



FIDIA GROUP

CONSOLIDATED QUARTERLY REPORT AT 31 MARCH 2015

Fidia S.p.A.

Registered office in San Mauro Torinese, corso Lombardia, 11

Paid-in share capital € 5,123,000

Turin Companies Register

TIN 05787820017

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**Board of Directors
15 May 2015**

BOARD OF DIRECTORS AND BOARD OF STATUTORY AUDITORS

Board of Directors

Chairman and CEO	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 2016; appointed Managing Director by the Board of Directors on 29 April 2014.

(a) Appointed at the Shareholders' Meeting on 29 April 2014 until the approval of the financial statements for 2016; 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 2016.

(d) Appointed at the Shareholders' Meeting on 29 April 2014 until the approval of the financial statements for 2016; appointed Lead Independent Director by the Board of Directors on 29 April 2014.

(1) Member of the Internal Control and Risk 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, DEPUTY CHAIRMAN AND CEO

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

He is the company's legal representative in respect of third parties and the courts, with sole signing authority, to exercise the fullest powers of ordinary and extraordinary administration, with the power to appoint and to dismiss special proxy-holders for single operations or Groups of operations, with the sole exclusion of the powers and rights expressly reserved to the Board of Directors under the law or the company's Bylaws. The Board of Directors retains the following powers:

- purchase, disposal and conferment of equity investments;
- disposal, conferment and/or lease of the company or any units thereof;
- purchase of companies or units of companies;
- purchase and/or disposal of real estate and/or tangible rights and/or rights of way thereto;
- registration of mortgages on corporate property;
- definition of Company strategies connected with purchases/disposal of equity investments, business units and real estate.

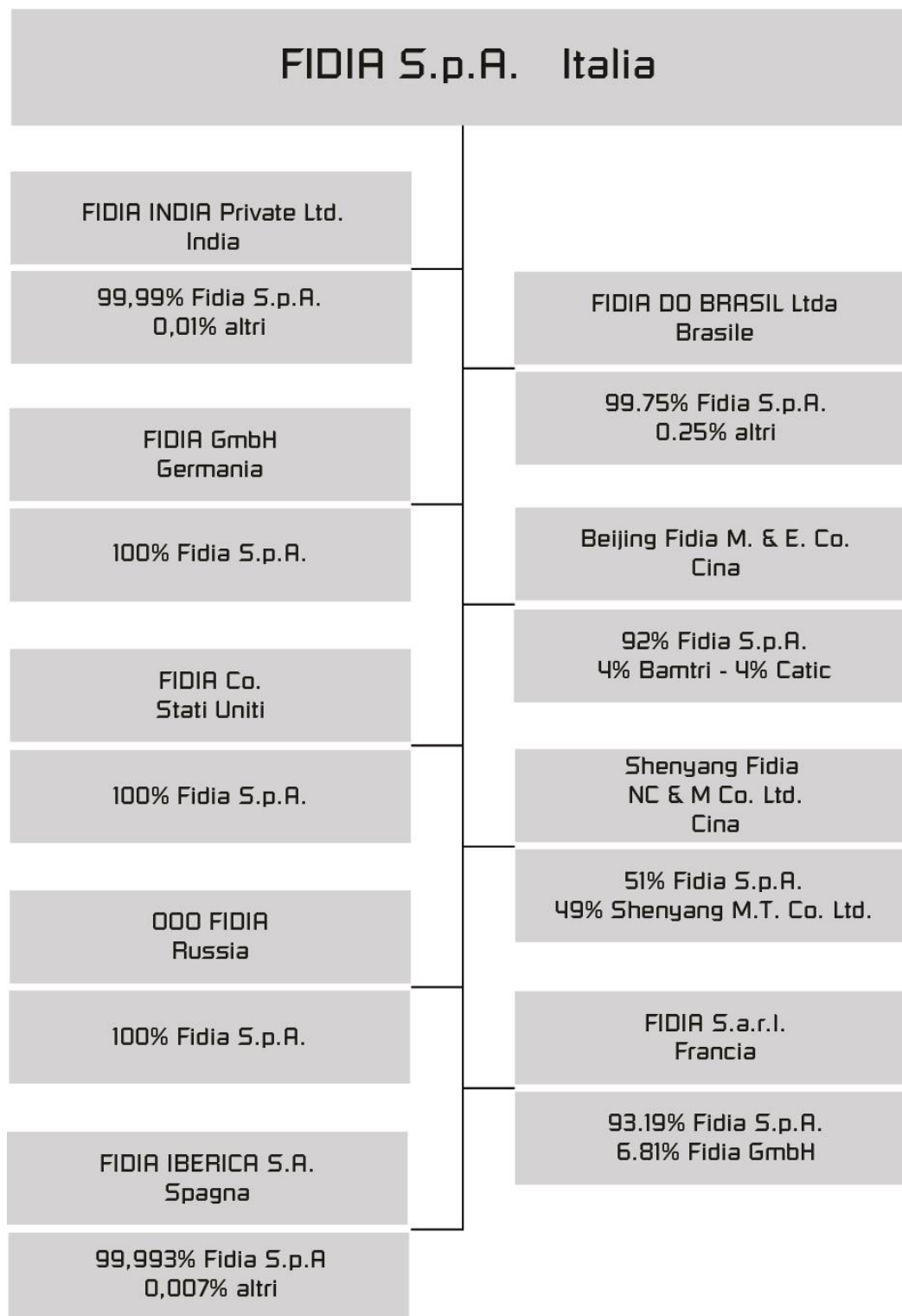
Deputy Chairman of the Board of Directors: Mr. Carlos Maidagan.

He is the company's legal representative in respect of third parties and the courts, with sole signing authority, to exercise the fullest powers of ordinary and extraordinary administration, with the power to appoint and to dismiss special proxy-holders for single operations or Groups of operations, with the sole exclusion of the powers and rights expressly reserved to the Board of Directors under the law or the company's Bylaws. The Board of Directors retains the following powers:

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- purchase of companies or units of companies;
- purchase and/or disposal of real estate and/or tangible rights and/or rights of way thereto;
- registration of mortgages on corporate property;
- definition of Company strategies connected with purchases/disposal of equity investments, business units and real estate.

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

STRUTTURA DEL GRUPPO FIDIA



FIDIA GROUP

RECLASSIFIED FINANCIAL STATEMENTS

AT 31 MARCH 2015

Reclassified consolidated income statement

(€ thousand)	Q1 2014	%	Q1 2014	%
Net revenue	6,528	50.2%	6,899	73.5%
Change in finished goods and WIP	5,904	45.4%	2,183	23.2%
Other operating revenue	560	4.3%	308	3.3%
Value of production	12,992	100.0%	9,390	100.0%
Raw materials and consumables	(5,572)	-42.9%	(3,456)	-36.8%
Commissions, transport and subcontractors	(1,912)	-14.7%	(1,218)	-13.0%
Other services and operating costs	(2,418)	-18.6%	(2,192)	-23.3%
Value added	3,090	23.8%	2,524	26.9%
Personnel costs	(4,602)	-35.4%	(3,868)	-41.2%
EBITDA	(1,512)	-11.6%	(1,344)	-14.3%
Bad debts provision	(84)	-0.6%	(42)	-0.4%
Depreciation and amortization	(156)	-1.2%	(158)	-1.7%
EBIT	(1,752)	-13.5%	(1,544)	-16.4%
Net finance expenses and revenue	(48)	-0.4%	(56)	-0.6%
Profit (loss) on exchange rates	(462)	-3.6%	74	0.8%
Earnings before tax (EBT)	(2,262)	-17.4%	(1,526)	-16.3%
Income taxes (current, prepaid and deferred)	67	0.5%	(22)	-0.2%
Net profit (loss) for the period	(2,195)	-16.9%	(1,548)	-16.5%
- (Profit)/Loss of NCIs	(132)	-1.0%	(35)	-0.4%
- Profit/(Loss) of Group	(2,063)	-15.9%	(1,513)	-16.1%

