methods based on revenues to calculate the depreciation of an asset is not appropriate because revenues generated by an activity that includes the use of an asset generally reflects factors other than the consumption of economic benefits arising from the asset. The IASB also clarified that it is assumed that in general revenues are not an appropriate basis for measuring the consumption of the economic benefits arising from an intangible asset. There are, however, exceptions to this assumption in certain limited circumstances. These amendments are effective for annual periods beginning on or after 1 January 2016, with early application permitted.
- In May 2014, the IASB issued IFRS 15 - *Revenue from Contracts with Customers*, which requires to recognize revenue to present the transfer of goods or services to customers at an amount that reflects the consideration expected in exchange for such products or services. To achieve this goal, the new revenue recognition model defines a five-step process, and also requires extensive use of estimates and judgments with respect to IFRS requirements currently in force, especially for some processes such as the identification of the different obligations in the contract, the estimate of the variable to be included in the transaction price and the allocation of the transaction's consideration separately to the different obligations identified. In addition, this new standard applies to some repurchase agreements, depending on whether or not the customer obtains control of the asset covered by the contract. The new standard also requires additional disclosures about the nature, amount, timing and uncertainty about the revenues and cash flows arising from contracts with customers. The new standard is effective for annual periods beginning on or after 1 January 2017, using one of two methods: on a retroactive basis with separate reporting for each period presented, or retrospectively with the cumulative effect resulting from the first application of the principle recognized at the date of initial application. Early adoption of the principle is not permitted.
- In July 2014, the IASB published IFRS 9 - *Financial Instruments*. The series of changes made by the new standard includes the introduction of a logic model for the classification and measurement of financial instruments, a single model for the *impairment* of financial assets based on expected losses and a substantially renewed approach to hedge accounting. The new standard will be applied retrospectively from 1 January 2018; earlier adoption is permitted.

The Group will adopt these new standards, amendments and interpretations, based on the date of application, and will evaluate the potential impacts, when they will be endorsed by the EU.

Consolidation area

The scope of consolidation in the first nine months of 2014 has not changed in comparison to the Consolidated Financial Statements at 31 December 2013. The following table shows the companies falling within the consolidation area compared with the 31 December 2013 and the 30 September 2013 closing period:

Name / Place of business	Currency	Share capital	Interest at 30/9/2014	Interest at 31/12/2013	Interest at 30/09/2013
Fidia Gmbh, Dreiech - Germay	Euro	520.000	100%	100%	100%
Fidia Co, Troy - U.S.A.	USD	400.000	100%	100%	100%
Fidia Sarl, Emerainville – France	Euro	300.000	100%	100%	100%
Fidia Iberica S.A., Zamudio - Spain	Euro	180.300	99,993%	99,993%	99,993%
Fidia do Brasil Ltda, Sao Paulo - Brasil	Reais	400.843	99,75%	99,75%	99,75%
Beijing Fidial M&E Co Ltd., Beijing - China	USD	1.500.000	92 %	92 %	92 %
Shenyang Fidial NC & Machine Company Ltd., Shenyang – China	Rmb	42.517.648	51%	51%	51%
OOO Fidial, Mosca - Russia	Rublo	3.599.790	100%	100%	100%
Fidia India Private Ltd. - Pune - India	Rupie	100.000	99,99%	99,99%	99,99%

OTHER INFORMATION

The interim financial report at 30 September 2014 was approved by the Board of Directors on 14 November 2014, which authorized its publication on the same date.

CONTENT AND MAIN CHANGES

INCOME STATEMENT

1. REVENUES

The breakdown of net revenues from third parties by business segment (excluding intra-Group transactions) is shown in the following table:

(€thousand)	1.1 - 30.9.2014	1.1 - 30.9.2013
Numerical controls, drives and software	2.557	1.742
High-speed milling systems	21.757	19.835
After-sales service	8.592	7.849
Total revenues	32.906	29.426

Revenues improved by 11,8% in comparison with the same period of last year. The Group produced its revenues for 9,4% on the domestic market and for the other 90,6% on the international markets.

