



## **FIDIA GROUP**

### **CONSOLIDATED QUARTERLY REPORT**

**AT 30 SEPTEMBER 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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## **TABLE OF CONTENTS**

<b>3</b>	<b>Board of Directors and Auditors</b>
<b>5</b>	<b>Fidia Group Structure</b>
<b>6</b>	<b>Fidia Group – Reclassified Financial Statements</b>
<b>9</b>	<b>Group performance</b>
<b>16</b>	<b>Analysis of the financial data</b>
<b>18</b>	<b>Segment Reporting</b>
<b>20</b>	<b>Summary of performance, significant events and business outlook</b>
<b>21</b>	<b>Fidia Group - Consolidated Financial Statements and Notes</b>
<b>27</b>	<b>Fidia Group - Notes to the Financial Statements</b>

**Board of Directors  
13 November 2015**

## **BOARD OF DIRECTORS AND BOARD OF STATUTORY AUDITORS**

### **Board of Directors**

Chairman and CEO	Giuseppe Morfino (a)
Executive 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.

(b) 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
	Gian Piero Balducci
Alternate Auditors	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, MANAGING DIRECTOR AND DEPUTY CHAIRMAN**

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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.

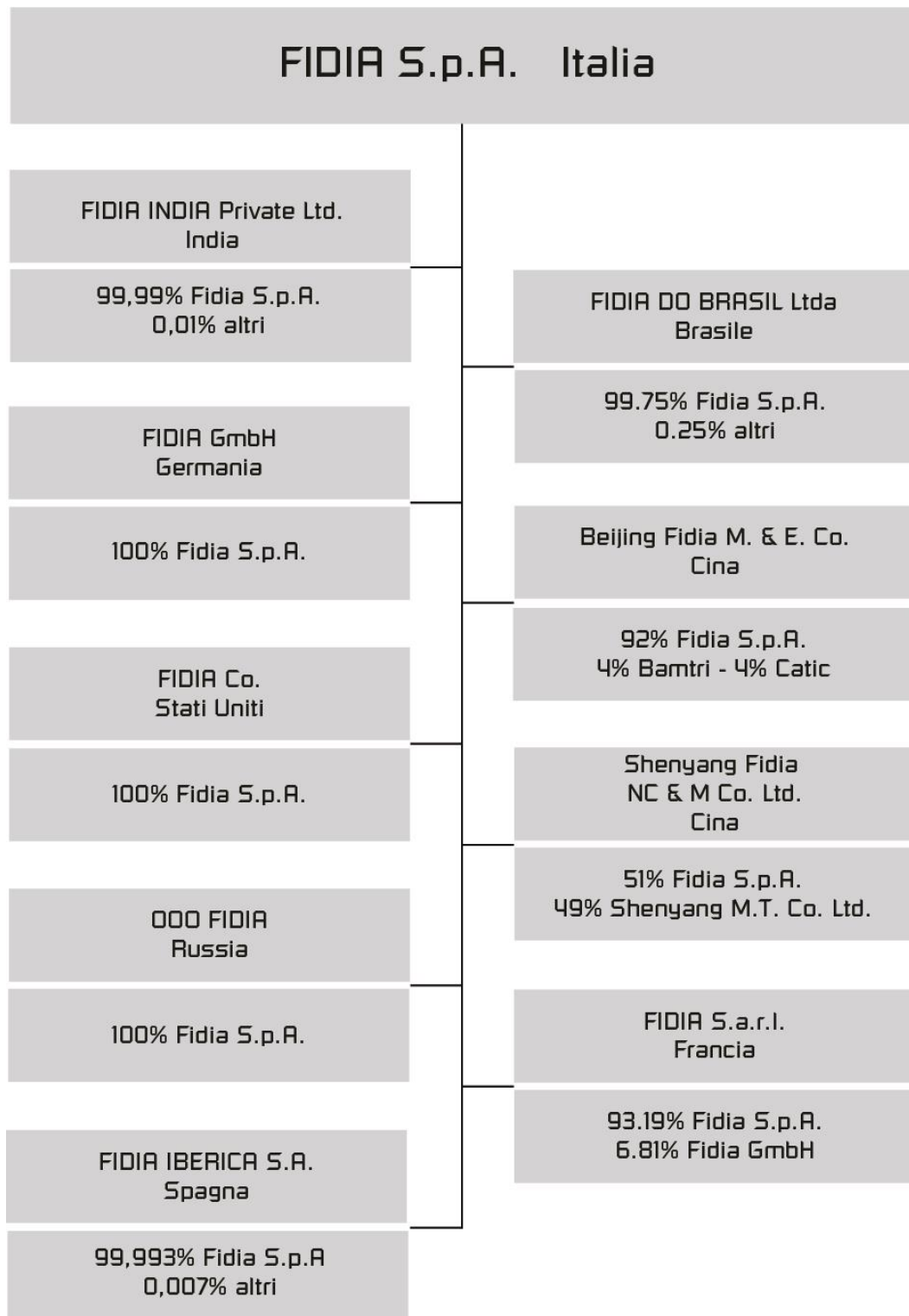
Deputy Chairman of the Board of Directors: Mr. Carlos Maidagan.

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 30 SEPTEMBER 2015**

## Reclassified consolidated income statement

(€ thousand)	Q3 2015	%	Q3 2014	%
<b>Net revenue</b>	<b>40,109</b>	<b>86.7%</b>	<b>32,906</b>	<b>87.4%</b>
Change in finished goods and WIP	4,607	10.0%	3,784	10.0%
Other operating revenue	1,560	3.4%	975	2.6%
<b>Value of production</b>	<b>46,276</b>	<b>100.0%</b>	<b>37,665</b>	<b>100.0%</b>
Raw materials and consumables	(16,294)	-35.2%	(13,507)	-35.9%
Commissions, transport and subcontractors	(6,280)	-13.6%	(5,508)	-14.6%
Other services and operating costs	(7,553)	-16.3%	(7,341)	-19.5%
<b>Value added</b>	<b>16,149</b>	<b>34.9%</b>	<b>11,309</b>	<b>30.0%</b>
Personnel costs	(12,543)	-27.1%	(11,192)	-29.7%
<b>EBITDA</b>	<b>3,606</b>	<b>7.8%</b>	<b>117</b>	<b>0.3%</b>
Bad debts provision	(640)	-1.4%	(127)	-0.3%
Depreciation/amortisation of fixed assets	(508)	-1.1%	(467)	-1.2%
<b>Operating profit from ordinary business</b>	<b>2,458</b>	<b>5.3%</b>	<b>(477)</b>	<b>-1.3%</b>
Non-recurring income/(expenses)	0	0.0%	300	0.8%
<b>EBIT</b>	<b>2,458</b>	<b>5.3%</b>	<b>(177)</b>	<b>-0.5%</b>
Net finance expenses and revenue	(185)	-0.4%	(277)	-0.7%
Profit (loss) on exchange rates	(432)	-0.9%	(179)	-0.5%
<b>Earnings before tax (EBT)</b>	<b>1,841</b>	<b>4.0%</b>	<b>(633)</b>	<b>-1.7%</b>
Income taxes (current, prepaid and deferred)	(808)	-1.7%	(335)	-0.9%
<b>Net profit (loss) for the period</b>	<b>1,033</b>	<b>2.2%</b>	<b>(968)</b>	<b>-2.6%</b>
- (Profit)/Loss of NCIs	(213)	-0.5%	(178)	-0.5%
<b>- Profit/(Loss) of Group</b>	<b>1,246</b>	<b>2.7%</b>	<b>(790)</b>	<b>-2.1%</b>

## Reclassified consolidated statement of financial position

(€ thousand)	30/9/2015	31/12/2014	30/9/2014
Property, plant and equipment	5,382	4,261	4,257
Intangible fixed assets	945	694	632
Non-current financial assets	16	16	16
Other financial assets	2,414	2,653	2,372
<b>Capital assets – (A)</b>	<b>8,757</b>	<b>7,624</b>	<b>7,277</b>
Net trade receivables	10,320	11,384	10,165
Closing balances	24,041	18,718	20,937
Other current assets	1,635	1,457	1,887
<b>Short-term (current) assets – (B)</b>	<b>35,996</b>	<b>31,559</b>	<b>32,989</b>
Trade payables	(11,990)	(12,391)	(11,320)
Other current liabilities	(13,871)	(12,103)	(13,553)
<b>Short-term (current) liabilities – (C)</b>	<b>(25,861)</b>	<b>(24,494)</b>	<b>(24,873)</b>
<b>Net working capital (D) = (B+C)</b>	<b>10,135</b>	<b>7,065</b>	<b>8,116</b>
Termination benefits (E)	(2,368)	(2,446)	(2,303)
Other long-term liabilities (F)	(777)	(244)	(362)
<b>Net invested capital (G) = (A+D+E+F)</b>	<b>15,747</b>	<b>11,999</b>	<b>12,728</b>
<b>Financial position</b>			
Financial assets available for sale			
Bank deposits and cash	(11,164)	(10,718)	(7,637)
Short-term loans	3,189	3,250	5,228
(Assets)/liabilities for current derivatives	414	502	-
Other current financial payables	587	-	-
<b>Short-term financial position (receivable)/payable</b>	<b>(6,974)</b>	<b>(6,966)</b>	<b>(2,409)</b>
Long-term loans, net of current portion	5,394	2,437	2,615
(Assets)/liabilities for long-term derivatives	8	15	-
<b>Net financial position (receivable)/payable (H)</b>	<b>(1,572)</b>	<b>(4,514)</b>	<b>206</b>
Share capital	5,123	5,123	5,123
Reserves	8,397	5,873	5,651
Net profit (loss) for the period	1,246	2,894	(790)
<b>Total shareholders' equity of Group</b>	<b>14,766</b>	<b>13,890</b>	<b>9,984</b>
Shareholders' equity attributable to minority interests	2,553	2,623	2,538
<b>Total shareholders' equity (I)</b>	<b>17,319</b>	<b>16,513</b>	<b>12,522</b>
<b>Shareholders' equity and net financial position (L) = (H+I)</b>	<b>15,747</b>	<b>11,999</b>	<b>12,728</b>



## GROUP FINANCIAL PERFORMANCE

### Revenues

Revenues in the first nine months of 2015 amounted to €40,109 thousand, up 21.9% compared to €32,906 thousand in the same period of the previous year.

