HALF - YEAR CONSOLIDATED FINANCIAL STATEMENTS
AT 30 JUNE 2011

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BOARD OF DIRECTORS AND AUDITORS

BOARD OF DIRECTORS

Chairman	Filippo Casadio
Executive Director	Francesco Gandolfi Colleoni
Non-executive Director	Gianfranco Sepriano
Independent Director	Fabio Senese
Independent Director	Orfeo Dallago

BOARD OF AUDITORS

Chairman	Leonello Venceslai
Regular Auditor	Franco Stupazzini
Regular Auditor	Adalberto Costantini
Alternate Auditor	Gianfranco Zappi
Alternate Auditor	Massimo Garuti

EXTERNAL AUDITORS

PricewaterhouseCoopers Spa

INTERIM DIRECTORS' REPORT

The first six months of 2011 have recorded a good level of volumes and margins.

The good evolution of the market and the further increase of copper prices (+25% average first six months LME price - 2011 over 2010) have generated an increase of consolidated sales from € 181.2 million to € 249.7 million (+37.8%)

The consolidated non-metal sales[1] grown by 23.7%. The winding wires segment has increased by 20.7%; cables have increased by 34.4%.

Consolidated non-metal sales (€/million)	2011 1st half year		2010 1st half year		Change
	Value	%	Value	%	%
Winding wires	39.6	*76.6%*	32.8	*78.5%*	20.7%
Cables	12.1	*23.4%*	9.0	*21.5%*	34.4%
Total	51.7	*100.0%*	41.8	*100.0%*	23.7%

EBITDA and EBIT, and their adjusted values, have improved, they are reported in the following table with main financial results:

Financial Data (€/million)	2011 1st half year	2010 1st half year	Change
Sales[2]	249.7	181.2	37.8%
EBITDA[3]	21.2	16.3	30.1%
EBIT	15.2	9.4	61.7%
Result before taxes	15.1	10.9	38.5%
Net result	9.3	7.4	25.7%

Adjusted Financial Data (€/million)	2011 1st half year	2010 1st half year	Change
EBITDA adjusted[4]	12.9	10.8	19.4%
EBIT adjusted[4]	6.9	3.9	81.6%

[1] The consolidated non-metal sales corresponds to the consolidated sales subtracting the metal component.

[2] The item "Sales" represents "Revenues" as stated on the consolidated income statement.

[3] EBITDA is a performance indicator used by Group Management to evaluate its operational performance and is not identified as an accounting measure under IFRS, it is calculated by adding to the EBIT, amortizations, provisions and depreciations.

[4] Adjusted EBITDA and adjusted EBIT are measured, respectively, as the sum of EBITDA and EBIT plus/minus the income/costs deriving from copper derivatives transactions (€ +0.45 million) minus/plus the effect of the copper price increase/decreases on the value of inventory (€ 8.70 million). These indicators are measurements used by Group Management to monitor and evaluate its operational performance and are not identified as an accounting measure under IFRS. Since the composition of these measurements is not governed by the reference accounting standards, it is possible that the Group's benchmark may not be the same as that used by others, and could therefore not be comparable.

The net financial indebtedness at the end of June 2011 was €114.9 million, up from € 97.6 million at the end of 2010. Such increase is due to the expansion of the working capital.

Financial Data (€/million)	30.06.2011	31.12.2010	Change
Net capital employed	263.9	240.6	9.7%
Equity	149.0	143.0	4.2%
Net financial indebtedness[5]	114.9	97.6	17.7%

Investments

Investments of the period were €. 3.54 million; most of them were made by IRCE S.p.A. in Italy and by IRCE Ltda in Brazil.

Mains risks and uncertainties

The main risks and uncertainties faced by the Group are described here below, as well as their targets and management policies.

Market risk
With reference to market risks, we report the risk that the progressive slowdown of the global economy continues and persists, in particular in Euro zone. This risk enters in a phase of great uncertainty related to concerns about the evolution of some governmet debts.

Risks connected with fluctuating raw materials
The main material used by the Group is copper, whose price changes can influence margins and the needs for working capital. To lessen the possible impact of copper price changes on the margins a hedging policy is being carried out with forward contracts on the positions generated by the operating activity, where the financial instruments are mostly used by the company.

Credit risk
The crediting position does not show particular concentrations. The risk is steadily monitored by suitable assessment and credit granting procedures.

Cash risk
The financial situation excludes difficulties in fulfilling obligations associated with financial liabilities. An increase in the use of credit lines linked with the growing price of raw materials must be noted. The situation is not worrying as the Group has adequate credit lines not yes used.