2. OTHER OPERATING REVENUES

Other operating revenues in the first nine months of 2014 amounted to 975 thousand euros (1.827 thousand euros in the same period of 2013). This figure includes the other incomes coming from the ordinary activity, but that cannot be included in the typical sale of goods and services.

This figure includes:

- EU and Italy's Ministry of University grants to Fidia S.p.A. for research and development (346 thousand euros, 1.196 thousand euros at 30 September 2013 as well as 679 thousand euros in grants from the local government in Shenyang (China) to the Chinese subsidiary Shenyang Fidia NC & M Co. Ltd);
- increases in tangible assets own built and the capitalization of product development costs (232 thousand euros vs. 211 thousand euros at 30 September 2013);
- release of the warranty and bad debts provision and/or any accruals in excess of the risk to be covered (40 thousand euros vs. 129 thousand euros as at 30 September 2013);
- Capital gains from disposal of fixed assets (17 thousand euros as at 30 September 2014; 32 thousand euros as at 30 September 2013);
- contingent assets, recovery of costs. and other operating revenue (340 thousand euros as at 30 September 2014; 259 thousand euros as at 30 September 2013).

3. RAW MATERIALS AND OTHER CONSUMABLES

The consumption of raw materials and other consumables in the first nine months 2014 was 13.507 thousand euros compared to 10.989 thousand euros in the same period 2013. The

difference is related to the trend in revenues and to the change in the stock of finished products and WIP in the two comparing periods.

4. PERSONNEL EXPENSES

The cost of personnel at the end of the Q3 2014 is 11.192 thousand euros, down by approx. 3,1% in comparison with 11.551 thousand euros as at 30 September 2013. The reduction is in line with the trend of the nr. of staff employed in the Group.

5. OTHER OPERATING EXPENSES

Other operating expenses are as follows:

(€thousand)	1.1 - 30.9.2014	1.1 - 30.9.2013
Costs for services related to sales	5.508	4.065
Production expenses	2.456	2.201
Commercial expenses	774	1.003
Expenditure in R&D	577	627
General and administrative expenses	3.534	3.466
Total	12.849	11.362

The other operating expenses show, in the comparison between the nine months 2014 and 2013, an overall increase by approx. 1.487 thousand euros. The cost increase is mainly due to the production expenses and services related to sales (that include subcontractors, commissions and transports). The other figures are mainly overheads and show an overall decrease by approx. 211 thousand euros.

6. DEPRECIATION AND AMORTIZATION

The detail of depreciation and amortization follows:

(€thousand)	1.1 - 30.9.2014	1.1 - 30.9.2013
Depreciation of property, plant and equipment	372	310
Amortization of intangible assets	95	48
Write-down of property, plant and equipment	-	20
Bad debts	127	157
Total	594	535

7. NON-RECURRING REVENUE

In the first half of 2013 the parent company Fidia S.p.A. allocated a provision of 300 thousand euros for an event covered by a specific insurance policy.

During 2014, the insurance company recognized the merits of the claim and settled it.

8. FINANCE REVENUE (EXPENSES)

Finance revenue and expenses consist of:

(€thousand)	1.1 - 30.9.2014	1.1 - 30.9.2013
Finance revenue	55	104
Finance expenses	(271)	(336)
Net profit/(loss) on derivatives	(61)	6
Profit (loss) from foreign currency transactions	(179)	23
Total	(456)	(203)

Finance revenue consists of:

(€thousand)	1.1 - 30.9.2014	1.1 - 30.9.2013
Interests received from banks	42	80
Interests and commercial discounts	1	5
Other financial income	12	19
Total	55	104

Finance expenses consist of:

(€thousand)	1.1 - 30.9.2014	1.1 - 30.9.2013
Interests paid on short-term loans from banks and leasing	(122)	(174)
Interests paid on medium-to-long-term loans from banks	(88)	(99)
Financial expenses on termination benefits	(30)	(33)
Other financial expenses	(31)	(30)
Total	(271)	(336)

Net profit (loss) on derivatives:

(€thousand)	1.1 - 30.9.2014	1.1 - 30.9.2013
Loss on derivatives due to fair value adjustment	(67)	-
Gain on derivatives due to fair value adjustment	6	6
Total	(61)	6

Loss from derivative financial instruments, 67 thousand euros, is related to the *fair value* evaluation of those forward contracts, signed to cover the risk of currency rate USD/EUR, when the *hedge accounting* is not applicable.