Reclassified consolidated statement of financial position

(€ thousand)	31/03/2015	31/12/2014	31/03/2014
Property, plant and equipment	4,182	4,261	1,806
Intangible fixed assets	783	694	547
Non-current financial assets	16	16	16
Other financial assets	3,037	2,653	2,283
Capital assets – (A)	8,018	7,624	4,652
Net trade receivables	10,894	11,384	9,052
Closing balances	26,773	18,718	19,485
Other current assets	1,911	1,457	1,749
Short-term (current) assets – (B)	39,578	31,559	30,286
Trade payables	(11,871)	(12,391)	(8,983)
Other current liabilities	(19,228)	(12,605)	(11,492)
Short-term (current) liabilities – (C)	(31,099)	(24,996)	(20,475)
Net working capital (D) = (B+C)	8,479	6,563	9,811
Termination benefits (E)	(2,461)	(2,446)	(2,255)
Other long-term liabilities (F)	(194)	(259)	(432)
Net invested capital (G) = (A+D+E+F)	13,840	11,482	11,776
Financial position			
Financial assets available for sale	-	-	-
Bank deposits and cash	(5,723)	(10,718)	(7,181)
Short-term loans	2,959	3,250	5,655
Other current financial payables	-	-	539
Short-term financial position	(2,764)	(7,468)	(987)
Long-term loans, net of current portion	2,274	2,437	1,677
Net financial position (receivable)/payable (H)	(490)	(5,031)	690
Share capital	5,123	5,123	5,123
Reserves	8,478	5,873	5,025
Net income (loss) for the accounting period attributable to the Group	(2,063)	2,894	(1,513)
Total shareholders' equity of Group	11,538	13,890	8,635
Shareholders' equity attributable to minority interests	2,792	2,623	2,451
Total shareholders' equity (I)	14,330	16,513	11,086
Shareholders' equity and net financial position (L) = (H+I)	13,840	11,482	11,776

ECONOMIC AND FINANCIAL RESULTS

Profit and loss

Revenues

In the first quarter of 2015, the Group recorded revenues of €6,528 thousand, compared to €6,899 thousand in the same period of 2014, a decrease of 5.4%.

The increase in revenues related to two sectors of the three in which the Group operates. The electronics division (CNC) recorded a 14.4% increase (€884 thousand in revenues compared to €773 thousand in the first quarter of 2014); the mechanical division (HSM) recorded a 16.5% decrease in revenues of €3,065 thousand (€3,672 thousand at 31 March 2014); finally, the Service division reported an 5.1% increase in revenues, reaching €2,579 thousand (€2,454 thousand in the corresponding period of the year before).

It should also be noted that, while the revenues of the after-sales service have a rather steady trend during the year, the revenues of products, both electronic and mechanical, do not have an equally linear trend and the first quarter historically accounts for a rather low part of total annual revenues.

Revenues by line of business are summarized in the table below:

(€ thousand)	Q1 2015	%	Q1 2014	%	% Chg
Numerical controls, drives and software	884	13.5%	773	11.2%	14.4%
High Speed Milling System	3,065	47.0%	3,672	53.2%	-16.5%
After-sales service	2,579	39.5%	2,454	35.6%	5.1%
Grand total	6,528	100%	6,899	100%	-5.4%

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

(€ thousand)	NUMERICAL CONTROLS AND SOFTWARE		NUMERICAL CONTROLS AND SOFTWARE		% Chg
GEOGRAPHICAL AREA	Q1 2015		Q1 2014	%	
ITALY	176	19.9%	221	28.6%	-20.4%
EUROPE	410	46.4%	454	58.7%	-9.7%
ASIA	70	8.0%	20	2.6%	250.0%
NORTH and SOUTH AMERICA	228	25.8%	77	10.0%	196.1%
REST OF THE WORLD	0	0%	1	0.1%	n/a
TOTAL	884	100%	773	100%	14.4%

(€ thousand)	HIGH-SPEED MILLING		HIGH-SPEED MILLING		% Chg
GEOGRAPHICAL AREA	SYSTEMS Q1 2015		SYSTEMS Q1 2014	%	
ITALY	173	5.6%	49	1.2%	253.1%
EUROPE	734	24.0%	2,433	50.0%	-69.8%
ASIA	1,298	42.3%	1,190	48.9%	9.1%
NORTH and SOUTH AMERICA	860	28.1%	-	-	n/a
REST OF THE WORLD	-	0%	-	-	-
TOTAL	3,065	100%	3,672	100%	-16.5%

(€ thousand)	AFTER-SALES SERVICE		AFTER-SALES SERVICE		% Chg
GEOGRAPHICAL AREA	SERVICE Q1 2015		SERVICE Q1 2014	%	
ITALY	407	15.8%	438	15.2%	-7.1%
EUROPE	870	33.7%	960	32.9%	-9.4%
ASIA	648	25.1%	322	16.3%	101.2%
NORTH and SOUTH AMERICA	655	25.4%	580	27.6%	12.9%
REST OF THE WORLD	0	0%	154	7.9%	n/a
TOTAL	2,579	100%	2,454	100%	5.1%

(€ thousand)	TOTAL REVENUES		TOTAL REVENUES		% Chg
GEOGRAPHICAL AREA	Q1 2015		Q1 2014	%	
ITALY	755	11.6%	708	14.3%	6.6%
EUROPE	2,014	30.9%	3,847	39.8%	-47.6%
ASIA	2,016	30.9%	1,532	23.7%	31.6%
NORTH and SOUTH AMERICA	1,742	26.7%	657	16.8%	165.1%
REST OF THE WORLD	0	0%	155	5.4%	n/a
TOTAL	6,528	100%	6,899	100%	-5.4%

Numerical Control and Software

The revenues of the electronic sector were up 14.4% YOY, reaching €884 thousand euro vs €773 thousand in the same period of last year.

The increase in revenues is mainly attributable to markets in Americas (€228 thousand at 31 March 2015; €77 thousand at 31 March 2014 with an increase of 196.1%). The Asian market is also growing (from €20 to €70 thousand, + 250.0%). Both the European market and the internal market decreased, even though they are still at significant levels (€410 thousand at 31 March 2015, the European market, versus €454 thousand at 31 March 2014 with a decrease of 9.7%); the Italian market is down 20.4% from €221 thousand at 31 March 2014 to €176 thousand at 31 March 2015.

High Speed Milling System

The revenues of the HSM sector are down YOY (-16.5%) and reached €3,065 thousand vs €3,672 thousand in the 1st quarter of 2014. The decrease in revenues is the consequence of a sharp decline in the European market, where revenues fell from €2,434 thousand in the first quarter of 2014 to €734 thousand in the first quarter of 2015. On the domestic market, there was a 256.1% increase, where revenues increased from €49 thousand at 31 March 2014 to €173 thousand at 31 March 2015. Good results were also achieved on the Asian market with revenues rising from €1,190 thousand to €1,298 thousand.

In the quarter under consideration, 5 milling machines have been installed and accepted by the final customers compared with 7 in the same period 2014.

After-sales service

The Service Division comprises the revenues resulting from after-sales technical service, the sale of spare parts and scheduled maintenance contracts. Also in the first quarter of 2015, the growth trend that has long characterized this business area was confirmed and revenues, amounting to €2,579 thousand, increased by 5.1% compared to €2,454 thousand in the first quarter of 2014.

From a geographical point of view, while there was a decline in both Italy (-7.1%) and other European countries (-9.4%), all the other markets in which the Group operates grew.

Sales and marketing activity

The following tables show the trend in order backlog and new orders in the two compared periods in the electronic sector (CNC) and the high speed milling machine sector (HSM).

With reference to the Service segment the commercial data (new orders and order backlog) will not be shown because they almost match with the revenues as the time to fulfill the intervention requests is very short.

(€ thousand)	NUMERICAL CONTROLS AND SOFTWARE Q1 2015	NUMERICAL CONTROLS AND SOFTWARE Q1 2014	% Chg
Order backlog at 1/1	1,068	939	13.8%
New orders	910	1,184	-23.1%
Revenues	(884)	(773)	14.4%
Order backlog at 31/3	1,094	1,350	-19.0%

(€ thousand)	HIGH-SPEED MILLING SYSTEMS Q1 2015	HIGH-SPEED MILLING SYSTEMS Q1 2014	% Chg
Order backlog at 1/1	30,473	26,276	16.0%
New orders	12,269	10,693	14.7%
Revenues	(3,065)	(3,672)	-16.5%
Order backlog at 31/3	39,677	33,297	19.2%

	TOTAL	TOTAL	
(€ thousand)	Q1 2015	Q1 2014	% Chg
Order backlog at 1/1	31,540	27,215	15.9%
New orders	13,180	11,877	110%
Revenues	(3,949)	(4,445)	-11.2%
Order backlog at 31/3	40,771	34,647	17.7%

The order backlog increased (+17.7%) YOY, but with a fall in the electronics sector (CNC), -19% and growth in the mechanical sector (HSM) +19.2%. This is the result of the good performance of new orders in the first quarter, which were significantly higher YOY.