All three sectors in which the Group operates have recorded positive changes compared to 30 September 2014. The electronics division (CNC) grew by 21.8% (€3,115 thousand compared to €2,557 thousand at 30 September 2014), consolidating the positive trend of the three previous quarters. In the high-speed milling systems (HSM) sector, revenues were up 26.1% (€27,427 thousand compared to €21,757 thousand at 30 September 2014). Finally, in the third quarter of 2015, the Service sector recorded an decrease in revenues (11.3% compared to the first nine months of 2014 (€9,566 thousand versus €8,592 thousand at 30 September 2014).

The revenues trend per business line is shown in detail in the table below:

(€ thousand)	Q3 2015	%	3 ° trim.2014	%	% Chg
Numerical controls, drives and software	3,115	7.8%	2,557	7.8%	21.8%
High Speed Milling System	27,427	68.4%	21,757	66.1%	26.1%
After-sales service	9,567	23.8%	8,592	26.1%	11.3%
<b>Grand total</b>	<b>40,109</b>	<b>100%</b>	<b>32,906</b>	<b>100%</b>	<b>21.9%</b>

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

(€ thousand)	NUMERICAL CONTROLS AND SOFTWARE 3 ° trim.2015	%	NUMERICAL CONTROLS AND SOFTWARE 3 ° trim.2014	%	% Chg
ITALY	537	17.2%	445	17.4%	20.7%
EUROPE	1334	42.8%	1154	45.1%	15.6%
ASIA	630	20.2%	634	24.8%	-0.7%
NORTH and SOUTH AMERICA	614	19.7%	324	12.7%	89.9%
REST OF THE WORLD	0	0.0%	1	0.0%	-100.0%
<b>TOTAL</b>	<b>3,115</b>	<b>100%</b>	<b>2,557</b>	<b>100%</b>	<b>21.8%</b>

(€ thousand)	HIGH-SPEED MILLING SYSTEMS 3 ° trim.2015	%	HIGH-SPEED MILLING SYSTEMS 3 ° trim.2014	%	% Chg
ITALY	2,877	10.5%	1,208	5.6%	138.2%
EUROPE	5,377	19.6%	4,749	21.8%	13.2%
ASIA	12,532	45.7%	10,312	47.4%	21.5%
NORTH and SOUTH AMERICA	6,641	24.2%	5,452	25.1%	21.8%
REST OF THE WORLD	0	0.0%	37	0.2%	-100.0%
<b>TOTAL</b>	<b>27,427</b>	<b>100%</b>	<b>21,757</b>	<b>100%</b>	<b>26.1%</b>

(€ thousand) AREA AREA	AFTER-SALES SERVICE 3 ° trim.2015	%	AFTER-SALES SERVICE 3 ° trim.2014	%	% Chg
ITALY	1,514	15.8%	1,449	16.9%	4.4%
EUROPE	3,287	34.4%	3,072	35.8%	7.0%
ASIA	2,410	25.2%	1,733	20.2%	39.0%
NORTH and SOUTH AMERICA	2,350	24.6%	2,182	25.4%	7.7%
REST OF THE WORLD	7	0.1%	155	1.8%	-95.7%
<b>TOTAL</b>	<b>9,567</b>	<b>100%</b>	<b>8,592</b>	<b>100%</b>	<b>11.3%</b>

(€ thousand) GEOGRAPHICAL AREA	TOTAL REVENUES 3 ° trim.2015	%	TOTAL REVENUES 3 ° trim.2014	%	% Chg
ITALY	4,927	12.3%	3,102	9.4%	58.8%
EUROPE	9,998	24.9%	8,975	27.3%	11.4%
ASIA	15,571	38.8%	12,679	38.5%	22.8%
NORTH and SOUTH AMERICA	9,606	23.9%	7,958	24.2%	20.7%
REST OF THE WORLD	7	0.0%	192	0.6%	-96.6%
<b>TOTAL</b>	<b>40,109</b>	<b>100%</b>	<b>32,906</b>	<b>100%</b>	<b>21.9%</b>

### ***Numerical Control and Software***

The revenues of the electronic segment (CNC) were up by 21.8% YOY, amounting to €3,115 thousand (€2,557 thousand at 30 September 2014).

Growth was recorded in all the main markets in which the Group operates, with the sole exception of the Asian market (slightly down from €634 thousand to €630 thousand or -0.7%).

### ***High Speed Milling System***

The revenues in the mechanical segment (HSM) were up by slightly more than 26% compared to the first nine months of 2014 at €27,427 thousand (€21,757 thousand at 30 September 2014).

In terms of markets, there was the expected general recovery in revenues;

In the third quarter of the year, the Asian area saw a significant increase in revenues compared to the first nine months of 2014 (€12,532 thousand at 30 September 2015 compared to €10,312 thousand at 30 September 2014, up by 21.5%).

The American market also confirmed the trend already seen at the end of the first half and revenues, above all thanks to the good performance in the United States, recorded an increase of 21.8% (€6,641 thousand vs. €5,452 thousand) compared to the first nine months of 2014.

Finally, Europe registered a change in trend compared to the half-year report, recording a significant increase in revenues, matched in this trend by Italy (+13.2%, from €4,749 thousand to €5,357 thousand and +138.2%, from €1,208 thousand to €2,877 thousand, respectively).

At 30 September 2015, 44 machines were accepted by end customers, versus 38 YOY.

### ***After-sales service***

In the first nine months, revenues in the Service division increased by 11.3% to €9,566 thousand compared with €8,592 thousand in the first nine months of 2014, thus consolidating the trend seen for several years.

Growth was rather strong in all the geographical areas in which the Group operates (+4.4% in Italy, +7.0% in the rest of Europe, +39% in Asia and +7.7% in the Americas), with the sole exception of the Rest of the World, which in any case continues to represent a non-significant part of total revenues.

## Sales and marketing activity

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

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 30/09/2015	NUMERICAL CONTROLS AND SOFTWARE 30/09/2014	Chg. %
Backlog orders at 01/01	1,068	938	13.8%
<b>New orders</b>	<b>2,805</b>	<b>2,798</b>	<b>0.3%</b>
Revenues	(3,115)	(2,557)	21.8%
<b>Order backlog at 30/09</b>	<b>757</b>	<b>1,179</b>	<b>-35.8%</b>

(€ thousand)	HIGH-SPEED MILLING SYSTEMS 30/09/2015	HIGH-SPEED MILLING SYSTEMS 30/09/2014	Chg. %
Backlog orders at 01/01	30,473	26,277	16.0%
<b>New orders</b>	<b>32,790</b>	<b>35,730</b>	<b>-8.2%</b>
Revenues	(27,427)	(21,757)	26.1%
<b>Order backlog at 30/09</b>	<b>35,852</b>	<b>40,250</b>	<b>-10.9%</b>

(€ thousand)	TOTAL 30/09/2015	TOTAL 30/09/2014	Chg. %
Backlog orders at 01/01	31,540	27,215	15.9%
<b>New orders</b>	<b>35,595</b>	<b>38,528</b>	<b>-7.6%</b>
Revenues	(30,542)	(24,314)	25.6%
<b>Order backlog at 30/09</b>	<b>36,609</b>	<b>41,428</b>	<b>-11.6%</b>

New orders by geographical region:

(€ thousand)	NUMERICAL CONTROLS AND SOFTWARE Q3 2015	%	NUMERICAL CONTROLS AND SOFTWARE Q3 2014	%	% Chg
GEOGRAPHICAL AREA					

ITALY	624	22.3%	310	11.1%	101.2%
EUROPE	1,233	44.0%	1,035	37.0%	19.1%
ASIA	339	12.1%	701	25.0%	-51.6%
NORTH and SOUTH AMERICA	609	21.7%	719	25.7%	-15.3%
REST OF THE WORLD	0	0.0%	33	1.2%	-100.0%
<b>TOTAL</b>	<b>2,805</b>	<b>100%</b>	<b>2,798</b>	<b>100%</b>	<b>0.2%</b>

(€ thousand) GEOGRAPHICAL AREA	HIGH-SPEED MILLING SYSTEMS Q3 2015	%	HIGH-SPEED MILLING SYSTEMS Q3 2014	%	% Chg
ITALY	2,015	6.1%	1,427	4.0%	41.2%
EUROPE	11,535	35.2%	6,735	18.8%	71.3%
ASIA	10,301	31.4%	21,200	59.3%	-51.4%
NORTH and SOUTH AMERICA	8,939	27.3%	6,369	17.8%	40.4%
REST OF THE WORLD	0	0.0%	0	0.0%	
<b>TOTAL</b>	<b>32,790</b>	<b>100%</b>	<b>35,730</b>	<b>100%</b>	<b>-8.2%</b>

(€ thousand) GEOGRAPHICAL AREA	TOTAL ORDERS Q3 2015	%	TOTAL ORDERS Q3 2014	%	% Chg
ITALY	2,639	7.4%	1,737	4.5%	51.9%
EUROPE	12,768	35.9%	7,770	20.2%	64.3%
ASIA	10,640	29.9%	21,900	56.8%	-51.4%
NORTH and SOUTH AMERICA	9,548	26.8%	7,087	18.4%	34.7%
REST OF THE WORLD	0	0.0%	33	0.1%	-100.0%
<b>TOTAL</b>	<b>35,595</b>	<b>100%</b>	<b>38,528</b>	<b>100%</b>	<b>-7.6%</b>

### ***Numerical Control and Software***

The trend in orders in the CNC sector was substantially stable (+0.2%) YOY.

This trend is the result of strong growth on the Italian market (+101.2%, with orders passed from €310 thousand at 30 September 2014 to €624 thousand at 30 September 2015) and on that of other European countries (+19.1%, with orders passed from €1,233 thousand at 30 September 2015, €1,035 thousand at 30 September 2014), while there was a decline in Asia (where new orders in the nine months were down by 51.6%) and in the Americas (-15.3%) compared to the same period of the previous year.

## High Speed Milling System

New orders in the high-speed milling systems sector recorded a decrease from the levels reached by the Group in the same period of 2014, though remaining at significant values. New orders amounted to €32,790 thousand in the period, 8.2% down YOY.