Gain from derivative financial instruments, 6 thousand euros, is related to the *fair value* evaluation of an *interest rate swap* contract and of two *interest rate cap* contracts signed by the parent company Fidia S.p.A. to cover the interest rate risk on three medium/long term loans.

Profit (loss) on foreign currency transactions consists of:

(€thousand)	1.1 - 30.9.2014	1.1 - 30.9.2013
Currency gain realised	79	63
Revenue from exchange rate adjustment	76	37
Profit on currency forward contract		5
Currency loss realised	(43)	(39)
Expenses from exchange rate adjustment	(268)	(38)
Loss on currency forward contract	(23)	(5)
Total	(179)	23

9. INCOME TAXES

As at 30 September the tax charge on the consolidated P/L is 335 thousand euros (248 thousand euros as at 30 September 2013).

The net balance of pre-paid tax assets and deferred tax liabilities arising for the individual consolidated companies is as follows:

(€thousand)	30 settembre 2014	31 dicembre 2013
Prepaid tax assets	947	832
Deferred tax liabilities	(66)	(73)
Total	881	759

10. EARNING PER SHARE

The calculation of the earnings per share is based on the following data:

		1.1 - 30.9.2014	1.1 - 30.9.2013
Net earnings pertaining to Group	euro/000	(790)	(2.448)
Earnings attributable to ordinary shares	euro/000	(790)	(2.448)
Number of ordinary shares outstanding	nr.	5.113.000	5.113.000
Basic earnings per share	euro	(0,15)	(0,48)
Diluted earnings per share	euro	(0,15)	(0,48)

There is no difference between the Earnings per share and Diluted earnings per share as Fidias S.p.A. does not hold any potentially dilutive financial instrument.

STATEMENT OF FINANCIAL POSITION

11. PROPERTY, PLANT AND EQUIPMENT

(€thousand)	Property	Plant, machinery and equipment	Other assets	Assets under development and advances	Total
Net book value at 31/12/2013	480	648	668	10	1.806
Additions	-	45	174	2.706	2.925
Reclassifications/transfers	-	10	-	(10)	-
Net value of disposals	-	(172)	-	-	(172)
Depreciation	(33)	(173)	(166)	-	(372)
(Impairment)/Recovery of value	-	54	-	-	54
Currency gain/(loss)	-	3	13	-	16
Net book value at 30/9/2014	447	415	689	2.706	4.257

Capital expenditure made in the first nine months of 2014 amounts to approximately 2.925 thousand euros. Work in progress, which represents the main figure of new capital expenditure, refers to a plot of land with adjoining industrial building under construction, that the parent company Fidia S.p.A. acquired, through lease, during the period. As it is not yet ready for use, this capital item has not yet been subject to depreciation.

At 30 September 2014 there are no assets encumbered by collateral or other constraints that may limit the full availability.

12. INTANGIBLE ASSETS

(€thousand)	Know-how	Licenses	Software	Assets under development	Total
Net book value at 31/12/2013	77	1	70	262	410
Increases	-	2	92	213	307
Reclassifications/transfers	-	100	162	(262)	-
Depreciation	(23)	(15)	(57)	-	(95)
Currency gain/(loss)	8	(1)	3	-	10
Net book value at 30/9/2014	62	87	270	213	632

The increases booked in "Licenses" and "Software" in the first nine months of the year are related to the introduction of the new Navision information system introduced for the management of the main administrative and operating processes that went into operation at the beginning of the current year. This implementation has also allowed improving R&D processes and the relative measurement of future costs and benefits of individual projects, in accordance with IAS 38 in terms of capitalization. Development costs incurred and capitalized in the first nine months of the year totalled 213 thousand euros and are booked under the "Work in progress"; it has not yet been depreciated as it is not yet completed and therefore the projects to which it relates have not yet begun to produce the related benefits.