New orders by business sector and geographic area are detailed in the tables below:

(€ thousand)	NUMERICAL CONTROLS AND SOFTWARE Q1 2015		NUMERICAL CONTROLS AND SOFTWARE Q1 2014		% Chg
GEOGRAPHICAL AREA					
ITALY	331	36.4%	152	12.8%	117.4%
EUROPE	350	38.5%	367	31.0%	-4.3%
ASIA	103	11.3%	457	38.6%	-77.4%
NORTH and SOUTH AMERICA	125	13.8%	207	17.5%	-39.5%
REST OF THE WORLD	0		1	0.1%	-100.0%
TOTAL	910	100%	1,184	100%	-23.1%

(€ thousand)	HIGH-SPEED MILLING SYSTEMS Q1 2015		HIGH-SPEED MILLING SYSTEMS Q1 2014		% Chg
GEOGRAPHICAL AREA					
ITALY	981	8.0%	27	0.3	3505.1%
EUROPE	4,740	38.6%	435	4.1%	988.7%
ASIA	3,860	31.5%	8,635	80.8%	-55.3%
NORTH and SOUTH AMERICA	2,689	21.9%	1,596	14.9%	68.5%
REST OF THE WORLD	-	0%	-	-	-
TOTAL	12,269	100%	10,693	100%	14.7%

(€ thousand) GEOGRAPHICAL AREA	TOTAL ORDERS Q1 2015		TOTAL ORDERS Q1 2014		% Chg
ITALY	1,312	10.0%	179	1.5%	632.9%
EUROPE	5,090	38.6%	802	6.8%	534.7%
ASIA	3,963	30.1%	9,092	76.6%	-56.4%
NORTH and SOUTH AMERICA	2,814	21.4%	1,803	15.2%	56.1%
REST OF THE WORLD	0	0%	1	0%	-100.0%
TOTAL	13,179	100%	11,877	100%	11.0%

Numerical Control and Software

New orders for the quarter in this line of business decreased by 23.1% YOY (€910 thousand compared to €1,184 thousand in the first quarter of 2014).

The increase in orders related to the Italian market (+117.4%), while they decreased on all other markets; in particular, there was a 4.3% decrease in Europe, a 77.4% decrease on Asian markets and a 39.5% decrease on the American market.

High Speed Milling System

The high-speed milling systems sector recorded an increase in orders (+14.7%) in the first quarter of 2015, reaching €12,270 thousand (compared to €10,693 thousand at the end of the first quarter of 2014), thus continuing the positive trend in progress since the second half of last year.

The geographical areas that contributed to this good result were the domestic market, Europe and the Americas, while there was a decline in Asian markets. In Italy, new contracts for €981 thousand were acquired at 31 March 2015 versus €27 thousand at 31 March 2014; in Europe, new orders amounted to €4,740 thousand versus €435 thousand at 31 March 2014 (+ 988.7%) and finally in the Americas, new contracts acquired amounted to €2,689 thousand versus €1,596 thousand at 31 March 2014 (+ 68.5%). In Asian markets, on the other hand, orders decreased by 55.3%, from €8,635 thousand at 31 March 2014 to €3,860 thousand at 31 March 2015.

The order backlog at 31 March 2015 per business sector and geographic area is detailed below:

(€ thousand) GEOGRAPHICAL AREA	NUMERICAL CONTROLS AND SOFTWARE 31/3/2015	%	NUMERICAL CONTROLS AND SOFTWARE 31/3/2014	%	% Chg
ITALY	269	24.6%	154	11.4%	74.2%
EUROPE	290	26.5%	263	19.5%	10.9%
ASIA	342	31.3%	719	53.3%	-52.4%
NORTH and SOUTH AMERICA	193	17.6%	214	15.9%	-10.1%
REST OF THE WORLD	0	0%	-	-	0%
TOTAL	1,094	100%	1,350	100%	-19.0%

(€ thousand) GEOGRAPHICAL AREA	HIGH-SPEED MILLING SYSTEMS 31/3/2015	%	HIGH-SPEED MILLING SYSTEMS 31/3/2014	%	% Chg
ITALY	2,728	6.9%	1,294	3.9%	110.9%
EUROPE	8,624	21.7%	2,357	7.1%	265.8%
ASIA	20,910	52.7%	23,621	70.9%	-11.5%
NORTH and SOUTH AMERICA	7,415	18.7%	6,025	18.1%	23.1%
REST OF THE WORLD	-	0%	-	-	%
TOTAL	39,677	100%	33,297	100%	19.2%

(€ thousand) GEOGRAPHICAL AREA	TOTAL BACKLOG 31/3/2015	%	TOTAL BACKLOG 31/3/2014	%	% Chg
ITALY	2,997	7.4%	1,448	4.2%	107.0%
EUROPE	8,914	21.9%	2,620	7.6%	240.3%
ASIA	21,253	52.1%	24,340	70.3%	-12.7%
NORTH and SOUTH AMERICA	7,608	18.7%	6,239	18.0%	21.9%
REST OF THE WORLD	0	0%	-	-	%
TOTAL	40,771	100%	34,647	100%	17.7%

Other operating revenue

The other operating revenues of the first quarter 2015 amounted to €560 thousand (€308 thousand in the same period of 2014). This figure includes the other revenues from ordinary activity, but that cannot be included in the typical sale of goods and services.

This item includes:

- research grants from the EU and Italian Ministry of University and Research (MUR) as part of the funded research activity carried out by the parent company Fidia S.p.A. (€96 thousand, €139 thousand at 31 March 2014);
- release of the warranty, bad debts and/or any accruals in excess of the risk to be covered (€169 thousand; €18 thousand at 31 March 2014);
- internal construction of tangible assets and the capitalization of product development costs (€108 thousand; €83 thousand at 31 March 2014);
- contingent assets, recovery of costs, income on disposal of property, plant and equipment and other sundry incomes (€187 thousand; €68 thousand in the same period of last year).

Value of production

The value of production, amounting to €12,992 thousand, increased YOY (+€3,602 thousand), thanks to the greater change in inventories of finished and semi-finished products and to growth of "other operating revenues," despite the decrease in revenues.

Other services and operating costs

This figure amounted in the first quarter of 2015 to €2,418 thousand, up compared to €2,192 thousand in the same period of 2014.

Value added

Value added amounted to €3,090 thousand, up from €2,524 thousand in the same period of 2014.

Personnel

The following tables show the workforce average trend and cost of labour.

	Q1 2015	Q1 2014	Abs. change	% Chg
Executives	6	9	-3	-33.3%
Clerks and supervisors	277	272	5	1.8%
Workers	44	41	3	7.3%
Total number of employees	327	322	5	1.5%
Total average number of employees	327	322.5	4.5	1.4%

	Q1 2015	Q1 2014	Abs. change	% Chg
Cost of labour (€ thousand)	4,602	3,868	734	19.0%

Cost of labour increased by €734 thousand, or about +19% YOY; this increase was due in part to the average increase in headcount, in line with the increase in production activity, partly due to the entry into force at the beginning of 2015 of the salary increase clause provided for in the national collective labour agreement for metalworkers (last tranche), and partly to non-recurring remuneration components paid in the quarter.

EBITDA

EBITDA was negative by €1,512 thousand, down from the negative result of €1,344 thousand in the same period of last year. The persistence of a gross operating loss is also due to a revenue level that does not allow the full absorption of structural costs.

EBIT

EBIT recorded a loss of €1,752 thousand, down from the loss of €1,544 thousand reported in the same period of last year.

Earnings before tax (EBT)

Overall, financial management made a negative contribution with net expenses of €510 thousand versus net financial income of €18 thousand at 31 March 2014. The worsening is mainly attributable to the exchange rate differences (€436 thousand) recorded by the subsidiary Fidia Beijing following the conversion of receivables in euros, given the revaluation of the Renminbi between 31 December 2014 and 31 March 2015 (approximately +13%).

In light of the contribution from financial management, the earning before tax is a loss of €2,262 thousand, versus a loss of €1,526 thousand in the same period of the previous year.

Net consolidated result

The net consolidated result was a loss of €2,195 thousand (€2,063 thousand attributable to the Group) compared to a loss of €1,548 thousand (of which €1,513 thousand attributable to the Group) in the first quarter of 2014.