The main market was again Europe, which, though not including Italy, accounted for 35.2% of total orders in the first nine months of 2015, up 71.3% YOY (€11,535 thousand compared to €6,735 thousand);

Listed in order of importance on the total acquisitions in the first nine months of 2015, significant increases were also recorded in America (+40.4% from €6,369 thousand to €8,939 thousand, or 27.3% of current orders) and Italy (+71.3% from €1,427 thousand to €2,015 thousand, or 6.1% of current orders);

On the other hand, there was an opposite trend in Asia, led by China, which in the first nine months of this year recorded a decrease of 51.4% from €21,200 thousand to €10,301 thousand, equal to 31.4% of the current orders.

The distribution of the order backlog by geographical area at 30 September 2015 was as follows.

(€ thousand)	NUMERICAL CONTROLS AND SOFTWARE 30/9/2015		NUMERICAL CONTROLS AND SOFTWARE 30/9/2014		% Chg
GEOGRAPHICAL AREA		%		%	
ITALY	201	26.5%	88	7.5%	128.0%
EUROPE	270	35.7%	263	22.3%	2.7%
ASIA	0	0.0%	349	29.6%	-100.0%
NORTH and SOUTH AMERICA	286	37.8%	479	40.6%	-40.2%
REST OF THE WORLD	0	0.0%	0	0.0%	
<b>TOTAL</b>	<b>757</b>	<b>100%</b>	<b>1,179</b>	<b>100%</b>	<b>-35.8%</b>

(€ thousand)	HIGH-SPEED MILLING SYSTEMS 30/9/2015		HIGH-SPEED MILLING SYSTEMS 30/9/2014		% Chg
GEOGRAPHICAL AREA		%		%	
ITALY	1,059	3.0%	1,553	3.9%	-31.8%
EUROPE	10,793	30.1%	6,108	15.2%	76.7%
ASIA	16,117	45.0%	27,243	67.7%	-40.8%
NORTH and SOUTH AMERICA	7,883	22.0%	5,346	13.3%	47.5%
REST OF THE WORLD	0	0.0%	0	0.0%	-
<b>TOTAL</b>	<b>35,852</b>	<b>100%</b>	<b>40,250</b>	<b>100%</b>	<b>10.9%</b>

(€ thousand)	TOTAL BACKLOG 30/9/2015		TOTAL BACKLOG 30/9/2014		% Chg
GEOGRAPHICAL AREA		%		%	
ITALY	1,259	3.4%	1,641	4.0%	-23.3%
EUROPE	11,064	30.2%	6,372	15.4%	73.6%
ASIA	16,117	44.0%	27,591	66.6%	-41.6%
NORTH and SOUTH AMERICA	8,170	22.3%	5,825	14.1%	40.3%
REST OF THE WORLD	-	-	-	-	-
<b>TOTAL</b>	<b>36,609</b>	<b>100%</b>	<b>41,428</b>	<b>100%</b>	<b>-11.6%</b>

The order backlog at 30 September 2015, which amounted to €36,609 thousand, was 11.6% lower than at 30 September 2014.

The decrease is mainly due to turnover in the first nine months of 2015, which is at its highest ever level (€30,542 thousand compared to €24,314 thousand, +25.6% compared to the same period of 2014), partially mitigated by a slight decline in new orders (-7.6% compared to the same period of 2014), in addition to the better backlog with which the year began.

### **Other operating revenue**

Other operating revenue in first nine of 2015 were equal to €1,560 thousand (€975 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. (€314 thousand, €346 thousand at 30 September 2014);
- increases in tangible assets built on a time and materials basis and the capitalization of product development costs (€540 thousand versus €232 thousand at 30 September 2014);
- release of the warranty, bad debts and/or any accruals in excess of the risk to be covered (€204 thousand versus €40 thousand at 30 September 2014);
- capital gains from transfers (€34 thousand at 30 September 2015; €17 thousand at 30 September 2014);
- contingent assets, damages from insurance companies, recovery of costs incurred and others (€468 thousand at 30 September 2015; €340 thousand at 30 September 2014).

### **Value of production**

In the first nine months of the current period, this item amounted to €46,276 thousand, up from €37,665 thousand in the same period of 2014 (+€8,611 thousand). The increase is mainly due to the realisation of greater revenues on sales and, to a lesser extent, to the change in stocks of finished products and the increase in "Other operating revenues."

### **Other services and operating costs**

In the first nine months of 2014, this figure amounted to €7,341 thousand, in line with €7,297 thousand in the same period of 2013 (+€44 thousand).

### **Value added**

At 30 September 2015, it amounted to €16,149 thousand (34.9% of the value of production), up from €11,309 thousand (30.0% on the value of production) in the same period of the previous year; the increase is above all a result of the greater value of production associated with a containment of costs deriving from it.

## Personnel

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

	30/9/2015	30/9/2014	Abs. change	% Chg
Executives	7	8	-1	-12.5%
Clerks and supervisors	280	271	9	3.3%
Workers	49	40	9	22.5%
Total number of employees	336	319	17	5.3%
Total mean No. of employees	330.5	318	12.5	3.9%

	Q3 2015	Q3 2014	Abs. change	% Chg
Cost of labour (€ thousand)	12,543	11,192	1,351	12.07%

Compared with the first nine months of 2015 and 2014, costs of personnel increased by €1,351 thousand, or 12.1%. Given the increase in turnover, the incidence of labour costs on revenues went from 29.7% at 30 September 2014 to 27.1% at 30 September 2015.

## EBITDA

EBITDA was positive and amounted to €3,606 thousand (+7.8% of the value of production) and was therefore down better than the same period of the previous year, when the Group posted EBITDA of €117 thousand.

## Operating profit from ordinary business

Operating income from ordinary business at 30 September 2015 recorded a profit of €2,458 thousand. This indicator also shows a strong improvement compared to the loss of €477 thousand recorded at 30 September 2014.

## Non-recurring revenue

In the first nine months of 2015, there were no non-recurring revenue or expenses.

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

In the first nine months of 2014, the insurance company recognized the merits of the claim and settled it.

## EBIT

As a result of the absence of non-recurring items, EBIT at 30 September 2015 coincided with the operating profit from ordinary business and was positive at €2,458 thousand; EBIT at 30 September 2014 was negative at €177 thousand despite the non-recurring income mentioned above.

## Finance expenses and revenue and net exchange rate differences

Net finance expense decreased YOY (net expense of €185 thousand at 30 September 2015 compared to €277 thousand at 30 September 2014) due to the fair value measurement of some forward hedging contracts for which the conditions for hedge accounting are not met.

Net differences in exchange rates, either realized or resulting from measurement in the financial statements, generated net loss in the amount of €432 thousand versus a net loss of €179 thousand at 30 September 2014.

## Earnings before tax (EBT)

EBT was a gain of €1,841 thousand, versus a loss of €633 thousand in the same period of the previous year.

## Profit (loss) of Group

Group profit for the year after tax of €808 thousand and after losses of NCIs (€213 thousand) amounted to €1,246 thousand versus a loss of €790 thousand in the first nine months of 2014.

## ANALYSIS OF THE FINANCIAL DATA

### Net financial position

(€ thousand)	30/9/2015	31/12/2014	30/9/2014
<b>Financial position</b>			
Financial assets available for sale	-	-	-
Bank deposits and cash	11,164	10,718	7,637
Overdrawn bank accounts and short-term advances	(621)	(1,679)	(4,247)
SHORT-term LOANS	(2,568)	(1,571)	(981)
(Assets)/liabilities for current derivatives	(414)	(502)	
Other current financial payables	(587)	-	
<b>Short-term financial position - receivables/(payables)</b>	<b>6,974</b>	<b>6,966</b>	<b>2,409</b>
Long-term loans, net of current portion	(5,394)	(2,437)	(2,615)
(Assets)/liabilities for long-term derivatives	(8)	(15)	
<b>Net financial position - receivables/(payables)</b>	<b>1,572</b>	<b>4,514</b>	<b>(206)</b>

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

(€ thousand)	30/9/2015	31/12/2014	30/9/2014
<b>Financial assets available for sale</b>	-	-	-
<b>Bank deposits and cash</b>			
Fidia S.p.A.	5,994	4,763	3,235
Fidia Co.	1,944	1,244	494
Fidia GmbH	844	938	755
Fidia Iberica S.A.	551	542	392
Fidia S.a.r.l.	362	332	188
Beijing Fidias Machinery & Electronics Co., Ltd	953	1,295	1,919
Fidia do Brasil Ltda.	23	113	28
Shenyang Fidias NC & M Co., Ltd	491	1,490	624
OOO Fidias	-	-	-
Fidia India Private Ltd.	2	1	2
	<b>11,164</b>	<b>10,718</b>	<b>7,637</b>
<b>Total cash and cash equivalents</b>	<b>11,164</b>	<b>10,718</b>	<b>7,637</b>
(€ thousand)	30/9/2015	31/12/2014	30/9/2014



<b>Short-term loans and advances</b>			
Fidia S.p.A.	(3,113)	(3,209)	(5,186)
Fidia GmbH	(73)	(38)	(39)
Fidia Iberica S.A.	(3)	(3)	(3)
	<b>(3,189)</b>	<b>(3,250)</b>	<b>(5,228)</b>
<b>(Assets)/liabilities for current derivatives</b>			
Fidia S.p.A.	(414)	(502)	
	<b>(414)</b>	<b>(502)</b>	
<b>Other current financial payables</b>			
Fidia S.p.A.	(587)	-	
	<b>(587)</b>	-	
<b>Long-term loans, net of current portion</b>			
Fidia S.p.A.	(5,300)	(2,406)	(2,574)
Fidia GmbH	(90)	(24)	(33)
Fidia Iberica S.A.	(4)	(7)	(8)
	<b>(5,394)</b>	<b>(2,437)</b>	<b>(2,615)</b>
<b>(Assets)/liabilities for long-term derivatives</b>			
Fidia S.p.A.	(8)	(15)	
	<b>(8)</b>	<b>(15)</b>	
<b>Total financial payables</b>	<b>(9,592)</b>	<b>(6,204)</b>	<b>(7,843)</b>

At 30 September 2015, the net financial position was positive at €1,572 thousand;

The change from 30 September 2014 (+€1,778 thousand) was positively affected by the good economic performance, and negatively by cash outflows due to the payment of dividends of €1,278 thousand, inventory purchases, payment of €400 thousand for the balloon payment linked to an addendum to the pre-existing lease contract (of a nominal value of €1,000 thousand), as well as to the change in the fair value of derivative contracts during the period.