All costs of research (both basic and applied) are instead charged to profit or loss in the year they are incurred

13. INVESTMENTS

This figure amounts to 16 thousand euros, unchanged compared to 31 December 2013. It is related to investments in associates companies measured with the equity method and to investments in other companies measured at cost.

14. OTHER NON-CURRENT RECEIVABLES AND ASSETS

The other non-current receivables and assets are detailed below:

(€thousand)	Balance 30/09/14	Balance 31/12/13
Receivables for EU contributions	60	50
Guarantee deposits	36	53
Trade receivables from customers	12	114
Receivables for foreign VAT	11	6
Withholding tax on foreign income	1.197	1.157
Tax receivables from Spanish tax authorities	76	94
Multi-year pre-paid expenses	28	5
Other non-current receivables	5	-
Total	1.425	1.479

15. INVENTORIES

(€thousand)	Balance 30/09/14	Balance 31/12/13
Raw materials	10.430	9.892
Provisions for raw materials depreciation	(1.735)	(1.512)
	8.695	8.380
Semi-finished products and work in progress	8.711	3.836
Finished products and goods	4.164	4.997
Provisions for depreciation finished products	(712)	(676)
	3.452	4.321
Advances	79	124
Ne value	20.937	16.661

The stock shows in the first nine months 2014 an overall increase by 4.276 thousand euros. The provision for depreciation whose value is 2.447 thousand euros (2.188 thousand euros as at 31 December 2013), is written to hedge the slow moving items; these events result, in particular, from the need to ensure customers that spare parts are available for servicing even beyond the period of ordinary marketability of the components.

16. TRADE RECEIVABLES

(€thousand)	Balance 30/09/2014	Balance 31/12/2013
Trade receivables from others	11.206	10.150
Bad debt provisions	(1.041)	(972)
Receivables from associates	-	-
Total	10.165	9.178

Trade receivables are higher than 31 December 2013; this change is mainly due to the different dynamics of revenue in the two periods being compared.

The bad debt provisions, amounting to 1.041 thousand euros (972 thousand euros at 31 December 2013) were allocated to cover the risk of default related to doubtful receivables and overdue receivables.

17. TAX RECEIVABLES AND OTHER CURRENT RECEIVABLES AND ASSETS

(€thousand)	Balance 30/09/14	Balance 31/12/13
VAT receivables	213	94
Receivables for income tax and IRAP	130	44
Receivables for short-term foreign VAT	-	8
Other tax receivables	32	18
Total non-current tax assets	375	164
Research contributions	470	715
Accrued income and pre-paid expenses	381	235
Receivables from employees	147	59
Advances from suppliers	368	154
Other	146	179
Total other current receivables	1.512	1.342
Total	1.887	1.506

18. OTHER CURRENT FINANCIAL ASSETS

This item, which amounted to 19 thousand euros at 31 December 2013, was equal to zero at 30 September 2014. At the end of last year this item included the positive fair value of some contracts for the forward sale of USD stipulated by Fidia S.p.A.; at 30 September 2014 the measurement at fair value is of the opposite sign and the related liability was recorded in "Other current financial liabilities" (see Note 25 of this report).

19. CASH AND CASH EQUIVALENTS

The overall amount of cash of the Group amounts to 7.637 thousand euros (8.493 thousand euros at 31 December 2013) and consists of temporary cash in bank deposits pending future use. Their value is aligned with the fair value at the date of this report.

Credit risk correlated with cash and cash equivalents is limited because the counterparts are leading Italian and international banks.

20. NET EQUITY

The consolidated net equity is 12.522 thousand euros and is down by 325 thousand euros in comparison with 31 December 2013, mainly for the combined effects described below:

- The loss of the period belonging to the Group and third parties (-968 thousand euros);
- the accounting of actuarial losses on post-employment benefits –so called TFR- (-39 thousand euros net of tax estimated to be about 15 thousand euros);
- the positive effect of exchange rate fluctuations on the translation of financial statements of subsidiaries denominated in currencies other than the EUR (+983 thousand euros);
- the evaluation at fair value of derivative instruments for hedging allocated to the cash flow hedge reserve (-204 thousand euros net of estimated tax of about 78 thousand euros);
- other sundry variation (-97 thousand euros).