Analysis of the financial data

Net financial position

(€ thousand)	31/03/2015	31/12/2014	31/03/2014
Financial assets available for sale	-	-	-
Bank deposits and cash	5,723	10,718	7,181
Short-term loans and advances	(2,959)	(3,250)	(5,655)
Other current financial payables			(539)
Short-term financial position (payable)/receivable	2,764	7,468	987
Long-term loans, net of current portion	(2,274)	(2,437)	(1,677)
Net financial position - (payables)/receivables	490	5,031	(690)

The detail of assets and liabilities inside the net financial position follows:

(€ thousand)	31/03/2015	31/12/2014	31/03/2014
FINANCIAL ASSETS AVAILABLE FOR SALE	-	-	-
BANK DEPOSITS AND CASH			
Fidia S.p.A.	1,141	4,763	3,143
Fidia Co.	765	1,244	524
Fidia GmbH	579	938	856
Fidia Iberica S.A.	580	542	473
Fidia S.a.r.l.	261	332	174
Beijing Fidia Machinery & Electronics Co., Ltd.	1,504	1,295	1,323
Fidia do Brasil Ltda.	76	113	23
Shenyang Fidia NC & M Co. Ltd.	817	1,490	664
OOO Fidia	-	-	-
Fidia India Private Ltd.	1	1	1

	5,723	10,718	7,181
TOTAL	5,723	10,718	7,181

(€ thousand)	31/03/2015	31/12/2014	31/03/2014
SHORT-TERM LOANS AND ADVANCES			
Fidia S.p.A.	(2,928)	(3,209)	(5,613)
Fidia GmbH	(28)	(38)	(39)
Fidia Co.		-	-
Fidia Iberica S.A.	(3)	(3)	(3)
TOTAL	(2,959)	(3,250)	(5,655)

(€ thousand)	31/03/2015	31/12/2014	31/03/2014
OTHER CURRENT FINANCIAL PAYABLES			
Fidia S.p.A.			(539)
TOTAL			(539)

(€ thousand)	31/03/2015	31/12/2014	31/03/2014
LONG-TERM LOANS, NET OF CURRENT PORTION			
Fidia S.p.A.	(2,244)	(2,406)	(1,616)
Fidia GmbH	(24)	(24)	(52)
Fidia Iberica S.A.	(6)	(7)	(9)
TOTAL	(2,274)	(2,437)	1,677

At 31 March 2015, the net financial position was positive at €490 thousand. The change with respect to 31 December 2014 is partly due to the loss accrued during the period and partly to the absorption of financial resources by the increase in working capital and in particular of inventories. The following table contains a summary of the cash flow statement at 31 March 2015 showing the statement of cash flows composing the net financial position.

CONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS

(€ thousand)	Q1 2015	Year 2014	Q1 2014
A) Cash and cash equivalents at beginning of period	9,039	5,883	5,883
B) Cash from/(used in) operating activities during the period	(6,257)	4,773	(2,402)
C) Cash from/(used in) investing activities	(127)	(3,308)	(287)
D) Cash from/(used in) financing activities	143	497	197
Currency translation differences	1,425	1,193	(144)
E) Net change in cash and cash equivalents	(4,816)	3,156	(2,636)
F) Cash and cash equivalents at end of period	4,223	9,039	3,247
Breakdown of cash and cash equivalents:			
Cash and cash equivalents	5,723	10,718	7,181

Bank overdraft	(1,500)	(1,679)	(3,934)
	4,223	9,039	3,247

Reconciliation between equity and net profit of the Parent Company and the Group

Pursuant to the Consob Communication of 28 July 2006, the reconciliation between the result for the first quarter of 2015 and the Group's shareholders' equity at 31 March 2015 (a share attributable to the Group) and the corresponding values of the parent company Fidia S.p.A. (values in thousands of euro) is shown below:

	Shareholders' Equity 31.12.2014	Changes S.E. 2015	Profit/(loss) 31.3.2015	Shareholders' Equity 31.3.2015
Financial Statements of Fidia S.p.A.	9,976	(1,734)	(893)	7,349
Consolidation adjustments:				
* Elimination of carrying value of equity investments	4,445	1,465	(694)	5,216
* Transactions between consolidated companies	(599)	(3)	(558)	(1,160)
* Tax effect on consolidation adjustments	53		48	101
* Other adjustments	21		34	55
* Exchange rate differences on infra-Group transactions	(7)	(17)		(24)
Consolidated Financial Statements (attributable to the Group)	13,889	(289)	(2,063)	(11,537)

SEGMENT REPORTING

Economic performance by business sector

The following table shows the consolidated results broken down into the three traditional sectors in which the Group operates (Numerical Controls - CNC -, High Speed Milling Systems - HSM -, and Service).

The last columns show those items that cannot be classified; these items are mainly general and administrative costs and costs for advertising, promotion and exhibitions for the companies operating in all business lines.

Cross-sector revenues consist of numerical controls, switchboards and components and electromechanical systems transferred by the electronics sector to the milling systems sector and of the milling heads manufactured by the milling systems sector and transferred to the electronics sector for sale.

CONSOLIDATED INCOME STATEMENT by business sector

(€ thousand)	2015	%	2015	%	2015	%	2015	2015
Revenues	884	93,9%	3.065	100,0%	2.579	100,0%	-	6.528
Cross-sector revenues	57	6,1%	-	0,0%	-	0,0%	-	
Total revenue	941	100,0%	3.065	100,0%	2.579	100,0%	-	6.528
Change in finished goods and WIP	43	4,6%	5.651	184,4%	210	8,1%	-	5.904
Raw materials and consumables	(462)	-49,1%	(4.880)	-159,2%	(202)	-7,8%	(28)	(5.572)
Cross-sector expenses	13	1,4%	(165)	-5,4%	81	3,1%	14	
Commissions, transport and subcontractors	(162)	-17,2%	(1.606)	-52,4%	(141)	-5,5%	3	(1.912)
Other operating revenue	154	16,4%	200	6,5%	24	0,9%	182	560
Other operating costs	(117)	-12,4%	(456)	-14,9%	(703)	-27,3%	(1.142)	(2.418)
Personnel costs	(814)	-86,5%	(1.511)	-49,3%	(1.250)	-48,5%	(1.027)	(4.602)
Depreciation and amortization	(9)	-1,0%	(76)	-2,5%	(71)	-2,8%	(84)	(240)
Operating profit	(413)	-43,9%	222	7,2%	527	20,4%	(2.088)	(1.752)

Quarterly data	CNC		HSM		SERVICE		N/A	TOTAL
(€ thousand)	2014	%	2014	%	2014	%	2014	2014
Revenues	773	74,3%	3.672	100,0%	2.454	100,0%	-	6.899
Cross-sector revenues	268	25,7%	-	0,0%	-	0,0%	-	
Total revenue	1.041	100,0%	3.672	100,0%	2.454	100,0%	-	6.899
Change in finished goods and WIP	91	8,7%	2.091	56,9%	1	0,0%	-	2.183
Raw materials and consumables	(440)	-42,3%	(2.758)	-75,1%	(230)	-9,4%	(28)	(3.456)
Cross-sector expenses	(18)	-1,7%	(292)	-8,0%	42	1,7%	-	
Commissions, transport and subcontractors	(116)	-11,1%	(1.013)	-27,6%	(88)	-3,6%	(1)	(1.218)
Other operating revenue	166	15,9%	64	1,7%	17	0,7%	61	308
Other operating costs	(126)	-12,1%	(549)	-15,0%	(485)	-19,8%	(1.032)	(2.192)
Personnel costs	(744)	-71,5%	(1.173)	-31,9%	(1.030)	-42,0%	(921)	(3.868)
Depreciation and amortization	(14)	-1,3%	(79)	-2,2%	(21)	-0,9%	(86)	(200)
Operating profit	(160)	-15,4%	(37)	-1,0%	660	26,9%	(2.007)	(1.544)

SUMMARY OF THE GROUP PERFORMANCE, SIGNIFICANT EVENTS AND BUSINESS OUTLOOK

The first quarter of 2015 was characterised by a significant increase in the value of production YOY (+38.4%), an increase that, as described in the first part of this report, affected all business sectors.

On the commercial front, new orders confirmed the positive trend already seen since the second half of last year. New orders were particularly satisfactory in the mechanical sector, where the increase in orders in the two periods under comparison was almost 15% higher.

Profitability continued to be negative due to a level of revenues which, in the quarter, did not yet allow full absorption of structural costs. Taking into account the historical seasonal nature of revenues, the presence of a very high order backlog (over €40.8 million) and negotiations in progress, the conditions are in place for a positive development of economic results in the coming quarters and for achieving, at the end of the period, higher revenues YOY.