The following table contains a condensed statement of cash flows at 30 September 2015 showing the cash flows composing the net financial position.

#### CONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS

(€ thousand)	30/9/2015	30/9/2014
<b>A) Cash and cash equivalents at beginning of period</b>	<b>9,039</b>	<b>5,883</b>
<b>B) Cash from/(used in) operating activities during the period</b>	<b>(1,334)</b>	<b>(427)</b>
<b>C) Cash from/(used in) investing activities</b>	<b>(1,836)</b>	<b>(3,097)</b>
<b>D) Cash from/(used in) financing activities</b>	<b>3,898</b>	<b>244</b>
Currency translation differences	776	787
<b>E) Net change in cash and cash equivalents</b>	<b>1,504</b>	<b>(2,493)</b>
<b>F) Cash and cash equivalents at end of period</b>	<b>10,543</b>	<b>3,390</b>
Breakdown of cash and cash equivalents:		
Cash and cash equivalents	11,164	7,637
Bank overdraft	(621)	(4,247)
	10,543	3,390

## SEGMENT REPORTING

### Economic 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 segments (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 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 INCOME STATEMENT by business sector

Progressive data at September 2015 (€ thousand)	CNC		HSM		SERVICE		N/A	TOTAL
	2015	%	2015	%	2015	%	2015	2015
<b>Revenues</b>	<b>3.115</b>	<b>100,0%</b>	<b>27.427</b>	<b>100,0%</b>	<b>9.567</b>	<b>100,0%</b>	-	<b>40.109</b>
<i>Of which cross-sector revenues</i>	0	0,0%	1.785	6,5%	-	0,0%	-	
<b>Total revenue</b>	<b>3.115</b>	<b>100,0%</b>	<b>27.427</b>	<b>106,5%</b>	<b>9.567</b>	<b>100,0%</b>	-	<b>40.109</b>
Change in finished goods and WIP	205	6,6%	4.311	15,7%	91	1,0%	-	4.607
Raw materials and consumables	(1.313)	-42,2%	(13.812)	-50,4%	(1.065)	-11,1%	(104)	(16.294)
Cross-sector expenses	1.657	53,2%	(2.310)	-8,4%	562	5,9%	91	
Commissions, transport and subcontractors	(564)	-18,1%	(5.362)	-19,6%	(348)	-3,6%	(6)	(6.280)
<b>Sales margin</b>	<b>3.100</b>	<b>99,5%</b>	<b>10.255</b>	<b>37,4%</b>	<b>8.807</b>	<b>92,1%</b>	<b>(19)</b>	<b>22.142</b>
Other operating revenue	374	12,0%	678	2,5%	59	0,6%	449	1.560
Other operating costs	(384)	-12,3%	(1.393)	-5,1%	(1.921)	-20,1%	(3.855)	(7.553)
Personnel costs	(2.119)	-68,0%	(3.851)	-14,0%	(3.415)	-35,7%	(3.158)	(12.543)
Depreciation and amortization	(46)	-1,5%	(257)	-0,9%	(234)	-2,4%	(611)	(1.148)
<b>Operating Profit (loss) from ordinary business</b>	<b>925</b>	<b>29,7%</b>	<b>5.432</b>	<b>19,8%</b>	<b>3.296</b>	<b>34,5%</b>	<b>(7.194)</b>	<b>2.458</b>

Progressive data at September 2014 (€ thousand)	CNC		HSM		SERVICE		N/A	TOTAL
	2014	%	2014	%	2014	%	2014	2014
<b>Revenues</b>	<b>2.557</b>	<b>100,0%</b>	<b>21.757</b>	<b>100,0%</b>	<b>8.592</b>	<b>100,0%</b>	-	<b>32.906</b>
<i>Of which cross-sector revenues</i>		0,0%	1.683	7,7%	-	0,0%	-	
<b>Total revenue</b>	<b>2.557</b>	<b>100,0%</b>	<b>21.757</b>	<b>107,7%</b>	<b>8.592</b>	<b>100,0%</b>	-	<b>32.906</b>
Change in finished goods and WIP	(60)	-2,3%	4.050	18,6%	(206)	-2,4%	-	3.784
Raw materials and consumables	(868)	-33,9%	(11.670)	-53,6%	(889)	-10,3%	(80)	(13.507)
Cross-sector expenses	1.608	62,9%	(2.026)	-9,3%	380	4,4%	38	
Commissions, transport and subcontractors	(348)	-13,6%	(4.880)	-22,4%	(273)	-3,2%	(7)	(5.508)
<b>Sales margin</b>	<b>2.889</b>	<b>113,0%</b>	<b>7.231</b>	<b>33,2%</b>	<b>7.604</b>	<b>88,5%</b>	<b>(49)</b>	<b>17.675</b>
Other operating revenue	389	15,2%	216	1,0%	40	0,5%	330	975
Other operating costs	(475)	-18,6%	(1.985)	-9,1%	(1.602)	-18,6%	(3.279)	(7.341)
Personnel costs	(2.141)	-83,7%	(3.436)	-15,8%	(2.817)	-32,8%	(2.798)	(11.192)
Depreciation and amortization	(31)	-1,2%	(219)	-1,0%	(102)	-1,2%	(242)	(594)
<b>Operating Profit (loss) from ordinary business</b>	<b>631</b>	<b>24,7%</b>	<b>1.807</b>	<b>8,3%</b>	<b>3.123</b>	<b>36,3%</b>	<b>(6.038)</b>	<b>(477)</b>

## **SUMMARY OF THE GROUP PERFORMANCE, SIGNIFICANT EVENTS AND BUSINESS OUTLOOK**

In the third quarter of the year, the positive trend recorded in the first half of the year in terms of turnover and profitability was consolidated.

From a commercial point of view, orders have remained at high levels and new orders in the three divisions in which the Group operates totalled €45.1 million in nine months, down slightly (around 4%) compared to the same period of last year.

Performance was satisfactory in the high-speed milling systems sector, which by the end of September had almost reached a level of orders in the same period of 2014 (the highest ever reached by the Group) and close to €33 million;

The CNC sector maintained the level of the first nine months of 2014, and there are good expectations for future performance.

Based on the order backlog (which at the end of September amounted to €36.6 million) and production plans, a further increase in revenues is expected in the fourth quarter of 2015, consolidating the positive results of the quarter just ended.

On behalf of the Board of Directors

The Chairman and CEO

Mr. Giuseppe Morfino

**FIDIA GROUP**  
**Consolidated Financial Statements**  
**and**  
**Notes**  
**at 30 September 2015**

## CONSOLIDATED INCOME STATEMENT

(€ thousand)	Notes	3rd Quarter 2015	3rd Quarter 2014
- Net sales	1	40.109	32.906
- Other operating revenue	2	1.560	975
<b>Total revenue</b>		<b>41.669</b>	<b>33.881</b>
- Change in finished goods and WIP		4.607	3.784
- Raw materials and consumables	3	(16.294)	(13.507)
- Personnel costs	4	(12.543)	(11.192)
- Other operating costs	5	(13.833)	(12.849)
- Depreciation and amortization	6	(1.148)	(594)
<b>Operating profit/(loss) from ordinary business</b>		<b>2.458</b>	<b>(477)</b>
- Non-recurring income/(expenses)	7		300
<b>Operating profit/(loss)</b>		<b>2.458</b>	<b>(177)</b>
- Financial income/(expense)	8	(617)	(456)
<b>- Profit (loss) before taxes</b>		<b>1.841</b>	<b>(633)</b>
<b>- Income tax</b>	9	<b>(808)</b>	<b>(335)</b>
<b>- Profit (loss) for the period</b>		<b>1.033</b>	<b>(968)</b>
<b>Profit/(loss) attributable to:</b>			
Shareholders of the parent company		1.246	(790)
Minority interests		(213)	(178)

*(in EUR)*

Earnings per ordinary share	10	0,24	(0,15)
Diluted earnings per ordinary share	10	0,24	(0,15)

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€ thousand)	Notes	3rd Quarter 2015	3rd Quarter 2014
<b>Profit (loss) for the period (A)</b>		<b>1,033</b>	<b>(968)</b>
Other Comprehensive Profit/(Loss) that may subsequently be reclassified to profit or loss:			
Profit/(loss) on cash flow hedges	20	113	(282)
Profit(loss) on translation of financial statements of foreign companies	20	940	983
Tax effect pertaining to Other comprehensive profit/(loss) that may be reclassified in profit or loss	20	(32)	78
<b>Total Other comprehensive profit/(loss) that may subsequently be reclassified in profit or loss, net of tax effect (B1)</b>		<b>1,021</b>	<b>779</b>
Other comprehensive profit/(loss) that may not subsequently be reclassified to profit or loss:			
Net actuarial gains/(losses) on defined benefit plans	20	28	(54)
Tax effect pertaining to Other comprehensive profit/(loss) that may not subsequently be reclassified to profit or loss	20	(8)	15
<b>Total Other comprehensive profit/(loss) that may not subsequently be reclassified in profit or loss, net of tax effect (B2)</b>		<b>20</b>	<b>(39)</b>
<b>Total Other comprehensive profit/(loss), net of tax effect (B)=(B1)+(B2)</b>		<b>1,041</b>	<b>740</b>
<b>Total comprehensive profit/(loss) for the period (A)+(B)</b>		<b>2,073</b>	<b>(228)</b>
<b>Total comprehensive profit/(loss) due to:</b>			
Shareholders of the parent company		<b>2,144</b>	<b>(221)</b>
Non-controlling interests		<b>(71)</b>	<b>(7)</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€ thousand)	Notes	30 settembre 2015	31 dicembre 2014
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
- Property, plant and equipment	11	5.382	4.261
- Intangible assets	12	945	694
- Investments	13	16	16
- Other non-current financial assets		-	-
- Other non-current receivables and assets	14	1.235	1.312
- Pre-paid tax assets	9	1.179	1.341
<b>TOTAL NON-CURRENT ASSETS</b>		<b>8.757</b>	<b>7.624</b>
<b>CURRENT ASSETS</b>			
- Inventories	15	24.041	18.718
- Trade receivables	16	10.320	11.384
- Current tax receivables	17	234	210
- Other current receivables and assets	17	1.401	1.247
- Other current financial receivables	18	27	-
- Cash and cash equivalents	19	11.164	10.718
<b>TOTAL CURRENT ASSETS</b>		<b>47.187</b>	<b>42.277</b>
<b>TOTAL ASSETS</b>		<b>55.944</b>	<b>49.901</b>
<b>LIABILITIES</b>			
<b>SHAREHOLDERS' EQUITY</b>			
- Share capital and reserves attributable to shareholders of parent company		14.766	13.890
- Non-controlling interests		2.553	2.623
<b>TOTAL CONSOLIDATED EQUITY</b>	20	<b>17.319</b>	<b>16.513</b>
<b>NON-CURRENT LIABILITIES</b>			
- Other non-current payables and liabilities	21	223	130
- Termination benefits	22	2.368	2.446
- Deferred tax liabilities	9	493	99
- Provisions for risks and expenses	28	61	15
- Other non-current financial liabilities	23	8	15
- Non-current financial liabilities	24	5.394	2.437
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>8.547</b>	<b>5.142</b>
<b>CURRENT LIABILITIES</b>			
- Current financial liabilities	24	3.189	3.250
- Other current financial liabilities	25	1.028	502
- Trade payables	26	11.990	12.391
- Current tax payables	27	588	1.842
- Other current payables and liabilities:	27	12.036	9.009
- Provisions for risks and expenses	28	1.247	1.252
<b>TOTAL CURRENT LIABILITIES</b>		<b>30.078</b>	<b>28.246</b>
<b>TOTAL LIABILITIES</b>		<b>55.944</b>	<b>49.901</b>