At 30 September 2014 the fully paid share capital is unchanged compared to 31 December 2013 and it is represented by 5.123.000 ordinary shares with a nominal value of €1 each for a total amount of €5.123.000.

Own shares consisted of 10.000 ordinary shares issued by Fidia S.p.A. for a value of €45 thousand (unchanged compared to 31 December 2013).

21. OTHER NON-CURRENT PAYABLES AND LIABILITIES

This item, amounting to 137 thousand euros (394 thousand at 31 December 2013) is made up of 83 thousand euros from the advances of grants approved by the European Union and the Ministry of University and Research for research projects, 52 thousand euros for medium-term loans to staff of the French subsidiary Fidia Sarl and 2 thousand euros as long-term deferred income.

22. TERMINATION BENEFITS (TFR)

Termination benefits (TFR), amounting to 2.303 thousand euros as at 30 September 2014 and 2.263 thousand euros as at 31 December 2013, reflects the remaining obligation of Fidia S.p.A., the only Italian company of the Group, related to the allowance granted to employees and liquidated at the time of termination of the employment relationship. Under specific conditions, a part of it can be paid in advance to the employee during his working life. It is an unfunded defined benefit plan.

23. OTHER NON-CURRENT FINANCIAL LIABILITIES

This item amounting to 159 thousand euros (29 thousand euros at 31 December 2013), includes the fair value of an interest rate swap contract (19 thousand euros) and some forward

contracts for the sale of US Dollars (140 thousand euros). These contracts have been signed to cover respectively risks on interest rate variation on a medium long-loan granted to the parent company Fidia S.p.A., and risks on exchange rate eur-usd on some orders collected in this last currency.

24. CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

Financial liabilities amount to 7.843 thousand euros as per the following schedule.

(€thousand)	Balance 30/09/14	Balance 31/12/13
Overdrawn bank accounts and short-term advances	4.247	2.610
Accrued liabilities on loans	23	2
BNL M/L-term loan no. 1	314	626
BNL M/L-term loan no. 2	929	1.156
Loan - Banco Popolare	799	981
Short-term loan - MPS	-	696
Volkswagen Bank Germany (fin. lease)	73	70
Volkswagen Bank Spain (fin. lease)	10	13
Volkswagen Bank Italy (fin. lease)	64	-
Other financial debts	61	-
Mediocredito Italiano (fin lease)	1.323	-
Total	7.843	6.154

25. OTHER CURRENT FINANCIAL LIABILITIES

This item amounts to 213 thousand euros and includes the fair value of some contracts for the forward sale of USD entered into by the parent company Fidia S.p.A. to hedge the exchange rate risk on certain supplies denominated in that currency.

At 31 December 2013, this item amounted to €140 thousand, but related grants on funded research activities collected by Fidia S.p.A. as project leader and which will be the subject of redistribution between the partners participating in these programs.

26. TRADE PAYABLES

(€thousand)	Balance 30/09/14	Balance 31/12/13
Payables to other suppliers	11.318	8.407
Payables to associated companies	2	2
Total	11.320	8.409

Trade payables amount to 11.318 thousand at 30 September 2014, an increase of 2.911 thousand euros compared to 31 December 2013 due to higher purchase volumes.

27. TAX LIABILITIES AND OTHER CURRENT PAYABLES AND LIABILITIES

(€thousand)	Balance 30/09/14	Balance 31/12/13
Payables to employees	1.563	1.125
Social security payables	625	741
Down payments from customers	8.067	5.337
Advances for EU grants	-	-
Payables for compensation	137	69
Payables to State Fund, Cometa and other funds	62	100
Other sundry accrued expenses and deferred income	658	299
Payables for dividends	99	92
Sundry payables	146	288
Total other payables	11.357	8.051
Tax payables for withholding tax	169	346
Tax payables for income tax and IRAP	389	434
Tax payables for VAT	165	295
Other short-term tax payables	74	63
Total taxpayables	797	1.138
Total	12.154	9.189