On behalf of the Board of Directors

The Chairman and CEO

Mr. Giuseppe Morfino

FIDIA GROUP

Condensed consolidated financial statements

Consolidated Financial Statements

and

Notes

at 31 March 2015

CONSOLIDATED INCOME STATEMENT

(€ thousand)	Notes	1st Quarter 2015	1st Quarter 2014
- Net sales	1	6.528	6.899
- Other operating revenue	2	560	308
Total revenue		7.088	7.207
- Changes in inventories of finished goods and W.I.P.		5.904	2.183
- Raw materials and consumables	3	(5.573)	(3.456)
- Personnel costs	4	(4.602)	(3.868)
- Other operating costs	5	(4.329)	(3.410)
- Depreciation and amortization	6	(240)	(200)
Operating profit/(loss)		(1.752)	(1.544)
- Finance revenue (expenses)	7	(509)	18
Profit/(loss) before tax		(2.261)	(1.526)
- Income tax	8	66	(22)
Profit/(loss) for continuing operations		(2.195)	(1.548)
Profit/(loss) for discontinued operations		-	-
Profit (loss) for the period		(2.195)	(1.548)
Profit/(loss) attributable to:			
- Shareholders of parent company		(2.063)	(1.513)
- Non-controlling interests		(132)	(35)

(in EUR)

Earnings per ordinary share	9	(0,40)	(0,30)
Diluted earnings per ordinary share	9	(0,40)	(0,30)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€ thousand)	1st Quarter 2015	1st Quarter 2014
Profit (loss) for the period (A)	(2.195)	(1.548)
Other Comprehensive Profit/(Loss) that may subsequently be reclassified to profit or loss:		
Profit/(loss) on cash flow hedges	(652)	2
Profit(loss) on translation of financial statements of foreign companies	1.762	(210)
Tax effect pertaining to Other comprehensive profit/(loss) that may be reclassified in profit or loss	196	(1)
Total Other comprehensive profit/(loss) that may subsequently be reclassified in profit or loss, net of tax effect (B1)	1.306	(209)
Other comprehensive profit/(loss) that may not subsequently be reclassified to profit or loss:		
Net actuarial gains/(losses) on defined benefit plans	-	-
Tax effect pertaining to Other comprehensive profit/(loss) that may not subsequently be reclassified to profit or loss	-	-
Total Other comprehensive profit/(loss) that may not subsequently be reclassified in profit or loss, net of tax effect (B2)	0	0
Total Other comprehensive profit/(loss), net of tax effect (B)=(B1)+(B2)	1.306	(209)
Total comprehensive profit/(loss) for the period (A)+(B)	(889)	(1.757)
Total comprehensive profit/(loss) due to:		
Shareholders of the parent company	(1.057)	(1.662)
Non-controlling interests	168	(95)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€ thousand)	Notes	31 March 2015	31 December 2014
ASSETS			
NON-CURRENT ASSETS			
- Property, plant and equipment	10	4.182	4.261
- Intangible assets	11	783	693
- Investments	12	16	16
- Other non-current financial assets		-	-
- Other non-current receivables and assets	3	1.351	1.313
- Pre-paid tax assets	8	1.686	1.341
TOTAL NON-CURRENT ASSETS		8.018	7.624
CURRENT ASSETS			
- Inventories	14	26.773	18.719
- Trade receivables	15	10.894	11.384
- Current tax receivables	16	401	209
- Other current receivables and assets	16	1.510	1.248
- Other current financial receivables	17	-	-
- Cash and cash equivalents	18	5.723	10.718
TOTAL CURRENT ASSETS		45.301	42.278
TOTAL ASSETS		53.319	49.902
LIABILITIES			
LIABILITIES SHAREHOLDERS' EQUITY			
- Share capital and reserves attributable to shareholders of parent company		11.538	13.890
- Non-controlling interests		2.791	2.623
TOTAL CONSOLIDATED EQUITY	19	14.329	16.513
NON-CURRENT LIABILITIES			
- Other non-current payables and liabilities	20	84	130
- Termination benefits	21	2.463	2.461
- Deferred tax liabilities	8	98	99
- Other non-current financial liabilities	22	12	15
- Non-current financial liabilities	23	2.274	2.437
TOTAL NON-CURRENT LIABILITIES		4.931	5.142
CURRENT LIABILITIES			
- Current financial liabilities	23	2.959	3.250
- Other current financial liabilities	24	42	42
- Trade payables	25	11.871	12.391
- Current tax payables	26	1.252	1.843
- Other current payables and liabilities	26	16.793	9.469
- Provisions for risks and expenses	27	1.142	1.252
TOTAL CURRENT LIABILITIES		34.059	28.247
TOTAL LIABILITIES		53.319	49.902

CONSOLIDATED STATEMENT OF CASH FLOWS

(€ thousand)	1st Quarter 2015	1st Quarter 2014
A) Cash and cash equivalents at beginning of period	9.039	5.883
B) Cash from/(used in) operating activities during the period:		
- Result of Group and non-controlling interests	(2.063)	(1.548)
- Amortisation	156	158
- Net losses (gains) on disposal of tangible assets	4	(14)
- Net change in provisions for termination benefits	2	(7)
- Net change in provisions for risks and expenses	(110)	101
- Net change (assets) liabilities for (pre-paid) deferred taxes	(347)	31
- Dividends paid out	(1.278)	-
Net change in working capital:		
- receivables	(3)	(81)
- inventories	(8.054)	(2.824)
- payables	5.436	1.782
	(6.257)	(2.402)
C) Cash from/(used in) investing activities		
- Investing activities:		
property, plant and equipment	(25)	(137)
intangible fixed assets	(112)	(173)
- Profit on sale of:		
property, plant and equipment	10	23
non-current financial assets	-	-
	(127)	(287)
D) Cash from/(used in) financing activities		
- Change in loans	(274)	(146)
- Change in capital and reserves	(477)	(3)
- Net change in amounts due by other interests	168	(60)
- Net change in current and non-current financial assets and liabilities	726	406
	143	197
Currency translation differences	1.425	(144)
E) Net change in cash and cash equivalents	(4.816)	(2.636)
F) Cash and cash equivalents at reporting date	4.223	3.247
Breakdown of cash and cash equivalents:		
Cash and cash equivalents	5.723	7.181
Bank overdraft	(1.500)	(3.934)
	4.223	3.247

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

(€ thousand)	Share capital	Treasury shares	Capital reserves	Retained earnings	Cash flow hedge reserve	Translation reserve	Reserve for actuarial profit/loss	Other reserves	Total Group Shareholders' Equity	Other non-controlling interests	Total Shareholders' Equity
Balance at 31 December 2013	5.123	(45)	1.240	3.224	(6)	489	63	213	10.301	2.546	12.847
Total comprehensive profit/(loss)				(1.513)	1	(150)			(1.662)	(95)	(1.757)
Other changes				(4)					(4)	0	(4)
Balance at 31 March 2014	5.123	(45)	1.240	1.707	(5)	339	63	213	8.635	2.451	11.086
Balance at 31 December 2014	5.123	(45)	1.240	6.056	(344)	1.713	(66)	213	13.890	2.623	16.513
Dividend distribution				(1.278)					(1.278)		(1.278)
Total comprehensive profit/(loss)				(2.063)	(456)	1.465			(1.054)	168	(886)
Other changes				(20)					(20)		(20)
Balance at 31 March 2015	5.123	(45)	1.240	2.695	(800)	3.178	(66)	213	11.538	2.791	14.329

Notes

MAIN BUSINESS

Fidia S.p.A. is a company under Italian law. Fidia S.p.A. and its subsidiaries (“Group”) are active in over 20 countries.

Fidia S.p.A. is engaged in the manufacture of high speed milling machines, numerical control devices and the accessories, products, materials and components employed therein, including the associated software processes and the related activity of after-sale service.

Fidia GmbH is involved in marketing and selling of numerical controls and milling machines and supplies after-sale technical support for all the Group’s products in Germany, Austria, Netherlands, the Czech Republic and the German-speaking Cantons of Switzerland.

Fidia S.a.r.l. markets and sells numerical controls and milling systems and provides after-sale technical support for all the Group’s products in France and Belgium.

Fidia Iberica S.A. sells numerical controls and milling systems and supplies after-sales technical support for all the Group’s products in Spain, Portugal and Mexico.

OOO Fidias, a company set up to cover the Russian market, is currently partially operational.

Fidia do Brasil Ltda sells numerical controls and milling systems and supplies after-sales technical support for all the Group’s products in Brazil and neighbouring countries.

Beijing Fidias M&E Co. Ltd. (Fidia JVE) sells numerical controls and milling systems and supplies after-sales technical support for all of the Group’s products in the People’s Republic of China and neighbouring countries.

Shenyang Fidias NC & Machine Company Ltd.: this is a subsidiary, in which China’s largest machine tool manufacturer, Shenyang Machine Tool Company Ltd. (SMTCL) holds a significant interest (49%); this company manufactures and markets electronic components and high-speed milling systems.