Currency exchange risk
The Group mainly uses Euro as reference currency for its sales transactions and it is subject to currency exchange risk in its activities in purchasing copper, make in U.S. dollars. It is subject to translation risks for investments in Brazil, England and India.

[5] Net financial indebtedness is measured as the sum of the short and long term financing sources less cash on hand, note no. 17. Please note that the methods for measuring the net financial indebtedness comply with the measurement method of the Net Financial Position as defined by the Consob Deliberation no. 6064293 dtd. 28.07.2006 and in the CESR guidelines dtd. 20.02.2005.

Business outlook

The uncertainties of the current macroeconomic scenario make it difficult to prepare forecasts. We believe, however, that, without large changes in the market, results of the second semester of the year will be in line with those of the first one.

Imola 29th august 2011

For the Board of Directors

The Chairman

Filippo Casadio

CONSOLIDATED BALANCE SHEET

ASSETS	Notes	30.06.2011	31.12.2010
NON - CURRENT ASSETS			
Goodwill and intangibles assets	1	2,357,099	2,370,285
Land, buildings, plant and machinery	2	68,629,472	72,649,442
Industrial and commercial equipment and other assets	2	1,780,746	1,770,729
Work in progress and advance payments	2	5,757,857	3,052,030
Other financial assets	3	89,872	95,795
Advanced tax	4	3,334,198	6,267,090
TOTAL NON CURRENT ASSETS		**81,949,244**	**86,205,371**
CURRENT ASSETS			
Inventory	5	128,909,633	100,348,944
Trade receivables	6	111,097,425	111,076,838
Receivables from parent company		-	566,436
Tax receivables	7	5,369,793	6,033,237
Other receivables	8	2,242,807	3,509,529,
Other financial current assets	9	196,146	1,589,749
Cash and cash equivalent	10	4,196,773	5,160,738
TOTAL CURRENT ASSETS		**252,012,577**	**228,285,471**
TOTAL ASSETS		**333,961,821**	**314,490,842**

SHAREHOLDERS EQUITY AND LIABILITY	Notes	30.06.2011	31.12.2010
SHAREHOLDERS' EQUITY			
SHARE CAPITAL	11	14,626,560	14,626,560
RESERVES	11	124,789,261	117,362,920
PROFIT (LOSS) FOR THE PERIOD		9,337,847	10,800,118
TOTAL GROUP SHAREHOLDERS' EQUITY		**148,753,668**	**142,789,598**
MINORITY INTEREST		**219,525**	**210,074**
TOTAL SHAREHOLDERS' EQUITY		**148,973,193**	**142,999,672**
NON - CURRENT LIABILITIES			
Non-current financial liabilities	12	9,667,730	11,490,302
Deferred tax liabilities	13	3,411,654	3,174,797
Provisions for risks and charges	14	1,507,734	1,066,116
Employee benefits obligations	15	4,733,705	5,044,454
TOTAL NON CURRENT LIABILITIES		**19,320,823**	**20,775,669**
CURRENT LIABILITIES			
Current financial liabilities	16	109,662,296	92,830,511
Trade payables		39,342,299	40,892,810
Tax payables	17	5,352,970	5,077,020
Payables to social security		2,739,658	3,253,387
Other payables	18	8,570,582	8,661,773
TOTAL CURRENT LIABILITIES		**165,667,805**	**150,715,502**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**333,961,821**	**314,490,842**

CONSOLIDATED INCOME STATEMENT

	Notes	30.06.2011	30.06.2010
Revenues	19	249,714,917	181,195,575
Other revenues and proceeds	19	356,931	928,022
TOTAL REVENUES		**250,071,848**	**182,123,597**
Raw material and consumables	20	(203,684,559)	(150,531,720)
Change of finished goods and wip		10,600,753	15,292,526
Cost for services		(19,867,798)	(16,387,909)
Personnel costs	21	(15,252,097)	(13,790,893)
Depreciations	22	(4,204,414)	(4,203,171)
Provisions	23	(1,757,995)	(2,757,854)
Other operative costs		(682,600)	(386,137)
OPERATING RESULT		**15,223,138**	**9,358,439**
Financial incomes and charges	24	(128,698)	1,502,419
RESULT BEFORE TAXES		**15,094,440**	**10,860,858**
Income taxes	25	(5,747,487)	(3,469,564)
RESULT BEFORE MINORITY INTERESTS		**9,346,953**	**7,391,294**
Minority interests		(9,106)	(4,143)
NET RESULT		**9,337,847**	**7,387,151**