28. PROVISIONS FOR RISKS AND EXPENSES

Short-term provisions amount to 1.186 thousand euros at 30 September (902 thousand euros as at 31 December 2013). This item includes:

- the product warranty provision (1.111 thousand euros) that represents the best estimate of the Group's contractual, legal or habitual commitments in the form of expenses associated with the warranties for its products for a given period of time from when they are sold to the end client;
- a tax risk provision (41 thousand euros) accrued to face a tax inspection related to the company Fidia do Brazil;
- a provision for litigation for 34 thousand euros.

29. COLLATERAL AND OTHER CONTINGENT LIABILITIES

Sureties issued on behalf of others

The sureties on the Group behalf to third parties amounted at 30 September 2014 to 3.885 thousand euros (1.962 thousand euros at 30 September 2013).

This item consists mainly of sureties to guarantee commercial transactions with foreign customers of the parent company for advances received for future supplies and the proper performance of contractual obligations during the warranty period.

Contingent liabilities

At 30 September 2014, Fidia Group, though exposed to various risks (product liability, legal and fiscal risks), is not aware of circumstances in addition to those already covered by specific provisions in the financial statements that might generate foreseeable contingent liabilities or contingent liabilities the amount of which may be estimated and therefore does not deem it necessary to make any further allocations.

30. DISCLOSURE BY LINE OF BUSINESS

Profit and Loss by line of business

The economic performance as at 30 September 2014 and 30 September 2013 broken down by business segment is shown below:

(€thousand)	Business segment							Total
1.1 - 30.9.2014	CNC	%	HSM	%	SERVICE	%	Non all.	
Revenues	2.557	60,3%	21.757	100,0%	8.592	100,0%	-	32.906
Cross-sector revenues	1.683	39,7%		0,0%	-	0,0%	-	
Total revenues	4.240	100,0%	21.757	100,0%	8.592	100,0%	-	32.906
Changes in inventories of finished goods and work in progress	(60)	-1,4%	4.050	18,6%	(206)	-2,4%	-	3.784
Other operating revenue	389	9,2%	216	1,0%	40	0,5%	330	975
Raw materials and consumables	(868)	-20,5%	(11.670)	-53,6%	(889)	-10,3%	(80)	(13.507)
Cross-sector expenses	(75)	-1,8%	(2.026)	-9,3%	380	4,4%	38	
Other operating expenses	(823)	-19,4%	(6.865)	-31,6%	(1.875)	-21,8%	(3.285)	(12.848)
Personnel expenses	(2.141)	-50,5%	(3.436)	-15,8%	(2.817)	-32,8%	(2.798)	(11.192)
Depreciation and amortization	(31)	-0,7%	(219)	-1,0%	(102)	-1,2%	(243)	(595)
Operating income from ord. business	631	14,9%	1.807	8,3%	3.123	36,3%	(6.038)	(477)

(€thousand)	Business segment							Total
1.1 - 30.9.2013	CNC	%	HSM	%	SERVICE	%	Non all.	
Revenues	1.742	50,7%	19.835	99,8%	7.849	100,0%	-	29.426
Cross-sector revenues	1.693	49,3%	38	0,2%	-	0,0%	-	
Total revenues	3.435	100,0%	19.873	100,0%	7.849	100,0%	-	29.426
Changes in inventories of finished goods and work in progress	(295)	-8,6%	1.606	8,1%	(42)	-0,5%	-	1.269
Other operating revenue	1.063	30,9%	470	2,4%	64	0,8%	230	1.827
Raw materials and consumables	(1.105)	-32,2%	(8.916)	-44,9%	(831)	-10,6%	(137)	(10.989)
Cross-sector expenses	(61)	-1,8%	(2.126)	-10,7%	416	5,3%	40	
Other operating expenses	(923)	-26,9%	(5.003)	-25,2%	(1.820)	-23,2%	(3.616)	(11.362)
Personnel expenses	(2.456)	-71,5%	(3.191)	-16,1%	(3.170)	-40,4%	(2.734)	(11.551)
Depreciation and amortization	(64)	-1,9%	(240)	-1,2%	(46)	-0,6%	(185)	(535)
Operating income from ord. business	(406)	-11,8%	2.473	12,4%	2.420	30,8%	(6.402)	(1.915)