Fidia India Private Ltd. carries commercial activity in India.

The Group headquarters are located in San Mauro Torinese (Turin), Italy.

The Consolidated Financial Statements of Fidias Group is presented in euro, which is the accounting currency of the Parent Company, Fidias S.p.A.

SIGNIFICANT ACCOUNTING STANDARDS

Accounting policies

This Quarterly Report at 31 March 2015 has been 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”).

These Quarterly Consolidated Financial Statements have been prepared in accordance with IAS 34 – Interim Financial Reporting, applying the same accounting standards used in the preparation of the Consolidated Financial Statements at 31 December 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 the interim financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change.

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.

Actuarial valuations necessary to determine the provisions for employee benefits are also normally carried out only when the half-yearly report and annual financial statements are prepared.

The Group business activity and the sales trend are subject to a seasonal cycle.

Income taxes have been calculated on the basis of the best estimate of the average tax rate expected for the entire year for each company included in the consolidation area.

Scope of consolidation

The scope of consolidation has not changed in the first quarter of 2015 in comparison to the Consolidated Financial Statements at 31 December 2014. The companies included in the scope of consolidation, compared with those resulting at the end of 2014 and at the end of the same period of last year, are listed below:

Name / Registered office	Currency	Share capital	Equity ownership at 31/3/2015	Equity ownership at 31/12/2014	Equity ownership at 31/3/2014
Fidia Gmbh, Dreieich - Germany	EUR	520,000	100%	100%	100%
Fidia Co, Troy - U.S.A.	USD	400,000	100%	100%	100%
Fidia Sarl, Emerainville – France	EUR	300,000	100%	100%	100%
Fidia Iberica S.A., Zamudio - Spain	EUR	180,300	99.993%	99.993%	99.993%
Fidia do Brasil Ltda, Sao Paulo - Brazil	Reals	400,843	99.75%	99.75%	99.75%
Beijing Fidias M&E Co Ltd., Beijing - China	USD	1,500,000	92%	92%	92%
Shenyang Fidias NC & Machine Company Ltd., Shenyang – China	Rmb	42,517,648	51%	51%	51%
OOO Fidias, Moscow, Russian Federation	Rouble	3,599,790	100%	100%	100%
Fidia India Private Ltd. - Pune - India	Rupee	100,000	99.99%	99.99%	99.99%

COMPOSITION AND MAIN CHANGES

INCOME STATEMENT

1. NET SALES

An analysis of net sales to third parties (net of intra-Group transactions) by business sector follows:

(€thousand)	1st Quarter 2015	%	1st Quarter 2014	%
Numerical controls, drives and software	884	13.5%	773	11.8%
High-speed milling systems	3,065	47.0%	3,672	56.3%
After-sales service	2,579	39.5%	2,454	37.6%
Total turnover	6,528	100.0%	6,899	100.0%

Group revenues decreased as a whole by 5.4% YOY. The decrease in the high-speed milling systems sector is partially offset by the increase in the remaining sectors.

2. OTHER OPERATING REVENUE

The other operating revenues of the first quarter 2015 amounted to €560 thousand (€308 thousand in the same period of 2014). This figure includes the other revenues from ordinary activity, but that cannot be included in the typical sale of goods and services.

This item includes:

- research grants from the EU and Italian Ministry of University and Research (MUR) as part of the funded research activity carried out by the parent company Fidia S.p.A. (€96 thousand, €139 thousand at 31 March 2014);
- release of the warranty, bad debts and/or any accruals in excess of the risk to be covered (€169 thousand; €18 thousand at 31 March 2014);
- internal construction of tangible assets and the capitalization of product development costs (€108 thousand; €83 thousand at 31 March 2014);
- contingent assets, recovery of costs, income on disposal of property, plant and equipment and other sundry incomes (€187 thousand; €68 thousand in the same period of last year).

3. RAW MATERIALS AND CONSUMABLES

In the first quarter of 2015, consumption of raw materials and consumables amounted to €5,573 thousand, up from €3,456 thousand in the first quarter of 2014 due to greater revenue recorded.

4. PERSONNEL EXPENSES

Personnel costs amounted to €4,602 thousand compared to €3,868 thousand in the same period of 2014, up €734 thousand, i.e., 19% YOY;

this increase was due in part to the average increase in headcount, in line with the increase in production activity, partly due to the entry into force at the beginning of 2015 of the salary increase clause provided for in the national collective labour agreement for metalworkers (last tranche), and partly to non-recurring remuneration components paid in the quarter.

5. OTHER OPERATING COSTS

Other operating costs amount to €4,330 thousand and are up compared to the same period of the previous year (€3,410 thousand), mainly due to the cost items linked to revenues; the trend is illustrated in detail below:

- cost for services related to the revenues (subcontractors, transport, duties and commissions): €1,912 thousand versus €1,218 thousand in the same period of 2014;
- production cost: €851 thousand versus €730 thousand in the same period of 2014;
- sales and marketing cost: €159 thousand versus €114 thousand in the same period of 2014;
- R&D expenses: €153 thousand versus €223 thousand in the same period 2014;
- overheads and administrative expenses: €1,255 thousand versus €1,125 thousand in the same period of 2014.

6. DEPRECIATION AND AMORTIZATION

(€thousand)	1st Quarter 2015	1st Quarter 2014
Amortization of intangible fixed assets	35	33
Amortization of property, plant and equipment	121	125
Bad debts	84	42
Total	240	200

7. FINANCE REVENUE AND EXPENSES

The financial income and expenses are detailed below:

(€thousand)	1st Quarter 2015	1st Quarter 2014
Interests received from banks	7	7
Interests and commercial discounts	1	-
Profit on derivatives	2	1
Other financial revenue	2	4
Interests paid on borrowings from banks	(11)	(24)
Interest expense on M/L-term loans from banks	(19)	(30)
Loss on derivatives	(15)	-
Other borrowing costs	(14)	(14)
Foreign exchange profit/(loss)	(462)	74
Balance financial revenue/(expenses)	(509)	18

The balance of the finance income and charges in the first quarter of 2015 was negative at €509 thousand (positive at €18 thousand at the end of first quarter of 2014). This result comprises:

- interest income and expense with the banking system, whose net balance (expenses of €23 thousand) shows a positive trend compared to the same period of the previous year (expenses of €47 thousand), essentially due to the improved average net financial position for the period;
- the fair value measurement of derivatives in place at the end of the quarter (forward contracts stipulated to reduce exposure to exchange rate risks, an interest rate swap contract and two interest rate cap contracts entered into to hedge the risk of changes in interest rates on medium/long-term loans stipulated by the parent company Fidia S. p. A.), which resulted in net expense of approximately €13 thousand (net earnings of approximately €1 thousand in the first quarter of 2014);
- foreign exchange gains and losses, both realised and measured, for a net negative balance of €462 thousand (net positive balance of €74 thousand at 31 March 2014);
- other financial income and charges, the net balance of which amounted to €-12 thousand (-€10 thousand at the end of the first quarter of 2014).

8. INCOME TAX

Taxes recognised in the consolidated income statement amounted to +€67 thousand (-€22 thousand at 31 March 2014) including deferred tax assets and liabilities.

The following table shows the balance of deferred tax assets and liabilities at 31 March 2015:

(€thousand)	31 March 2015	31 December 2014
Pre-paid tax assets	1,686	1,341
Deferred tax liabilities	(98)	(99)
Total	1,588	1,242

9. EARNING PER SHARE

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

		1st Quarter 2015	1st Quarter 2014
Net earnings pertaining to Group	€ thousand	(2,063)	(1,513)
Earnings attributable to ordinary shares	€ thousand	(2,063)	(1,513)
Number of circulating ordinary shares	number	5,113,000	5,113,000
Earnings per ordinary share	EUR	(0.40)	(0.30)
Diluted earnings per ordinary share	EUR	(0.40)	(0.30)

There was no difference between the earnings per share and diluted earnings per share, as Fidias S.p.A. does not have circulating financial instruments that can affect the earnings by share.

STATEMENT OF FINANCIAL POSITION

10. PROPERTY, PLANT AND EQUIPMENT

(€thousand)	Buildings	Total plant, machinery and	Other assets	Assets under development and advances	Total
Net carrying amount at 31/12/2014	436	251	849	2,725	4,261
Additions	-	1	13	12	26
Net value of divestments	-	(4)	(10)	-	(14)
Depreciation	(11)	(32)	(80)	-	(123)
Currency gain/(loss)	-	2	30	-	32
Net carrying amount at 31/3/2015	425	218	802	2,737	4,182

11. INTANGIBLE FIXED ASSETS

(€thousand)	Utilization rights for <i>know-how</i>	Licenses	Software	Assets under development and advances	Total
Net carrying amount at 31/12/2014	56	82	257	298	693
Increases	-	-	4	106	110
Decreases/transfers	-	-	-	-	0
Depreciation	(11)	(5)	(18)	-	(34)
Currency gain/(loss)	11	-	2	-	13
Closing net carrying amount at 31/3/2015	56	77	245	404	782

12. INVESTMENTS

This item, amounting to €16 thousand and unchanged compared to 31 December 2014, is made up of investments in associated companies valued at equity and investments in other companies valued at cost.