Earnings/(Loss) per share			
- Basic, from profit attributable to the parent company	26	0,3527	0,2790
- Diluted, from profit attributable to the parent company	26	0,3527	0,2790

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	30/06/2011	30/06/2010
€/000		
RESULT OF PERIOD	9,347	7,391
Exchange differences on translation of foreign operations	(456)	8,090
Income tax	-	(75)
	(456)	8,015
Net gain on cash flow hedges	189	1,815
Income tax	(48)	(463)
	141	1,352
Other comprehensive icome for the period, net of tax	(315)	9,367
Total comprehensive icome for the period, net of tax	9,032	16,758
Attributable to:		
Minority interests	10	64
Shareolders' equity	9,022	16,696

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

€/000	Share Capital	Legal Reserve	Extraord. Reserve	Share premium Reserve	Consolidation Reserve	Fair Value Reserve	Retained earnings	Transition Reserve IAS-IFRS	Other Reserves	Own Shares	Net Result	Total	Minority Interests	Shareholders' equity
31.12.2009	**14,627**	**2,925**	**45,534**	**40,539**	**10,381**	**3,306**	**4,687**	**16,772**	**6,694**	**(860)**	**(15,168)**	**129,438**	**307**	**129,745**
Net earnings											7,387	**7,387**	**4**	**7,391**
Comprensive income (loss) for the period						1,352			7,953			9,305	64	9,369
Result of consolidated statement of comprehensive income												**16,692**	**68**	**16,760**
Allocation of earning of perious period			(14,037)				(1,131)				15,168			
Other movement							-20					(20)		(20)
Changes in consolidatio area														
Dividends			(530)									(530)		(530)
Own shares														
Cash flow hedging						(2,843)						(2,843)		(2,843)
Differences in conversion									(2,210)			(2,210)	(64)	(2,274)
30.06.2010	**14,627**	**2,925**	**30,967**	**40,539**	**10,381**	**1,815**	**3,536**	**16,772**	**12,437**	**(860)**	**7,387**	**140,526**	**310**	**140,837**
31.12.2010	**14,627**	**2,925**	**30,968**	**40,539**	**10,377**	**1,568**	**3,608**	**16,772**	**11,466**	**(860)**	**10,800**	**142,790**	**210**	**143,000**
Net earnings											9,338	**9,338**	**9**	**9,347**
Comprensive income (loss) for the period						141			(456)			(315)	1	(314)
Result of consolidated statement of comprehensive income												**9,022**	**10**	**9,032**
Allocation of earning of perious period			5,893				4,907				(10,800)			
Other movement							98					98		98
Dividends							(1,588)					(1,588)		(1,588)
Cash flow hedging						(1,568)						(1,568)	0	(1,568)
30.06.2011	**14,627**	**2,925**	**36,861**	**40,539**	**10,377**	**141**	**7,025**	**16,772**	**11,010**	**(860)**	**9,338**	**148,754**	**219**	**148,974**

CONSOLIDATED STATEMENT OF CASH FLOW	**30/06/2011**	**30/06/2010**
€/000		
CASH FLOW RESULTING FROM COMPANY OPERATIONS		
Earnings of related periods	**9,338**	**7,387**
Adjustment required for reconciling the earning with the cash flow generated (asorbed) by company operations		
Depreciation	4,204	4,203
Net variations in assets/liabilities due for deferred taxes	3,170	2,383
(Extraordinary gains)/ Loss on disposal of assets	(28)	(4)
Decrease (increase) in inventory	(28,561)	(32,716)
Net variation in current assets and liabilities	218	(4,202)
Net variations of non-current assets and liabilities	137	535
CASH FLOW RESULTING FROM COMPANY OPERATIONS	**(11,522)**	**(22,414)**
Investments in intagible assets	(49)	(55)
Investments in tangible assets	(3,542)	(11,114)
Amount collected from sales of tangible and intagible assets	20	284
CASH FLOW USED FOR INVESTMENTS	**(3,571)**	**(10,885)**
Variations in current financial indebtedness	18,226	36,322
Variations in non-current financial indebtedness	(1,823)	(3,051)
Change in third parties' capital	9	7
Dividends paid	(1,588)	(530)
Variations on shareholders' equity	(695)	(638)
CASH FLOW RESULTING FROM FINANCING	**14,129**	**32,110**
NET CASH FLOW IN THE PERIOD	**(964)**	**(1,189)**
LIQUID ASSETS AT THE BEGINNING OF THE PERIOD	5,161	3,606
TOTAL CASH FLOW IN THE PERIOD	(964)	(1,189)
LIQUID ASSETS AT THE END OF THE PERIOD	4,197	2,417