## CONSOLIDATED STATEMENT OF CASH FLOWS

(€ thousand)	3rd Quarter 2015	3rd Quarter 2014
<b>A) Cash and cash equivalents at beginning of period</b>	<b>9.039</b>	<b>5.883</b>
<b>B) Cash from/(used in) operating activities during the period:</b>		
- Profit (loss) for the period	1.246	(968)
- Depreciation and amortization of tangible and intangible assets	509	467
- Net losses (gains) on disposal of tangible assets	(22)	(17)
- Net change in provisions for termination benefits	(77)	41
- Net change in provisions for risks and expenses	41	284
- Net change (assets) liabilities for (pre-paid) deferred taxes	555	(122)
- Dividends paid out	(1.278)	
Net change in working capital:		
- receivables	965	(1.316)
- inventories	(5.323)	(4.276)
- payables	2.050	5.480
	<b>(1.334)</b>	<b>(427)</b>
<b>C) Cash from/(used in) investing activities</b>		
- Investing activities:		
property, plant and equipment	(1.507)	(2.935)
intangible fixed assets	(367)	(307)
- Profit on sale of:		
property, plant and equipment	38	145
non-current financial assets	-	-
	<b>(1.836)</b>	<b>(3.097)</b>
<b>D) Cash from/(used in) financing activities</b>		
- Change in loans	3.954	50
- Change in capital and reserves	110	(339)
- Net change in amounts due by other interests	(70)	171
- Net change in current and non-current financial assets and liabilities	(96)	362
	<b>3.898</b>	<b>244</b>
Currency translation differences	776	787
<b>E) Net change in cash and cash equivalents</b>	<b>1.504</b>	<b>(2.493)</b>
<b>F) Cash and cash equivalents at end of period</b>	<b>10.543</b>	<b>3.390</b>
Breakdown of cash and cash equivalents:		
Cash and cash equivalents	11.164	7.637
Bank overdraft	(621)	(4.247)
	<b>10.543</b>	<b>3.390</b>

## CONSOLIDATED SHAREHOLDERS' EQUITY

(€ thousand)	Share capital	Treasury shares	Capital reserves	Result for the period	Retained earnings	Cash flow hedge reserve	Translation reserve	Reserve for actuarial profit/loss	Other reserves	Total Group Shareholders' Equity	Non-controlling interests	Total shareholders' equity
<b>Balance at 1 January 2014</b>	5,123	-45	1,240	-1,435	4,659	-6	489	63	213	10,301	2,546	12,847
Allocation of profit	-	-	-	-1,435	1,435	-	-	-	-	-	-	0
Comprehensive result for the period	-	-	-	-790	-	-204	812	-39	-	-221	-7	-228
Other changes	-	-	-	-	-96	-	-	-	-	-96	-1	-97
<b>Balance at 30 September 2014</b>	5,123	-45	1,240	-3,660	5,998	-210	1,301	24	213	9,984	2,538	12,522

<b>Balance at 1 January 2015</b>	5,123	-45	1,240	2,894	3,162	-344	1,713	-66	213	13,890	2,623	16,513
Allocation of profit				-2,894	1,616					-1,278		-1,278
Comprehensive result for the period				1246		81	797	21		2,145	-70	2,075
Other changes					9					9		9
<b>Balance at 30 September 2015</b>	5,123	-45	1,240	1,246	4,787	-263	2,510	-45	213	14,766	2,553	17,319

## Notes

### **SIGNIFICANT ACCOUNTING STANDARDS**

This Quarterly Report at 30 September 2015 has been prepared in accordance with IAS 34 - *Interim Financial Reporting*. The same accounting standards used to prepare the consolidated financial statements at 31 December 2014 have been applied, with the exception of those described in the following section "Accounting standards, amendments and interpretations effective from 1 January 2015."

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.

For a more detailed description of the most significant valuation processes for the Group, reference should be made to the section "Use of estimates" in the consolidated financial statements at 31 December 2014.

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.

Taxes have been determined on the basis of the tax rate applicable to total income for the entire period expected by each company included in the scope of consolidation.

The Group is exposed to financial risks associated with its operations: credit risk, liquidity risk, market risk (mainly foreign exchange and interest rate risks).

This Quarterly Report at 30 September 2015 does not include all the information and explanatory notes on financial risk management required in the preparation of the annual financial statements.

For a detailed description of this information, refer to the consolidated financial statements of the Fidia Group at 31 December 2014, section of the Notes entitled "Risk Management", as well as to Note 31 of the Notes to the Financial Statements, entitled "Information on financial risks."

### **Financial Statements**

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

Within said statement of comprehensive income by nature, under the profit/(loss), a specific distinction has been made between profit/(loss) of ordinary business and those charges and earnings that are the result of non-recurrent transactions in ordinary business management, such as the restructuring expenses and any other atypical revenues/(charges), as these can be treated like the former. It is deemed that this allows for a better measurement of the actual performance of the normal business management, it being understood that any atypical expenses and earnings are specified in detail

The definition of atypical adopted by the Group 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 according to the provisions of IAS 1.

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

### **Accounting standards, amendments and interpretations effective as of 1 January 2015**

The following standards, amendments and interpretations are effective for the first time from 1 January 2015.

- IFRIC 21 Levies (effective from 1 January 2014 but endorsed by the European Union in June 2014 and therefore effective from 1 January 2015). The interpretation clarifies what is the binding fact that gives rise to the payment of a levy and when the liability is to be recognised. Application has had no effect on these condensed consolidated half-year financial statements.
- IAS 19 (amendment) Employee benefits, defined benefit plans: employee contributions. The amendments apply to contributions paid by employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions which are independent of the number of years of service, for example, employee contributions which are calculated on the basis of a fixed percentage of salary. The impact of adoption was not significant.
- Annual Improvements 2010-2012 Cycle: a series of amendments to IFRS to address eight topics addressed during the 2010-2012 cycle. They refer largely to clarifications, so their adoption did not have a significant impact on these interim consolidated financial statements.
- Annual Improvements 2011-2013 Cycle: a series of amendments to IFRS to address four topics addressed during the 2011-2013 cycle. They refer largely to clarifications, so the adoption of these amendments did not have any effect on the consolidated half-year financial statements.

### **Accounting standards, amendments and interpretations not yet effective and not adopted in advance by the Group**

The following standards, amendments and interpretations have been issued but are not yet effective for the year beginning on 1 January 2015 and have not been applied in advance:

- IFRS 9 Financial Instruments and subsequent amendments (effective from 1 January 2018; early application is permitted). The full version of IFRS 9 was published in July 2014. The new standard replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 maintains and simplifies the mixed measurement model and establishes three main measurement categories for financial assets: amortised cost, fair value through comprehensive income and fair value through profit or loss. The

classification criterion depends on the entity's operating model and the contractual cash flow characteristics of the financial asset. IFRS 9 introduces a new model on expected losses that replaces the model on incurred losses used in IAS 39. For financial liabilities, the principal amendment relates to the recognition of changes in fair value of financial liabilities measured at fair value through profit or loss, when such changes are due to changes in the credit risk of the liability. According to the new standard, these changes must be recognised in the statement of comprehensive income and will no longer pass through profit or loss. The standard also reformed the so-called hedge accounting approach. IFRS 9 is likely to have an impact on the accounting of financial assets and the Group is still evaluating its overall effect.

- IFRS 11 – Joint Arrangements (amendment): Recognition of the acquisition of investments in joint arrangements (effective from 1 January 2016). The amendment clarifies the accounting of acquisitions of interests in joint operations constituting a business.
- IAS 16 Property, plant and equipment and IAS 38 Intangible assets (amendments): clarification of acceptable methods of depreciation and amortisation (effective from 1 January 2016). The amendments clarify that a depreciation method based on the revenues generated by an undertaking that includes the use of an asset is not appropriate because that method reflects a model of generating economic benefits arising from the performance of an activity of which the asset is part, rather than the consumption of the future economic benefits expected from the asset.
- IFRS 15 Revenue from Contracts with Customers (effective from 1 January 2017). The main concept established by the new standard is the recognition of revenues by undertakings to represent the transfer of goods or services to customers in the amount that reflects the consideration (i.e., payment) that the undertaking expects to receive in exchange for those goods or services. The standard provides for greater disclosure of revenues, provides guidance for transactions that were not previously treated in an exhaustive manner, and improves guidance for contracts with multiple performance obligations.
- IAS 27 Separate Financial Statements (amendment): equity method in the separate financial statements (effective from 1 January 2016). The amendment reinstates the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements.
- IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (amendments): sale or transfer of assets between an investor and its associates or joint ventures (the date of 1 January 2016 has been postponed pending an Exposure Draft by the IASB). Full profit or loss is recognised when a transaction relates to a business segment (whether or not within a subsidiary). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business segment, even if those assets are in a subsidiary.
- Annual Improvements 2012-2014 Cycle (with effect from 1 January 2016): a series of amendments to IFRS to address four topics addressed during the 2012-2014 cycle. They refer largely to clarifications, so their adoption will not have a significant impact on the consolidated financial statements.
- IAS 1 Presentation of Financial Statements (amendment): Disclosure Initiative (with effect from 1 January 2016). It aims to encourage companies to apply a professional

judgment in determining what disclosures to provide in the financial statements. For instance, the amendment clarifies that materiality refers to financial statements as a whole and that publication of insignificant information may limit the usefulness of financial reporting.