13. OTHER NON-CURRENT RECEIVABLES AND ASSETS

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

(€thousand)	Final 31 March 2015	Final 31 December 2014
Receivables for EU contributions to R&D	72	53
Security deposits	52	52
Trade receivables from customers	-	-
Receivables for foreign VAT	44	12
Withholding tax on foreign income	1,107	1,107
Tax receivables from Spanish tax authorities	62	62
Multi-year pre-paid expenses	14	27
Total	1,351	1,313

14. INVENTORY

(€thousand)	Final 31 March 2015	Final 31 December 2014
Raw materials	11,803	10,145
Provisions for raw materials depreciation	(1,617)	(1,591)
	10,186	8,554
Semi-finished products and work in progress	9,095	5,814
Finished products and goods for resale	7,847	4,656
Provisions for depreciation finished products	(496)	(475)
	7,351	4,181
Advances	141	170
Net value	26,773	18,719

Inventory in the first quarter of the year increased by €8,054 thousand; the increase affected all categories and in particular job orders in progress and finished products due to the high level of production sustained.

Inventory of finished products also include machinery already delivered to end customers and currently being installed and tested for approximately €3,170 thousand.

15. TRADE RECEIVABLES

(€thousand)	Final 31 March 2015	Final 31 December 2014
Trade receivables from others	11,767	12,188
Taxed supplementary	(873)	(804)
Receivables from associates	-	-
Total	10,894	11,384

Trade receivables are substantially in line with 31 December 2014, showing a change of €421 thousand.

16. TAX RECEIVABLES AND OTHER CURRENT RECEIVABLES AND ASSETS

(€thousand)	Final 31 March 2015	Final 31 December 2014
Receivables from tax authorities for VAT	336	143
Tax receivables for income tax and IRAP	28	12
Receivables for short-term foreign VAT	2	-
Others	36	55
Total current tax assets	402	210
Receivables for research grants	492	473
Accruals and prepayments	567	339
Receivables from staff	182	123
Advances from suppliers	205	210
Others	64	102
Total other current receivables	1,510	1,247
Total	1,912	1,457

17. OTHER CURRENT FINANCIAL ASSETS

This item is not shown in the schedule due to the general negative trend of fair value of the USD forward contracts entered into to mitigate the risk of exchange rate oscillations. The evaluation, as for other derivatives in place, has been performed according to the market parameters at the reporting date of the quarter.

18. CASH AND CASH EQUIVALENTS

The overall amount of cash of the Group amounted to €5,723 thousand (€10,718 thousand at 31 December 2014) and consisted mainly of temporary cash in bank deposits. These amounts are subject to a negligible risk of change in value.

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

19. SHAREHOLDERS' EQUITY

Consolidated shareholders' equity decreased by €2,184 thousand compared to 31 December 2014, from €16,513 thousand to €14,329 thousand.

The decrease is due to the loss for the period (-€2,063 thousand),

positive change in the translation reserve (+€1,465 thousand) and the portion approved for dividends (-€1,278 thousand), both deriving from the allocation of the profit for 2014,

significantly negative change of the cash flow hedge reserve (-€456 thousand, net of the theoretical tax effect);

other minor changes.

At 31 March 2015, the fully paid share capital is unchanged compared to 31 December 2014 and is represented by 5,123,000 ordinary shares with a nominal value of €1 each.

20. OTHER NON-CURRENT PAYABLES AND LIABILITIES

This item, which amounts to €84 thousand (€130 thousand at 31 December 2014) mainly consists of advances received from the European Union and the Italian Ministry of University and Research for grants approved for research projects and medium/long-term payables to personnel of the subsidiary Fidia Sarl.

21. EMPLOYEE SEVERANCE INDEMNITIES

Employee severance indemnities amounted to €2,463 thousand (€2,461 thousand at 31 December 2014) and reflect the indemnity accrued at the end of the period by employees of the parent company Fidia S.p.A.

22. OTHER NON-CURRENT FINANCIAL LIABILITIES

This item amounted to €12 thousand (€15 thousand at 31 December 2014) and consists of the fair value of an interest rate swap and two interest rate cap contracts signed in order to cover the risk on changes in interest payable on three medium/long-term loans (cash flow hedge).

23. CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

This figure amounts to €5,233 thousand as detailed below.

(€thousand)	Final 31 March 2015	Final 31 December 2014
Overdrawn bank accounts and short-term advances	1,500	1,679
Financial accruals and deferrals	21	22
Bank loans	2,258	2,499
Finance leases	104	121
Lease financing	1,350	1,366
Total	5,233	5,687

There are no liabilities longer than 5 years.

24. OTHER CURRENT FINANCIAL LIABILITIES

This item, which amounted to €42 thousand (€42 thousand at 31 December 2014), mainly refers to 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 in the coming months.

25. TRADE PAYABLES

(€thousand)	Final 31 March 2015	Final 31 December 2014
Payables to other suppliers	11,871	12,390
Payables to subsidiaries	2	2
Total trade payables	11,873	12,392

Trade payables, amounting to €11,873 thousand at 31 March 2015, are substantially in line with those at the end of the previous year.

26. TAX LIABILITIES AND OTHER CURRENT PAYABLES AND LIABILITIES

(€thousand)	Final 31 March 2015	Final 31 December 2014
Payables to personnel	1,855	1,215
Social security payables	691	782
Down payments from customers	9,924	5,860
Advances for EU grants	-	-
Payables for compensation	226	253
Payables to State Fund and other funds	59	108
Payables for dividends	1,436	140
Miscellaneous accruals and deferred income	1,165	456
Other payables to the SMTCL company	108	77
Miscellaneous payables	138	118
Total other payables	15,602	9,009
Withholding tax	236	346
Tax payables for income tax and IRAP	641	783
Tax payables for VAT	312	600
Other short-term tax payables	63	114
Total tax payables	1,252	1,843
Total	16,854	10,852

Advances from customers are represented by down payments received by clients and by the value of the milling systems already delivered, but not yet approved by the final customers.

27. PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges amounted to €1,142 thousand (€1,252 thousand at 31 December 2014). This item refers to

€1,094 thousand for the warranty provision, which represents the best estimate of the commitments undertaken by the Group by contract, by law or custom, in relation to charges related to the warranty on its products for a certain period starting from their sale to the end customer,

€36 thousand for the provision for tax disputes that comprises the estimate of liabilities resulting from a tax audit on the company Fidia do Brasil.

€12 thousand for the provision for legal risks set aside to cover possible liabilities deriving from pending litigation.

28. GUARANTEES GRANTED, OTHER COMMITMENTS AND CONTINGENT LIABILITIES

The total guarantees granted in the name of the Group to third parties amounted to €3,380 thousand (€2,135 thousand at 31 March 2014).

This item consists primarily of performance bonds for commercial transactions with foreign customers (€3,322 thousand) and of guarantees covering real estate leases (€58 thousand).

Contingent liabilities

At 31 March 2015, Fidia Group, although it is exposed to various risks (product liability, legal and fiscal risks), is not aware of circumstances that might generate foreseeable contingent liabilities or contingent liabilities the amount of which may be estimated and therefore does not believe it necessary to make any further allocations.

29. SEGMENT REPORTING

Income statement by business sector

Below follow the consolidated economic results broken down by sector at 31 March 2015 and 31 March 2014.