NOTES TO CONSOLIDATED CONDENSED INTERIM FINANCIAL STAMENTS

GENERAL INFORMATION

The Board of Directors authorized this consolidated condensed interim financial statements at 30 June 2011 to be published on 29 August 2011.
Irce Spa is a corporate company set up according to the Law of Italy and its registred office is located in Imola (BO) via Lasie 12/a.
The Irce Group owns 8 manufacturing plants and places itself well among Europe's major manufacturers of electric winding wire (coated wire). In Italy, the Irce Group is a leading manufacturer of electric cables.
Irce's manufacturing plants in Italy are located in Imola (BO), Guglionesi (CB), Umbertide (PG) e Miradolo Terme (PV). The plants abroad are located in Draad Nijmegen (NL) at Draad Nijmegen headquarters, Blackburn (UK) at FD Sims headquarters, Joinville (Brazil) – Irce Ltd headquaters at Kochi (India) office of Stable Magnet Wire P.Ltd and Kierspe (D) headquaters of Isodra Gmbh
Irce Group distribution and sales network is based on sale agents and a number of commercial firms: Isomet in Switzerland, DMG in Germany, Isolveco Srl in Italy, Irce S.L in Spain.

STRUCTURE & CONTENTS

The consolidated condensed interim financial statements at 30 June 2011 have been prepared in accordance with IAS 34 *Interim Financial Reporting.*
The consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements at 31 December 2010.
The financial statements of IRCE Group have been prepared in compliance with the IAS 1 principle.

ACCOUNTING PRINCIPLES ADOPTED

The accounting principles adopted are consistent with those adopted for drafting the group's annual financial statements for the financial year closed at 31st December 2010.
For a better presentation, starting with these financial statements, we report that advance payments of taxes and VAT credits, previously classified among due from tax authorities, have been stated by reducing due to tax authorities, with reclassification of the corresponding figures at 31.12.2010.
The following amendments, improvements and interpretations effective from 1st January 2011, regulate cases in point and case studies not found within the group at the date of this interim management report, but which might have accounting effects on future transactions or agreements: Amendment to IAS 32 – Financial Instruments: Presentation: Classification of Rights Issues; Amendment to IFRIC 14 – Prepayments due to a Minimum Funding Requirement Clause; IFRIC 19 – Extinguishing a Liability with Equity Instruments. Accounting principles, amendments and interpretations not yet applicable and not adopted early by the group. On 12th November 2009 the IASB published IFRS 9. – Financial Instruments: The same principle was later amended on 28th October 2010. The principle is applicable from 1st January 2013 and is the first part of a process to be done in phases to fully replace IAS 39. It introduces new classification and valuation criteria of financial assets and liabilities and for derecognition of financial assets. Specifically, for financial assets the new principle utilises a single approach based upon the ways in which financial instruments are managed and the characteristics of contractual cash flows of the same financial assets in order to determine their valuation criterion, by replacing the various rules established by IAS 39. On the other hand, for financial liabilities, the main change made regards the accounting treatment of changes in the fair value of a financial liability designated as a financial liability valued at fair value on the income statement, in case these are due to a change in creditworthiness of the same liability. Based on the new principle such changes must be recorded under other comprehensive income and expenditure and will no longer be reported on the income statement.
On 20th December 2010 the IASB issued a minor amendment to IAS 12 – Income taxes requiring businesses to measure deferred taxes arising from an asset based on the way in which the book value of such asset shall be recovered (through ongoing use or through sale). Following such amendment SIC-21 – Income taxes – Recovery of a revalued non-depreciable asset shall no longer apply.

The amendment is applicable retrospectively from 1st January 2012. On 12th May 2011 the IASB issued IFRS 10 – Consolidated Financial Statements which shall replace SIC-21 Consolidation – Special purpose entities (special purpose vehicles) and parts of IAS 27 – Consolidated and separate financial statements which shall be renamed Separate Financial Statements and shall regulate the accounting treatment of interests on the separate financial statements. The new principle stems from existing principles identifying in the control concept the determining factor for the purposes of consolidation of a company on the consolidated financial statements of the parent company. It serves as guidance for determining the existence of control when it is hard to ascertain.
The principle is applicable retrospectively from 1st January 2013.

