

Press release

Fidia S.p.A.: the BoD approves the Interim Financial Report as at September 30, 2013 and appoints the general manager

Stable revenues; Net Financial Position positive; strong increase of order entry

Main consolidated figures as at September 30, 2013

- **Net revenues:** 29,4 million euros (30,3 million euros as at September 30, 2012)
- **EBITDA:** -1,4 million euros (+0,9 million euros as at September 30, 2012)
- **Net Financial Position:** positive by 3,2 million euros (positive by 0,7 million euros as at December 31, 2012)
- **Order entry:** 36,1 million euros (32,3 million euros in the first nine months 2012)
- **Order back-log:** 28,3 million euros (21,7 million euros as at December 31, 2012)

Torino, November 14, 2013 - The Board of Directors of Fidia S.p.A., a leading Group in numerical control devices and integrated systems technologies for the calculation, scanning and cutting of complex shapes and listed on the Star (MTA) segment of the Italian Stock Exchange, has examined and approved today the interim financial report as at September 30, 2013.

In the first nine months of 2013 the Fidia Group has reported **consolidated revenues** for 29.426 thousand euros, slightly down in comparison with 30.347 thousand euros in the same 2012 period. The three divisions in which the Group operates have shown different trends. The **electronic sector (CNC)** has reported a strong revenues decrease in comparison with the same period of last year (revenues for 1.742 thousand euros vs 3.000 thousand euros as at September 30, 2012, a slowdown by 41,9%) confirming the negative trend already shown at the end of the 1st H 2013. In the **High Speed Milling Machine sector (HSM)** the revenues have been almost in line with the same period of last year (-1,2%; 19.835 thousand euros as at September 30, 2013; 20.066 thousand euros as at September 30, 2012). Finally, the **Service** sector has reported, in the 3rd Q too, a revenue increase, so that since the beginning of the year the turnover has been 7,8% higher than the same period 2012 (7.849 thousand euros as at September 30, 2013; 7.281 thousand euros as at September 30, 2012).

The **value of production** is down (from 35.437 thousand euros as at September 30, 2012 to 32.522 thousand euros as at September 30, 2013) mainly because of a lower change in WIP and finished products and because of a decrease of the other operating revenues.

The overall profitability in the first nine months of the year is down in comparison with September 30, 2012 mainly because of lower other operating revenues and a product mix more focused on

the mechanical products that physiologically have lower margin than the electronics and it is also affected by some non-recurring costs. So the **gross operating margin (EBITDA)** is negative by 1.380 thousand euros (+898 thousand euros as at September 30, 2012) and the **net operating margin (EBIT)** is negative by 2.215 thousand euros (+347 thousand euros as at September 30, 2012).

The **Net Financial Position** of the Group keeps on being positive (credit by 3.234 thousand euros) and improves in comparison with the end of last year (credit by 695 thousand euros as at December 31, 2012).

The **net consolidated result** is a loss by 2.666 thousand euros (2.448 thousand euros attributable to the Group and 218 thousand euros attributable to third parties) compared to a loss by 357 thousand euros (528 thousand euros attributable to the Group and a profit of 171 thousand euros attributable to third parties) at the end of the 3rd 2012.

Regardless of persistent uncertainties that still dominate the international markets, the **order entry**, in particular in the HSM sector, has provided highly satisfactory results. In fact in the 3rd Q 2013 new orders have been collected for approx. 13 million euros so that the total orders collection of the HSM sector since the beginning of the year has reached 25,7 million euros. This result appears very positive in particular when compared to the order entry of the full year 2012 that was approx. 23 million euros. In the month of October the commercial performance has been very good again with an orders acquisition higher than 4 million euros and new interesting prospects.

Unfortunately the results of this strong marketing activity will be appreciated in terms of revenues only in 2014 and will not significantly affect the turnover of the present fiscal year.