- Investment entities (amendments to IFRS 10, IFRS 12 and IAS 28): application of the exception to consolidation rules (with effect from 1 January 2016). The amendments clarify the problems that have arisen in applying the exception to consolidation for investment entities.

### Scope of consolidation

The scope of consolidation has not changed in the first nine months 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 30/9/2015	Equity ownership at 31/12/2014	Equity ownership at 30/9/2014
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	-	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, Mosca – Russian Federation	Rublo	3,599,790	100%	100%	100%
Fidias India Private Ltd. - Pune - India	Rupee	100,000	99.99%	99.99%	99.99%

### OTHER INFORMATION

The interim report on operations at 30 September 2015 was approved by the Board of Directors on 13 November 2015, which authorised its publication on the same date.

## COMPOSITION AND MAIN CHANGES

### INCOME STATEMENT

#### 1. NET SALES

The breakdown by segment of net revenues from third parties (net of intragroup items) is shown in the following table:

(€ thousand)	3rd Quarter 2015	3rd Quarter 2014
Numerical controls, drives and software	3.115	2.557
High Speed Milling System	27.427	21.757
After-sales service	9.567	8.592
<b>Total revenues</b>	<b>40.109</b>	<b>32.906</b>

Revenues from sales grew by 21.9% YOY. The Group generated 12.3% of its revenues on the domestic market and the remaining 87.7% on international markets.

#### 2. OTHER OPERATING REVENUE

Other operating revenue in first nine of 2015 were equal to €1,560 thousand (€975 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. (€314 thousand, €346 thousand at 30 September 2014);
- increases in tangible assets built on a time and materials basis and the capitalization of product development costs (€540 thousand versus €232 thousand at 30 September 2014);
- release of the warranty, bad debts and/or any accruals in excess of the risk to be covered (€204 thousand versus €40 thousand at 30 September 2014);
- capital gains from transfers (€34 thousand at 30 September 2015; €17 thousand at 30 September 2014);
- contingent assets, damages from insurance companies, recovery of costs incurred and others (€468 thousand at 30 September 2015; €340 thousand at 30 September 2014).

### 3. RAW MATERIALS AND CONSUMABLES

The consumption of raw materials in the first nine months of 2015 amounted to €16,294 thousand versus €13,507 thousand in the corresponding period of 2014. The change is due to the trend in sales revenues and changes in stocks of finished and semi-finished products during the two periods in question.

### 4. PERSONNEL COSTS

Personnel costs at the end of the third quarter of 2015 amounted to €12,543 thousand, up by about 12% compared to €11,192 thousand at 30 September 2014. The increase in costs is consistent with the trend in the Group's headcount.

### 5. OTHER OPERATING COSTS

Other operating costs include the following:

(€ thousand)	3rd Quarter 2015	3rd Quarter 2014
Costs for revenue-related services	6.280	5.508
Production costs	2.280	2.456
Trade expenses	711	774
R&D expenses	402	577
Overheads and administrative expenses	4.160	3.534
<b>Total other operating costs</b>	<b>13.833</b>	<b>12.849</b>

Compared to the first nine months of 2015 and 2014, other operating costs rose overall by €984 thousand. The increase in costs mainly concerned the expense items linked to production and those related to revenue (which include outsourcing, commissions and transport). The other cost items, mainly of a fixed nature, increased as a whole by €388 thousand.

### 6. DEPRECIATION AND AMORTIZATION

Depreciation, amortization and write-downs are detailed as follows:

(€ thousand)	3rd Quarter 2015	3rd Quarter 2014
Amortization of property, plant and equipment	386	372
Amortization of intangible assets	122	95
Depreciation of property, plant and equipment	-	-
Impairment losses on receivables	640	127
Total	1.148	594

During the first nine months of 2015, approximately €265 thousand of trade receivables were written down by the parent company and its subsidiaries, in addition to €374 thousand in tax receivables deemed no longer recoverable;



## 7. NON-RECURRING REVENUE

In the first nine months of 2015, there were no non-recurring revenue or expenses.

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

In the first nine months of 2014, the insurance company recognized the merits of the claim and settled it.

## 8. FINANCE REVENUE (EXPENSES)

Financial income and expenses are represented by:

(€ thousand)	3rd Quarter 2015	3rd Quarter 2014
Financial income	37	55
Borrowing costs	(177)	(271)
Net profit/(loss) on derivatives	(45)	(61)
Profit (loss) from foreign currency transactions	(432)	(179)
Total	(617)	(456)

Finance revenue consists of:

(€ thousand)	3rd Quarter 2015	3rd Quarter 2014
Interests received from banks	25	42
Interests and commercial discounts	1	1
Other financial revenues	11	12
Total	37	55

Finance expenses consist of:

(€ thousand)	3rd Quarter 2015	3rd Quarter 2014
Interest expense on loans from banks and leasing companies	(43)	(122)
Interest expense on M/L-term loans from banks	(82)	(88)
Borrowing costs on termination benefits	(13)	(30)
Other financial charges	(39)	(31)
Total	(177)	(271)

Net profit (loss) on derivatives:

(€ thousand)	3rd Quarter 2015	3rd Quarter 2014
Expenses on derivatives due to fair value adjustment	(54)	(67)
Gains on derivatives due to fair value adjustment	9	6
Total	(45)	(61)

Expenses on derivative instruments, amounting to €54 thousand, refer to the fair value measurement of certain forward contracts, which were entered into to hedge the risk of euro/dollar exchange rate fluctuations and for which the conditions for hedge accounting are not met.

Profit on derivative financial instruments, equivalent to €9 thousand, derives from the fair value measurement of an interest rate swap contract and two interest rate cap contracts stipulated by the parent company Fidia SpA to hedge the risk of fluctuating interest rates on three medium/long-term loans.

Profit (loss) on foreign currency transactions consists of:

(€ thousand)	3rd Quarter 2015	3rd Quarter 2014
Asset differences on exchange rate	112	79
Revenue from exchange rate adjustment	6	76
Profit on currency forward contract	-	-
Liability differences on exchange rate	(310)	(43)
Expenses from exchange rate adjustment	(207)	(268)
Loss on currency forward contract	(33)	(23)
Total	(432)	(179)

## 9. INCOME TAX

At 30 September, taxes recognised in the consolidated income statement amounted to €808 thousand (€335 thousand at 30 September 2014).

The following table shows the balance of deferred tax assets and liabilities:

(€ thousand)	Balance 30 settembre 2015	Balance 31 dicembre 2014
Deferred tax assets	1.179	1.341
Deferred tax liabilities	(493)	(99)
Total	686	1.242

## 10. EARNING PER SHARE

Earning /loss per share is determined on the basis of the following data:

		3rd Quarter 2015	3rd Quarter 2014
Net earnings pertaining to Group	euro/000	1.246	(790)
Earnings attributable to ordinary shares	euro/000	1.246	(790)
Number of circulating ordinary shares	number	5.113.000	5.113.000
Earnings per ordinary share	EUR	0,24	(0,15)
Diluted earnings per ordinary share	EUR	0,24	(0,15)

No difference has been recorded between result per share and diluted result per share as Fidia S.p.A. does not have any outstanding financial instruments with dilutive effects.

## STATEMENT OF FINANCIAL POSITION

### 11. PROPERTY, PLANT AND EQUIPMENT

(€ thousand)	Buildings	Plant, machinery and equipment	Other assets	Assets under construction and advances	Total
<b>Net carrying amount at 31/12/2014</b>	<b>437</b>	<b>429</b>	<b>671</b>	<b>2.724</b>	<b>4.261</b>
Acquisitions	2	256	311	938	1.507
Reclassifications/transfers					-
Net value of divestments		(4)	(9)		(13)
Depreciation	(33)	(171)	(182)		(386)
(Write-downs)/Write-backs					-
Foreign exchange differences		1	12		13
<b>Net carrying amount at 30/9/2015</b>	<b>406</b>	<b>511</b>	<b>803</b>	<b>3.662</b>	<b>5.382</b>

Capital expenditure in the first nine months of 2015 amounted to approximately €1,507 thousand.

Work in progress, which represents the bulk of new capital expenditure, refers mainly to a plot of land with adjoining industrial building under construction, that the parent company Fidia S.p.A. acquired, through lease, during the first half of the year.

As it is not yet ready for use, this capital expenditure item has not yet been subject to depreciation.

At 30 September 2015, there were no assets encumbered by guarantees or other constraints that could limit their full availability.

### 12. INTANGIBLE FIXED ASSETS

(€ thousand)	Utilization rights know-how	Licenses	Software	Assets under development	Total
<b>Net carrying amount at 31/12/2014</b>	<b>57</b>	<b>82</b>	<b>257</b>	<b>298</b>	<b>694</b>
Increases			23	344	367
Reclassifications/transfers					-
Depreciation	(45)	(16)	(61)		(122)
Foreign exchange differences	5		1		6
<b>Net carrying amount at 30/9/2015</b>	<b>17</b>	<b>66</b>	<b>220</b>	<b>642</b>	<b>945</b>

The increases recorded under "Software" in the first nine months of the year mainly refer to the introduction of new application licenses (technical and HR departments).

Non-current assets under construction include

- Development costs incurred and capitalised amounting to approximately €333 thousand, not yet amortised as they have not yet been completed.
- A new ERP software currently being installed and put into operation for about €10 thousand

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

### 13. INVESTMENTS

This item, amounting to €16 thousand and unchanged with respect to 31 December 2014, consists of investments in associated companies valued at equity (€2 thousand) and investments in other companies valued at cost (€14 thousand).