(€ thousand)	Sector							Total
1st Quarter 2015	CNC	%	HSM	%	SERVICE	%	N/A	
Revenues	884	100.0%	3,065	100.0%	2,579	100.0%		6,528
<i>Of which cross-sector revenues</i>		<i>0.0%</i>	<i>57</i>	<i>1.9%</i>		<i>0.0%</i>		<i>57</i>
Total revenue	884	100.0%	3,065	100.0%	2,579	100.0%	-	6,528
Changes in inventories of finished goods and work in progress	43	4.9%	5,651	184.4%	210	8.1%	-	5,904
Other operating revenue	154	17.4%	200	6.5%	24	0.9%	182	560
Raw materials and consumables	(462)	-52.3%	(4,880)	-159.2%	(202)	-7.8%	(28)	(5,572)
Cross-sector expenses	70	7.9%	(165)	-5.4%	81	3.1%	14	0
Other operating costs	(279)	-31.6%	(2,062)	-67.3%	(844)	-32.7%	(1,145)	(4,330)
Personnel expenses	(814)	-92.1%	(1,511)	-49.3%	(1,250)	-48.5%	(1,027)	(4,602)
Depreciation and amortization	(9)	-1.0%	(76)	-2.5%	(71)	-2.8%	(84)	(240)
Operating profit	(413)	-46.7%	222	7.2%	527	20.4%	(2,088)	(1,752)

(€ thousand)	Sector							Total
1st Quarter 2014	CNC	%	HSM	%	SERVICE	%	N/A	
Revenues	773	100.0%	3,672	100.0%	2,454	100.0%		6,899
<i>Of which cross-sector revenues</i>		<i>0.0%</i>	<i>268</i>	<i>7.3%</i>		<i>0.0%</i>		<i>268</i>
Total revenue	773	100.0%	3,672	100.0%	2,454	100.0%	-	6,899
Changes in inventories of finished goods and work in progress	91	11.8%	2,091	56.9%	1	0.0%	-	2,183
Other operating revenue	166	21.5%	64	1.7%	17	0.7%	61	308
Raw materials and consumables	(440)	-56.9%	(2,758)	-75.1%	(230)	-9.4%	(28)	(3,456)
Cross-sector expenses	250	32.3%	(292)	-8.0%	42	1.7%	-	0
Other operating costs	(242)	-31.3%	(1,562)	-42.5%	(573)	-23.3%	(1,033)	(3,410)
Personnel expenses	(744)	-96.2%	(1,173)	-31.9%	(1,030)	-42.0%	(921)	(3,868)
Depreciation and amortization	(14)	-1.8%	(79)	-2.2%	(21)	-0.9%	(86)	(200)
Operating profit	(160)	-20.7%	(37)	-1.0%	660	26.9%	(2,007)	(1,544)

Below follow the consolidated statements of financial position by business sector at 31 March 2015 and 31 December 2014.

At 31 March 2015	CNC	HSM	SERVICE	Non allocable	Total
(€thousand)					
Property, plant and equipment	17	3,084	37	1,044	4,182
Intangible fixed assets	257	203	-	322	782
Investments	-	-	-	16	16
Other non-current financial assets	-	-	-	-	-
Other non-current receivables and assets	34	63	1	1,253	1,351
Pre-paid tax assets	-	-	-	1,686	1,686
Total non-current assets	308	3,350	38	4,321	8,017
Inventory	2,486	19,231	5,056	-	26,773
Trade receivables and other current receivables	1,297	8,405	2,127	575	12,404
Current tax receivables	-	-	-	402	402
Other current financial receivables	-	-	-	-	-
Cash and cash equivalents	-	-	-	5,723	5,723
Total current assets	3,783	27,636	7,183	6,700	45,302
Total assets	4,091	30,986	7,221	11,021	53,319
Other non-current payables and liabilities	22	31	26	5	84
Employee severance indemnities	585	1,217	226	418	2,446
Deferred tax liabilities	-	-	-	98	98
Other non-current financial liabilities	-	-	-	12	12
Non-current financial liabilities	-	-	17	2,274	2,291
Total non-current liabilities	607	1,248	269	2,807	4,931
Current financial liabilities	-	-	-	2,959	2,959
Other current financial liabilities	-	-	-	1,231	1,231
Trade payables and other current payables	1,753	20,017	1,203	4,501	27,474
Current tax payables	-	-	-	1,252	1,252
Short-term provisions	103	888	38	114	1,143
Total current liabilities	1,856	20,905	1,241	10,057	34,059
Total liabilities	2,463	22,153	1,510	12,864	38,990
Shareholders' equity	-	-	-	14,329	14,329
Total liabilities	2,463	22,153	1,510	27,193	53,319

At 31 December 2014	CNC	HSM	SERVICE	Non allocable	Total
(€thousand)					
Property, plant and equipment	19	3,133	36	1,073	4,261
Intangible fixed assets	186	169	-	339	694
Investments	-	-	-	16	16
Other non-current receivables and assets	31	54	1	1,226	1,312
Pre-paid tax assets	-	-	-	1,341	1,341
Total non-current assets	236	3,356	37	3,995	7,624

Inventory	2,308	11,863	4,547	-	18,718
Trade receivables and other current receivables	1,263	8,844	2,149	375	12,631
Current tax receivables	-	-	-	210	210
Other current financial receivables	-	-	-	-	-
Cash and cash equivalents	-	-	-	10,718	10,718
Total current assets	3,571	20,707	6,696	11,303	42,277
Total assets	3,807	24,063	6,733	15,298	49,901
Other non-current payables and liabilities	59	46	21	4	130
Employee severance indemnities	585	1,217	226	418	2,446
Deferred tax liabilities	-	-	-	99	99
Other non-current financial liabilities	-	-	15	15	30
Non-current financial liabilities	-	-	-	2,437	2,437
Total non-current liabilities	644	1,263	262	2,973	5,142
Current financial liabilities	-	-	-	3,250	3,250
Other current financial liabilities	-	-	-	502	502
Trade payables and other current payables	1,717	15,720	1,026	2,937	21,400
Current tax payables	-	-	-	1,842	1,842
Provisions for risks and charges	83	1,069	49	51	1,252
Total current liabilities	1,800	16,789	1,075	8,582	28,246
Total liabilities	2,444	18,052	1,337	11,555	33,388
Shareholders' equity	-	-	-	16,513	16,513
Total liabilities	2,444	18,052	1,337	28,068	49,901

30. TRANSLATION OF FINANCIAL STATEMENTS 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	1st Quarter 2015		At 31 December 2014		1st Quarter 2014	
	Average	At 31 March	Average	At 31 March	Average	At 31 March
USD	1.12696	1.0759	1.3285	1.2141	1.36971	1.37880
Real (Brazil)	3.22043	3.4958	3.12113	3.2207	3.24018	3.12760
Renminbi (China)	7.0284	6.671	8.18575	7.5358	8.35872	8.57540
Rouble (Russia)	71.08673	62.44	50.9518	72.337	48.0778	48.7800
Rupee (India)	70.12945	67.2738	81.0406	76.719	84.5864	82.5784

31. OTHER INFORMATION

The average number of employees in the first quarter of 2015 was 327 people (322.5 in the first quarter of 2014).

32. SIGNIFICANT NON-RECURRING EVENTS AND TRANSACTIONS

In the first quarter of 2015, the Group did not undertake any significant non-recurring transactions as defined by Consob Communication of 28 July 2006.

33. POSITIONS OR TRANSACTIONS ARISING 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 Q1 2015. 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.

34. RELATED-PARTY TRANSACTIONS

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:

- supply relationships with the Shenyang Machine Tool Co. Ltd. Company, the local partner of Shenyang Fidia NC & Machine Company Ltd.;
- compensation for the employment of Mr. Luca Morfino, an employee of Fidia S.p.A., Mr. Carlos Maidagan, an employee of Fidia Iberica and Executive Vice President of Fidia Spa, and Mr. Giuseppe Morfino, Chairman and Chief Executive Officer of Fidia SpA.
- compensation to the Board of Directors and Board of Auditors.

35. 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 31 March 2015 is the following:

	(€thousand)	31 March 2015	31 December 2014
A	Cash	18	10
B	Bank deposits	5,705	10,708
C	Other cash	-	-
D	Liquidity (A+B+C)	5,723	10,718
E	Current financial receivables	-	-
F	Current bank payables	1,500	2,289
G	Current part of non-current debt	1,459	961
H	Other current financial payables	-	-
I	Current financial debt (F+G+H)	2,959	3,250
J	Net current financial position (receivables)/payables (I-E-D)	(2,764)	(7,468)
K	Non-current bank payables	2,274	2,437
L	Bonds issued	-	-
M	Other non-current financial payables	-	-
N	Non-current financial debt (K+L+M)	2,274	2,437
O	Net financial position (receivable)/payable (J+N)	(490)	(5,031)

36. SUBSEQUENT EVENTS

It should be noted that on 29 April 2015 the Ordinary Shareholders' Meeting approved the financial statements at 31 December 2014.

Pursuant to Art. 154-bis, paragraph 2 of the Consolidated Finance Act (Testo Unico della Finanza), the Financial Reporting Officer ("dirigente preposto") Luigi Azzolin, declares that all figures contained in the present interim report at 31 March 2015 correspond to the company's records, books and accounting entries.