The balance sheet as at 30 September 2014 and 31 December 2013 broken down by business segment is shown below:

As at 30 September 2014	CNC	HSM	SERVICE	Non allocable	Totale
(€thousand)					
Property, plant and equipment	22	3.123	27	1.084	4.256
Intangible assets	133	142	-	357	632
Investments	-	-	-	16	16
Other non-current financial assets	-	-	-	-	-
Other non-current receivables and assets	23	71	1	1.331	1.426
Pre-paid tax assets	-	-	-	947	947
Total non-current assets	178	3.336	28	3.735	7.277
Inventories	2.422	14.715	3.800	-	20.937
Trade receivables and other current receivables	821	7.620	1.900	1.336	11.677
Current tax receivables	-	-	-	375	375
Other current financial receivables	-	-	-	-	-
Cash and cash equivalents	-	-	-	7.637	7.637
Total current assets	3.243	22.335	5.700	9.348	40.626
Total assets	3.421	25.671	5.728	13.083	47.903
Other non-current payables and liabilities	51	60	22	4	137
Termination benefits	551	1.174	180	398	2.303
Deferred tax liabilities	-	-	-	66	66
Other non-current financial liabilities	-	-	-	159	159
Non-current financial liabilities	-	-	-	2.615	2.615
Total non-current liabilities	602	1.234	202	3.242	5.280
Current financial liabilities	-	-	-	5.228	5.228
Other current financial liabilities	-	-	-	213	213
Trade payables and other current payables	1.494	18.430	1.008	1.745	22.677
Current tax payables	-	-	-	797	797
Short-term provisions	110	954	72	50	1.186
Total current liabilities	1.604	19.384	1.080	8.033	30.101
Total liabilities	2.206	20.618	1.282	11.275	35.381
Equity	-	-	-	12.522	12.522
Total liabilities	2.206	20.618	1.282	23.797	47.903

As at 31 December 2013	CNC	HSM	SERVICE	Non allocable	Totale
(€thousand)					
Immobilii, impianti e macchinari	29	612	5	1.160	1.806
Immobilizzazioni immateriali	-	77	-	333	410
Partecipazioni	-	-	-	16	16
Altri crediti e attività non correnti	16	185	-	1.278	1.479
Attività per imposte anticipate	-	-	-	832	832
Totale attività non correnti	45	874	5	3.619	4.543
Rimanenze	2.395	10.353	3.913	-	16.661
Crediti commerciali e altri crediti correnti	1.394	6.669	2.057	400	10.520
Crediti per imposte correnti	-	-	-	164	164
Altre attività finanziarie correnti	-	-	-	19	19
Disponibilità liquide e mezzi equivalenti	-	-	-	8.493	8.493
Totale attività correnti	3.789	17.022	5.970	9.076	35.857
Totale attivo	3.834	17.896	5.975	12.695	40.400
Altri debiti e passività non correnti	203	156	32	3	394
Trattamento di fine rapporto	573	1.133	171	386	2.263
Passività per imposte differite	-	-	-	73	73
Altre passività finanziarie non correnti	-	-	-	29	29
Passività finanziarie non correnti	-	-	-	1.852	1.852
Totale passività non correnti	776	1.289	203	2.343	4.611
Passività finanziarie correnti	-	-	-	4.302	4.302
Altre passività finanziarie correnti	-	-	-	140	140
Debiti commerciali e altri debiti correnti	1.198	11.613	932	2.717	16.460
Debiti per imposte correnti	-	-	-	1.137	1.137
Fondi per rischi ed oneri	106	679	46	71	902
Totale passività correnti	1.304	12.292	978	8.367	22.941
Totale passività	2.080	13.581	1.181	10.710	27.552
Patrimonio netto	-	-	-	12.848	12.848
Totale passivo	2.080	13.581	1.181	23.558	40.400