### 14. OTHER NON-CURRENT RECEIVABLES AND ASSETS

The other non current receivables and assets are detailed below:

(€ thousand)	Balance 30 settembre 2015	Balance 31 dicembre 2014
Receivables for EU grants		53
Security deposits	50	52
Trade receivables from customers		
Receivables for foreign VAT	52	12
Receivables for withholding tax on foreign income	1.085	1.106
Tax receivables from Spanish tax authorities	46	61
Multi-year pre-paid expenses	2	22
Other non-current receivables		6
<b>Total</b>	<b>1.235</b>	<b>1.312</b>

### 15. INVENTORY

(€ thousand)	Balance 30 settembre 2015	Balance 31 dicembre 2014
Raw materials	11.004	10.145
Allowance - raw materials	(1.903)	(1.591)
	9.101	8.554
Work in progress and semi-finished goods	8.461	5.813
Finished goods and merchandise	6.817	4.656
Provisions for depreciation finished products	(478)	(475)
	6.339	4.181
Advances	140	170
<b>Net value</b>	<b>24.041</b>	<b>18.718</b>

Inventory increased by €5,323 thousand in the first nine months of the year. The provisions for depreciation equivalent to €2,381 thousand (€2,066 thousand at 31 December 2014) were reported to hedge some unused components; these phenomena 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 settembre 2015	Balance 31 dicembre 2014
Trade receivables	11.202	12.188
Provision for impairment losses on receivables	(882)	(804)
Receivables from associates	-	-
Total	10.320	11.384

Trade receivables are lower than at 31 December 2014 due to the different trend in turnover in the two periods under comparison.

The bad debt provisions, amounting to €882 thousand (€804 thousand at 31 December 2014) were allocated to cover the risk of default related to doubtful and/or overdue receivables.

## 17. TAX RECEIVABLES AND OTHER CURRENT RECEIVABLES AND ASSETS

(€ thousand)	Balance 30 settembre 2015	Balance 31 dicembre 2014
VAT receivables	43	143
Receivables for income tax and IRAP	177	42
Receivables for short-term foreign VAT	14	
Other tax receivables		25
Total current tax assets	234	210
Research grants	286	473
Accruals and prepayments	472	339
Receivables from employees	245	123
Advances from suppliers	128	210
Other	270	102
Total other current receivables	1.401	1.247
Total	1.635	1.457

## 18. OTHER CURRENT FINANCIAL ASSETS

This item included the positive fair value of a forward sales contract for US dollars entered into by the parent company Fidia S.p.A.; at 31 December 2014, the measurement at fair value was of the opposite sign and the related liability was recorded under "Other current financial liabilities" (see note 25 of this report).

## 19. CASH AND CASH EQUIVALENTS

The overall amount of cash of the Group amounted to €11,164 thousand (€10,718 thousand at 31 December 2014) and consisted of temporary cash in bank deposits pending future use. The related credit risk is not material too, because the Group operates with primary national and international banks.

## **20. SHAREHOLDERS' EQUITY**

Consolidated shareholders' equity amounted to €17,319 thousand and increased by €806 thousand compared to 31 December 2014, mainly due to the combined effect of the following elements:

- result of Group and non-controlling interests (+€1,033 thousand);
- distribution of dividends approved by the last shareholders' meeting (-€1,278 thousand)
- recognition of actuarial differences on employee severance indemnities (+€20 thousand, net of the tax effect valued at about €8 thousand);
- positive effect of changes in exchange rates due to translation of financial statements of subsidiaries denominated in currencies other than EUR (+€913 thousand);
- valuation at fair value of hedging derivatives to the cash flow hedge reserve (+€262 thousand euro net of the related tax effect valued at approximately €99 thousand);
- other changes (-€144 thousand).

At 30 September 2015 the fully paid share capital was unchanged compared to 31 December 2014 and consisted of 5,123,000 ordinary shares with a nominal value of €1 each totalling €5,123,000.

Own shares consisted of 10,000 ordinary shares issued by Fidia S.p.A. for a value of €45 thousand (unchanged from 31 December 2013).

## **21. OTHER NON-CURRENT PAYABLES AND LIABILITIES**

This item, which amounts to €223 thousand (€130 thousand at 31 December 2014), includes €162 thousand in advances on non-refundable grants approved by the European Union and Italian Ministry of University and Research (MUR) for research projects and €60 thousand from medium/long-term payables to personnel of the French subsidiary Fidia Sarl.

## **22. EMPLOYEE SEVERANCE INDEMNITIES**

Employee severance indemnities (€2,368 thousand at 30 September 2015 and €2,446 thousand at 31 December 2014) reflects the residual obligation of Fidia S.p.A., the only Italian company in the Group, relating to the indemnity paid to employees and settled upon termination of employment. Under certain conditions, employees may receive a partial advance on those benefits while they are still in the Company's employ. It is an unfunded defined benefit plan.

## **23. OTHER NON-CURRENT FINANCIAL LIABILITIES**

This item, amounting to €8 thousand (€15 thousand at 31 December 2014), includes the negative fair value of two interest rate cap contracts entered into to hedge (cash flow hedges) the risk of variability of interest expense flows on two medium/long-term loans stipulated by the parent company Fidia S. p. A. and the risk of fluctuations in the EUR/USD exchange rate on some job orders acquired and denominated in the latter currency.

## 24. CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

This figure amounts to €8,583 thousand as detailed below.

(€ thousand)	Balance 30 settembre 2015	Balance 31 dicembre 2014
Overdrawn bank accounts and short-term advances	621	1.679
Accrued liabilities on loans	22	23
M/L-term loan no. 1 - BNL	-	210
M/L-term loan no. 2 - BNL	623	853
Loan - Banco Popolare	556	739
Short-term loan - MPS		697
M/L-term loan - Intesa Sanpaolo	3.293	-
Short-term loan - BNL	1.123	-
Autodesk financing	25	49
Volkswagen Bank Italy (finance lease)	47	59
Volkswagen bank Germany (finance lease)	102	62
Skoda Bank Germany (finance lease)	63	-
Volkswagen Bank Spain (finance lease)	7	9
Mediocredito Italiano (finance lease)	2.101	1.307
Total	8.583	5.687

## 25. OTHER CURRENT FINANCIAL LIABILITIES

This item amounted to €1,028 thousand and includes the negative fair value of certain forward sales contracts for USD entered into by the parent company Fidia S.p.A. to hedge exchange rate risk on certain supplies denominated in said currency, in addition to €587 thousand in grants on funded research activities collected by Fidia S. p. A. as project leader pending redistribution among the participating partners.

At 31 December 2014 this item amounted to €502 thousand, but referred entirely to the negative fair value of derivative contracts.

## 26. TRADE PAYABLES

(€ thousand)	Balance 30 settembre 2015	Balance 31 dicembre 2014
Due to suppliers	11.988	12.389
Payables to subsidiaries	2	2
Total trade payables	11.990	12.391

Trade payables, amounting to €11,990 thousand at 30 September 2015, decreased by €401 thousand compared to 31 December 2014 due to various operating trends.

## 27. TAX LIABILITIES AND OTHER CURRENT PAYABLES AND LIABILITIES

(€ thousand)	Balance 30 settembre 2015	Balance 31 dicembre 2014
Employees	1.785	1.215
Social security payables	647	782
Down payments from customers	8.360	5.860
Advances for EU grants		-
Payables for compensation	182	253
Payables to State Fund, Cometa and other funds	69	104
Sundry accruals and deferred income	592	456
Payables for dividends	149	140
Miscellaneous payables	252	199
Total other payables	12.036	9.009
Payables owed Inland Revenue for withholdings	181	346
Tax payables for income tax and IRAP	254	783
Payables to tax authorities for VAT	103	600
Other short-term tax payables	50	113
Total tax payables	588	1.842
<b>Total</b>	<b>12.624</b>	<b>10.851</b>

## 28. PROVISIONS FOR RISKS AND CHARGES

Short-term provisions amounted to €1,248 thousand at 30 September 2015 (€1,252 thousand at 31 December 2014), and this item included €1,186 thousand of the product warranty fund, which represents the best estimate of the commitments that the Group has undertaken by contract, law or customary practice, with regard to the charges connected with the warranty on its own sales to final customers; €29 thousand to a tax risk provision related to the subsidiary Fidia do Brazil for contingent liabilities related to a tax dispute; and €32 thousand to a provision for legal risks.

## 29. GUARANTEES GRANTED, OTHER COMMITMENTS AND CONTINGENT LIABILITIES

### Sureties issued on behalf of others

At 30 September 2015, sureties issued on behalf to third parties totalled €2,771 thousand (€3,885 thousand at 30 September 2014).

This item consists primarily of performance bonds for commercial transactions with the Parent Company's foreign customers for advances received on future supplies and for the correct fulfillment of contractual obligations during the warranty period.

### Contingent liabilities

Although the Fidia Group is subject to various types of risks (product, legal and tax liability) at 30 September 2015, it is not aware of any other facts, other than those covered by specific provisions already indicated in this note, which could generate foreseeable or estimated potential liabilities and consequently does not deem it necessary to make any further provisions.



## 30. SEGMENT REPORTING

### Income statement by business sector

Below are the consolidated results of operations by sector at 30 September 2015 and 30 September 2014:

Progressive data at September 2015 (€ thousand)	CNC 2015	%	HSM 2015	%	SERVICE 2015	%	N/A 2015	TOTAL 2015
<b>Revenues</b>	<b>3.115</b>	<b>100,0%</b>	<b>27.427</b>	<b>100,0%</b>	<b>9.567</b>	<b>100,0%</b>	-	<b>40.109</b>
<i>Of which cross-sector revenues</i>	0	0,0%	1.785	6,5%	-	0,0%	-	
<b>Total revenue</b>	<b>3.115</b>	<b>100,0%</b>	<b>27.427</b>	<b>106,5%</b>	<b>9.567</b>	<b>100,0%</b>	-	<b>40.109</b>
Change in finished goods and WIP	205	6,6%	4.311	15,7%	91	1,0%	-	4.607
Raw materials and consumables	(1.313)	-42,2%	(13.812)	-50,4%	(1.065)	-11,1%	(104)	(16.294)
Cross-sector expenses	1.657	53,2%	(2.310)	-8,4%	562	5,9%	91	
Commissions, transport and subcontractors	(564)	-18,1%	(5.362)	-19,6%	(348)	-3,6%	(6)	(6.280)
<b>Sales margin</b>	<b>3.100</b>	<b>99,5%</b>	<b>10.255</b>	<b>37,4%</b>	<b>8.807</b>	<b>92,1%</b>	<b>(19)</b>	<b>22.142</b>
Other operating revenue	374	12,0%	678	2,5%	59	0,6%	449	1.560
Other operating costs	(384)	-12,3%	(1.393)	-5,1%	(1.921)	-20,1%	(3.855)	(7.553)
Personnel costs	(2.119)	-68,0%	(3.851)	-14,0%	(3.415)	-35,7%	(3.158)	(12.543)
Depreciation and amortization	(46)	-1,5%	(257)	-0,9%	(234)	-2,4%	(611)	(1.148)
<b>Operating Profit (loss) from ordinary business</b>	<b>925</b>	<b>29,7%</b>	<b>5.432</b>	<b>19,8%</b>	<b>3.296</b>	<b>34,5%</b>	<b>(7.194)</b>	<b>2.458</b>