Conversely, the CNC sector keeps on being influenced by a stasis due to both the change of some products (phase out of old products and start up innovative ones) and the difficult moment of some machine tool builders that historically represent a significant part of the CNC demand.

The overall **order back-log** as at September 30, 2013 amounts to 28,3 million euros and so definitely better than the December 31, 2012 figure (21,7 million euros).

Despite these interesting perspectives, the 2013 fiscal year will be influenced by the unsatisfactory performance of the beginning of the year and by some cost due to the internal reorganization that have negatively affected the Group profitability. Nevertheless, considering also the business seasonality, by the end of the year an improvement of the economic performance is expected.

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In the today's meeting the BoD has also appointed Mr. Carlos Maidagan, who currently already holds executive positions in Fidia Co. (USA), Fidia Iberica SA (Spain) and Fidia GmbH (Germany), as General Manager of Fidia S.p.A.

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As provided for by law, the Interim Financial Report as at September 30, 2013 will be available within today to the Shareholders and to the general public at the Company's head office, and on the Company's internet site www.fidia.com at the following link:

http://www.fidia.it/investor_relations/download/borsa/bilanci/2013/2013_Relazione_3trim_it.pdf

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Pursuant to Art. 154-bis, paragraph 2 of the "Testo Unico della Finanza", the Financial Reporting Officer (the so called "dirigente preposto") Eugenio Barone, declares that all the figures contained in the present press release correspond to the company's records, books and accounting entries.

Fidia S.p.A., headquartered in S.Mauro Torinese (TO), is a world leader in the design, production and distribution of integrated systems for the realization of complex shapes used primarily for printing presses. With approx. 330 employees, *Fidia* is known as one of the few companies working in the three different technologies that allow for complete management of the splicing process, from post planning to the final product. In particular *Fidia* produces and distributes: numerical control devices for milling systems, high speed milling systems, CAM software for the cutting of complex shapes.

Fidia S.p.A. (Reuters FDA.MI – Bloomberg FDA IM) is listed on the STAR segment (MTA) of the Italian Stock Exchange and has a capitalization of approx. € 14 million.

News and additional information about the company can be found on the corporate website at www.fidia.com

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Fidia Group: consolidated financial statements as at 30.9.2013

Reclassified consolidated profit and loss statement (thousand euros)	1.1- 30.9.2013	%	1.1- 30.9.2012	%
Net revenues	29.426	100%	30.347	100%
Change in finished goods and W.I.P. stock	1.269	4,3%	2.587	8,5%
Other operating revenues	1.827	6,2%	2.503	8,2%
Value of production	32.522	110,5%	35.437	116,8%
Raw materials and consumables	(10.989)	-37,3%	(12.594)	-41,5%
Commissions, transport and subcontractors	(4.065)	-13,8%	(3.664)	-12,1%
Other services and operating costs	(7.297)	-24,8%	(6.854)	-22,6%
Added value	10.171	34,6%	12.325	40,6%
Personnel costs	(11.551)	-39,3%	(11.427)	-37,7%
Gross operating margin (EBITDA)	(1.380)	-4,7%	898	3,0%
Allocation to provision for doubtful accounts	(157)	-0,5%	(146)	-0,5%
Depreciation and amortization	(378)	-1,3%	(405)	-1,3%
Operating margin of the ordinary activity	(1.915)	-6,5%	347	1,1%
Non-recurring costs	(300)	-1,0%	-	-
Operating margin (EBIT)	(2.215)	-7,5%	347	1,1%
Net financial income (expenses)	(226)	-0,8%	(115)	-0,4%
Profit/(loss) on exchange rates	23	0,1%	30	0,1%
Margin before taxes (EBT)	(2.418)	-8,2%	262	0,9%
Income taxes (current and deferred)	(248)	-0,8%	(619)	-2,0%
Net income/(loss) for the accounting period	(2.666)	-9,1%	(357)	-1,2%
(Income)/Loss attributable to minority interest shareholders	218	0,7%	(171)	-0,6%
Income/(loss) attributable to the Group	(2.448)	-8,3%	(528)	-1,7%