31. CURRENCY RATE USED FOR THE CONSOLIDATION OF FOREIGN COMPANIES

The following table shows the exchange rates used to translate the values of companies outside of the euro area into euro:

Currency	1.1 – 30.9.2014		1.1 – 31.12.2013		1.1 – 30.9.2013	
	Average	As at 30.9.2014	Average	As at 31.12.2013	Average	As at 30.9.2013
US Dollar - USA	1,35538	1,25830	1,32812	1,37910	1,31717	1,35050
Real - Brazil	3,10428	3,08210	2,86866	3,25760	2,78978	3,04060
RMB - China	8,37594	7,72620	8,16463	8,34910	8,12404	8,26450
Rouble - Russia	48,0389	49,7653	42,3370	45,3246	41,6592	43,8240
Rupia - India	82,3002	77,8564	77,9300	85,3660	75,6926	84,8440

32. OTHER INFORMATION

The average number of staff in the first nine months 2014 is 321 heads (333 heads in the first nine months 2013).

33. NON-RECURRENT SIGNIFICANT EVENTS AND TRANSACTIONS

In the first nine months 2014 the Group did not undertake any significant non-recurring transactions as defined by Consob Communication of 28 July 2006.

34. POSITIONS OR TRANSACTIONS RESULTING FROM ATYPICAL AND/OR UNUSUAL OPERATIONS

In accordance with the CONSOB Communication dated 28 July 2006, it is hereby stated that no atypical and/or unusual transactions were undertaken during the first nine months 2014. As defined by said Communication, atypical and/or unusual transactions are those that, due to their significance, the nature of the counterparts, the object of the transaction, the methods of determination of the price of transfer, and timing (proximity to year-end) may give rise to doubts as to the accuracy/completeness of the information in the financial statements, conflicts of interest, the safeguarding of an entity's assets or the protection of minority shareholders.

35. RELATIONS WITH RELATED PARTIES

The Group is engaged in transaction with associated companies and other related parties on commercial terms that are normal in the respective markets considering the characteristics of the goods and services involved.

In particular, these relations regarded:

- professional services for consulting in research projects carried out by the associate Consorzio Prometec;
- commercial transaction with the company Shenyang Machine Tool Co. Ltd.;
- wages and salary paid to Mr. Paolo Morfino and Mr. Luca Morfino, both employed by Fidia S.p.A.;
- emoluments to the Board of Directors and to Statutory Auditors.

36. NET FINANCIAL POSITION

Pursuant to the Consob Communication issued on 28 July 2006 and according to the CESR recommendation dated 10 February 2005 for the consistent implementation of the European Commission's Regulation on Prospectuses, the net financial position of Fidia Group at 30 September 2014 is a debit and is detailed below:

(€thousand)		30.9.2014	31.12.2013
A	Cash	8	9
B	Bank deposits	7.629	8.484
C	Other cash	-	-
D	Liquidity (A+B+C)	7.637	8.493
E	Current financial receivables	-	-
F	Overdraft current accounts	4.364	3.341
G	Current part of long-term bank loans	864	961
H	Other current financial payables	-	140
I	Current financial debt (F+G+H)	5.228	4.442
J	Net current financial position (receivable)/payable (I-E-D)	(2.409)	(4.051)
K	Non-current bank payables	2.615	1.852
L	Bonds issued	-	-
M	Other non-current financial debt	-	-
N	Non-current financial debt (K+L+M)	2.615	1.852
O	Net financial position (receivable)/payable (J+N)	206	(2.199)

37. SUBSEQUENT EVENTS

No significant subsequent events happened after the closing of the Q3 2014.

San Mauro Torinese, 14 November 2014

On the behalf of the Board of Directors

The Chairman and Managing Director

Mr. Giuseppe Morfino

Pursuant to Art. 154-bis, paragraph 2 of the “Testo Unico della Finanza”, the Financial Reporting Officer (“dirigente preposto”) Eugenio Barone, declares that all the figures contained in the present quarterly report as at 30 September 2014 correspond to the company's records, books and accounting entries.