Progressive data at September 2014 (€ thousand)	CNC 2014	%	HSM 2014	%	SERVICE 2014	%	N/A 2014	TOTAL 2014
<b>Revenues</b>	<b>2.557</b>	<b>100,0%</b>	<b>21.757</b>	<b>100,0%</b>	<b>8.592</b>	<b>100,0%</b>	-	<b>32.906</b>
<i>Of which cross-sector revenues</i>		0,0%	1.683	7,7%	-	0,0%	-	
<b>Total revenue</b>	<b>2.557</b>	<b>100,0%</b>	<b>21.757</b>	<b>107,7%</b>	<b>8.592</b>	<b>100,0%</b>	-	<b>32.906</b>
Change in finished goods and WIP	(60)	-2,3%	4.050	18,6%	(206)	-2,4%	-	3.784
Raw materials and consumables	(868)	-33,9%	(11.670)	-53,6%	(889)	-10,3%	(80)	(13.507)
Cross-sector expenses	1.608	62,9%	(2.026)	-9,3%	380	4,4%	38	
Commissions, transport and subcontractors	(348)	-13,6%	(4.880)	-22,4%	(273)	-3,2%	(6)	(5.507)
<b>Sales margin</b>	<b>2.889</b>	<b>113,0%</b>	<b>7.231</b>	<b>33,2%</b>	<b>7.604</b>	<b>88,5%</b>	<b>(48)</b>	<b>17.676</b>
Other operating revenue	389	15,2%	216	1,0%	40	0,5%	330	975
Other operating costs	(475)	-18,6%	(1.985)	-9,1%	(1.602)	-18,6%	(3.279)	(7.341)
Personnel costs	(2.141)	-83,7%	(3.436)	-15,8%	(2.817)	-32,8%	(2.798)	(11.192)
Depreciation and amortization	(31)	-1,2%	(219)	-1,0%	(102)	-1,2%	(243)	(595)
<b>Operating Profit (loss) from ordinary business</b>	<b>631</b>	<b>24,7%</b>	<b>1.807</b>	<b>8,3%</b>	<b>3.123</b>	<b>36,3%</b>	<b>(6.038)</b>	<b>(477)</b>

Below are the statements of financial position broken down by sector at 30 September 2015 and 31 December 2014:

<b>At 30 September 2015</b>	<b>CNC</b>	<b>HSM</b>	<b>SERVICE</b>	<b>Not applicable</b>	<b>Total</b>
<b>(€ thousand)</b>					
Property, plant and equipment	28	4.179	36	1.139	5.382
Intangible fixed assets	356	292		297	945
Investments				16	16
Other non-current financial assets					-
Other non-current receivables and assets		52		1.183	1.235
Deferred tax assets				1.179	1.179
<b>Total non-current assets</b>	<b>384</b>	<b>4.523</b>	<b>36</b>	<b>3.814</b>	<b>8.757</b>
Inventory	2.616	16.568	4.857		24.041
Trade receivables and other current receivables	1.095	7.286	2.389	951	11.721
Current taxes receivable				234	234
Other current financial receivables				27	27
Cash and cash equivalents				11.164	11.164
<b>Total current assets</b>	<b>3.711</b>	<b>23.854</b>	<b>7.246</b>	<b>12.376</b>	<b>47.187</b>
<b>Total assets</b>	<b>4.095</b>	<b>28.377</b>	<b>7.282</b>	<b>16.190</b>	<b>55.944</b>
Other non-current payables and liabilities	102	90	26	5	223
Long-term provisions			61		61
Employee severance indemnities	578	1.214	193	383	2.368
Deferred tax liabilities				493	493
Other non-current financial liabilities				8	8
Non-current financial liabilities				5.394	5.394
<b>Total non-current liabilities</b>	<b>680</b>	<b>1.304</b>	<b>280</b>	<b>6.283</b>	<b>8.547</b>
Current financial liabilities				3.189	3.189
Other current financial liabilities				1.028	1.028
Trade payables and other current payables	1.925	18.537	1.104	2.460	24.026
Current taxes payable				588	588
Short-term provisions	86	1.050	40	71	1.247
<b>Total current liabilities</b>	<b>2.011</b>	<b>19.587</b>	<b>1.144</b>	<b>7.336</b>	<b>30.078</b>
<b>Total liabilities</b>	<b>2.691</b>	<b>20.891</b>	<b>1.424</b>	<b>13.619</b>	<b>38.625</b>
<b>Shareholders' equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17.319</b>	<b>17.319</b>
<b>Total liabilities</b>	<b>2.691</b>	<b>20.891</b>	<b>1.424</b>	<b>30.938</b>	<b>55.944</b>

<b>At 31 December 2014</b>	<b>CNC</b>	<b>HSM</b>	<b>SERVICE</b>	<b>Not applicable</b>	<b>Total</b>
<b>(€ thousand)</b>					
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
Deferred tax assets	-	-	-	1.341	1.341
<b>Total non-current assets</b>	<b>236</b>	<b>3.356</b>	<b>37</b>	<b>3.995</b>	<b>7.624</b>
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 taxes receivable	-	-	-	210	210
Other current financial receivables	-	-	-	-	-
Cash and cash equivalents	-	-	-	10.718	10.718
<b>Total current assets</b>	<b>3.571</b>	<b>20.707</b>	<b>6.696</b>	<b>11.303</b>	<b>42.277</b>
<b>Total assets</b>	<b>3.807</b>	<b>24.063</b>	<b>6.733</b>	<b>15.298</b>	<b>49.901</b>
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
<b>Total non-current liabilities</b>	<b>644</b>	<b>1.263</b>	<b>262</b>	<b>2.973</b>	<b>5.142</b>
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 taxes payable	-	-	-	1.842	1.842
Provisions for risks and charges	83	1.069	49	51	1.252
<b>Total current liabilities</b>	<b>1.800</b>	<b>16.789</b>	<b>1.075</b>	<b>8.582</b>	<b>28.246</b>
<b>Total liabilities</b>	<b>2.444</b>	<b>18.052</b>	<b>1.337</b>	<b>11.555</b>	<b>33.388</b>
<b>Shareholders' equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16.513</b>	<b>16.513</b>
<b>Total liabilities</b>	<b>2.444</b>	<b>18.052</b>	<b>1.337</b>	<b>28.068</b>	<b>49.901</b>

### 31. 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	3rd Quarter 2015		At 31 December 2014		3rd Quarter 2014	
	Average	At 30 September	Average	At 30 September	Average	At 30 September
Dollar - USA	1.11452	1.1203	1.3285	1.2141	1.35538	1.25830
Real - Brazil	3.51831	4.4808	3.12113	3.2207	3.10428	3.08210
RMB - China	6.96467	7.1206	8.18575	7.5358	8.37594	7.72620
Rouble - Russia	66.55396	73.2416	50.9518	72.337	48.0389	49.7653
Rupee - India	70.84059	73.4805	81.0406	76.719	82.3002	77.8564

### 32. OTHER INFORMATION

The average headcount in the first nine months of 2015 was 330.5 (318 employees in the first nine months of 2014)).

### 33. SIGNIFICANT NON-RECURRING EVENTS AND TRANSACTIONS

According to Consob Notice of 28 July 2006, in the first nine months of 2015, the company did not have any non-recurrent significant transactions.

### 34. POSITIONS OR TRANSACTIONS ARISING FROM ATYPICAL AND/OR UNUSUAL OPERATIONS

According to Consob Notice of 28 July 2006, in the first nine months of 2015, there were no atypical and/or unusual transactions as defined by said Notice, 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 non-controlling interests.

### 35. RELATED-PARTY TRANSACTIONS

The Group is engaged in transactions with associated companies and other related parties on commercial terms that are normal in the respective markets.

In detail such transactions have been the following:

- professional fees on consulting R&D activities performed by Consorzio Prometec;
- commercial transaction with the company Shenyang Machine Tool Co. Ltd.;
- compensation for the employment of Mr. Luca Morfino, an employee of Fidia S.p.A., and Mr. Carlos Maidagan, an employee of Fidia Iberica.
- emoluments to the Board of Directors and Board of 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 June 2015 was the following:

(€ thousand)		30 settembre 2015	30 settembre 2014
A	Cash	12	8
B	Bank deposits	11.152	7.629
C	Other cash	-	-
<b>D</b>	<b>Liquidity (A+B+C)</b>	<b>11.164</b>	<b>7.637</b>
<b>E</b>	<b>Current financial receivables</b>	-	-
F	Current bank payables	1.867	4.364
G	Current part of non-current bank debt	1.322	864
Ca	Other current financial payables	1.001	-
<b>I</b>	<b>Current financial debt (F+G+H)</b>	<b>4.190</b>	<b>5.228</b>
<b>J</b>	<b>Net current financial position - (receivable)/payable (I-E-D)</b>	<b>(6.974)</b>	<b>(2.409)</b>
K	Non-current bank payables	5.394	2.615
L	Bonds issued	-	-
M	Other non-current financial payables	8	-
<b>N</b>	<b>Non-current financial debt (K+L+M)</b>	<b>5.402</b>	<b>2.615</b>
<b>O</b>	<b>Net financial position (receivable)/payable (J+N)</b>	<b>(1.572)</b>	<b>206</b>

### **37. SUBSEQUENT EVENTS**

No significant events occurred after the reporting date of the third quarter of 2015.

San Mauro Torinese, 13 November 2015

On behalf of the Board of Directors

The Chairman and CEO

Mr. Giuseppe Morfino

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The Financial Reporting Officer, Mr. Massimiliano Pagnone, declares, pursuant to Article 154.2-bis of the Consolidated Finance Act, that the accounting disclosures contained in this Interim Report on Operations at 30 September 2015 corresponds to the documentary records, ledgers and accounting data.