Consolidated statement of comprehensive income (thousand euros)	1.1- 30.9.2013	1.1- 30.9.2012
Income/(loss) for the accounting period (A)	(2.666)	(357)
Other comprehensive income/(loss) that will be reclassified subsequently to profit and loss:		
Gains/(losses) on cash flow hedge	11	(9)
Gains/(losses) on exchange differences on translating foreign operations	(138)	3
Income tax related to components of Other comprehensive income/losses that will be reclassified subsequently to profit and loss	(3)	3
Total Other comprehensive income/(loss) that will be reclassified subsequently to profit and loss, net of tax effect (B1)	(130)	(3)
Other comprehensive income/(loss) that will not be reclassified subsequently to profit and loss:		
Actuarial gains/(losses) on employee benefit	(18)	(8)
Income tax related to components of Other comprehensive income/losses that will not be reclassified subsequently to profit and loss	5	2
Total Other comprehensive income/(loss) that will not be reclassified subsequently to profit and loss, net of tax effect (B2)	(13)	(6)
Total Other comprehensive income/(loss), net of tax effect (B)=(B1)+(B2)	(143)	(9)
Total comprehensive income/(loss) for the period (A)+(B)	(2.809)	(366)
Total comprehensive income/(loss) attributable to:		
Owners of the Parent	(2.581)	(544)
Non-controlling interests	(228)	178

Reclassified consolidated statement of financial position (thousand euros)	30.9.2013	31.12.2012
Property, plant and equipment	1.760	1.685
Intangible fixed assets	367	200
Investments	16	16
Other financial assets	2.166	2.105
Fixed assets – (A)	4.309	4.006
Net trade receivables	8.174	11.943
Inventory	19.624	19.910
Other current assets	1.554	1.324
Current assets – (B)	29.352	33.177
Supplier payables	(8.165)	(9.237)
Other current liabilities	(13.991)	(11.300)
Current liabilities – (C)	(22.156)	(20.537)
Net working capital (D) = (B+C)	7.196	12.640
Provision for employee severance indemnities (E)	(2.305)	(2.335)
Other long-term liabilities (F)	(573)	(168)
Net invested capital (G) = (A+D+E+F)	8.627	14.143
Financial position		
Financial assets available for sale	-	-
Bank deposits and cash	(10.531)	(10.379)
Short-term loans	5.062	6.902
Other current financial liabilities	182	-
Current financial position (credit)/debt	(5.287)	(3.477)
Long-term loans, net of current portion	2.053	2.782
Net financial position (credit)/debt (H)	(3.234)	(695)
Share capital	5.123	5.123
Reserves	6.700	6.948
Net income (loss) for the accounting period attributable to the Group	(2.448)	(45)
Total shareholders' equity attributable to the Group	9.375	12.026
Shareholders' equity attributable to minority interests	2.486	2.812
Shareholders' equity (I)	11.861	14.838
Shareholders' equity and net financial position (L) = (H+I)	8.627	14.143

Consolidated condensed cash flow statement (thousand euros)	1.1 - 30.9.2013	1.1 - 30.9.2012
A) Cash and cash equivalents at beginning of the accounting period	4.694	7.051
B) Cash from/(used in) operating activities during the accounting period	3.437	(1.359)
C) Cash from/(used in) investing activities	(595)	(212)
D) Cash from/(used in) financing activities	(906)	(584)
Currency translation differences	(122)	(6)
E) Net change in cash and cash equivalents	1.814	(2.161)
F) Cash and cash equivalents at end of the accounting period	6.508	4.890
Breakdown of cash and cash equivalents:		
Cash and cash equivalents	10.531	11.110
Overdrawn current accounts	(4.023)	(6.220)
	6.508	4.890