On 12th May 2011 the IASB issued IFRS 11 – Joint Arrangements which will replace IAS 31 – Interests in Joint Ventures and SIC-13 – Jointly controlled entities – Non-monetary contributions by majority stakeholders. The new principle establishes the criteria for identifying joint arrangements based on rights and obligations arising from the arrangements rather than on their legal status and establishes the shareholders' equity method as the sole method for recording interests in jointly controlled entities on the consolidated financial statements. The principle is applicable retrospectively from 1st January 2013.

On 12th May 2011 the IASB issued IFRS 12 – Disclosure of interests in other entities which is a new and complete principle on additional disclosures to make on any type of interest, including those in subsidiary companies, joint arrangements, associated companies, special purpose entities and other non-consolidated special purpose vehicles. The principle is applicable retrospectively from 1st January 2013.

On 12th May 2011 the IASB issued IFRS 13 – Fair Value Measurement that clarifies how fair value should be determined for the purposes of the financial statements and applies to all IFRS principles requiring or permitting fair value measurement or presentation of information based on fair value. The principle is applicable retrospectively from 1st January 2013.

On 16th June 2011 the IASB issued an amendment to IAS 1 – Presentation of Financial Statements requiring entities to group all components presented under other comprehensive income (expenditures) based on whether or not they can be reclassified afterwards on the income statement. The amendment applies to financial years starting on or after 1st January 2012.

On 16th June 2011 the IASB issued an amendment to IAS 19 – Employee Benefits which eliminates the option of deferring recognition of actuarial gains and losses known as the corridor method, requiring presentation of the fund's deficit or surplus on the balance sheet and recognition of cost components tied to the service rendered and net financial charges on the income statement, and recording actuarial gains and losses arising from remeasuring liabilities and assets among other comprehensive income (expenditures). Besides, return on assets included among net financial charges must be calculated based on the discount rate of the liability and no longer on their expected return. The amendment introduces new information to include in the notes to the financial statements. The amendment is applicable retrospectively from the financial year starting on 1st January 2013. At the date of this semi-annual report the concerned bodies of the European Union had not yet concluded the necessary approval process for adoption of the amendments and principles described above.

EVALUATION USAGE

The compilation of consolidated shortened balance sheet according to IFRS requires the evaluation and the value assuming which affect the assets and the liabilities and the advises related to potential assets and liabilities up to reference date. The collected results could be defferent from thease evaluations. The evaluations are used to point out allowances due to credit risks, warehouse obsolescences, amortizations, asset depreciation, benefits to employees and taxes.
The evaluations and the assumptions have to be revised from time to time and the result of every variation income statement.

SEASONALITY OF ACTIVITY

During the period the Group's activity doesn't feel effects due to seasonality

CONSOLIDATION AREA

The table below lists the companies included in the consolidation area at 30 June 2011:

Company	% shareholding	Registered office	Share capital		Consolidation
Isomet AG	100%	Switzerland	Fsv.	1,000,000	integral
Draad Nijmegen BV	100%	The Netherlands	€.	1,165,761	integral
FD Sims Ltd	100%	United Kingdom	£.	15,000,000	integral
Isolveco Srl	75%	Italy	€.	46,440	integral
DMG GmbH	100%	Germany	€.	255,646	integral
IRCE S.L.	100%	Spain	€	150,000	integral
IRCE Ltda	99%	Brazil	Real	83,753,810	integral
ISODRA Gmbh	100%	Germania	€	25.000,00	integral
Stable Magnet Wire P.Ltd.	97,12%	India	INRs	165,189,860	integral

There are not changes in the consolidation area compared to 31 December 2010.

DIVIDENDS

The following table shows the dividends paid by IRCE SPA to its shareholders:

€/000	30/06/2011	31/12/2010
Declared and paid during the six months		
Dividends on ordinaries shares:	1,588	529
dividend 2010: 0.06 cent (2009: 0.02 cent)	1,588	529

DERIVATIVES

The Group currently has the following types of derivatives:

- Derivatives relative to obligations for forward sales of copper, with a maturity date after 30 June 2011. The sale contracts were entered into in order to counter price reductions relative to the availability of raw materials. The fair value of forward contracts for the sale of copper, open on the financial statements date, is determined according to forward prices of copper with reference to the maturity dates of any existing contracts on the financial statements closing date. These transactions do not meet the requirements for recognition as hedge accounting instruments.
- Derivatives relative to obligations for forward purchases of copper, with a maturity date after 30 June 2011. The purchase contracts were entered into in order to prevent price increases relative to sales commitments with copper at fixed values. The fair value of forward contracts for the sale of copper, open on the financial statements date, is determined according to forward prices of copper with reference to the maturity dates of any existing contracts on the financial statements closing date. These transactions meet the requirements for recognition as instruments for cash flow hedge accounting.
- A derivative instrument relating to an interest rate SWAP contract to face its exposure to the risk of interest rate variation as for a medium-long term financing. According to such contract the parties engage to pay or collect at fixed dates amounts determined on the basis of the difference among the various exchange rates.

- derivatives relative to obligations for forward purchases of USD, with a maturity date after 30 June 2011. These transactions do not meet the requirements for recognition as instruments for cash flow hedge accounting.

The following is a summary of the commodity (copper) derivatives for forward sales and purchases, open at 30 June 2011:

Unit of measurement of notional value	Notional value with maturity within one year, tonnes	Notional value with maturity after one year	Result with valuation at fair value, 30/06/11 €/000
Tonnes/Sales	3,375	0	(472)
Tonnes/Purchases	183	0	133

The fair value of forward contracts for the sale and purchase of copper, open at 30 June 2011, is determined according to forward prices of copper with reference to the maturity dates of any contracts still existing on the financial statements closing date.

The following is a summary of interest rate SWAP derivative contracts, open as at 30 June 2011 (amounts in Euro/000):

Nominal amount	Raising date	Maturing date	IRS period year	bank rate	customer rate	Fair Value 30/06/11 €/000
9,108	15/03/2010	31/12/2014	half-yearly	EURIBOR 6M ACT/360	2.20%	6

The following is a summary of USD derivatives for forward purchases, open as at 30 June 2011:

Unit of measurement of notional value	Notional value with maturity within one year, €/000	Notional value with maturity after one year	Result with valuation at fair value, 30/06/11 €/000
USD	19,000	0	50

The fair value of forward contracts for foreign currency purchases opened at 30 June 2011, is determined on the basis of forward prices of currencies with reference to expiration date of contracts open at the date of financial statements.

BUSINESS AREA INFORMATION

The Irce Group primary structure is based on specific business areas, given that the Group's risks and profitability are particularly affected by the differences between products and services on offer.
The operations of the Irce Group are structured and managed separately according to the nature of the products and services provided. Each segment is an independent business unit which offers a variety of products and services to different markets.
The "Winding Wire" company division serves the manufacturers of electric motors, power generators, transformers, relays and solenoid valves.
The "Electric Cables" division serves the construction industry, the civil works and industrial-grade plant engineering market (electrical wiring) and also the long-term electrical equipment market.
Business information according to geographical areas is also given; the Group revenues are divided according to the geographical position of the served customers, while operations and investments are divided according to their localisation.

30 June 2011 €/000	BUSINESS AREAS			
	Winding wires	Cables	Remainder not allocated	Total
Income statement				
Revenues	190,769	58,860	86	249,715
Other income			357	357
Change in finished good and wip	7,937	2,665		10,602
Total				260,673
Business unit operating result	**12,625**	**2,229**		**15,752**
Costs not allocated			(74)	(74)
Operating result	12,625	2,229	368	15,223
Financial incomes and charges				(129)
Taxes				(5,747)
Minority interests				(9)
NET RESULT				9,338
Balance sheet				
Trade receivables	81,661	29,437		111,097
Inventory	97,833	31,078		128,910
Assets not allocated				
Assets	179,493	60,514		240,008
Trade payables	29,250	10,093		39,343
Liabilities not allocated				
Liabilities	29,250	10,093		39,343
Other business area informations				
Net tangible assets	65,961	10,207		76,168
Net working capital	150,244	50,421		200,665

30 June 2010 €/000	BUSINESS AREAS			
	Winding wires	Cables	Remainder not allocated	Total
Income statement				
Revenues	136,700	39,677	4,819	181,196
Other income			928	928
Change in finished good and wip	11,948	3,345		15,293
Total				197,416
Business unit operating result	**9,925**	**(892)**		**9,034**
Costs not allocated			(5,423)	(5,423)
Operating result	9,925	(892)	324	9,358
Financial incomes and charges				1,502
Taxes				(3,469)
Minority interests				(4)
NET RESULT				7,387
Balance sheet				
Trade receivables	73,889	22,593		96,482
Inventory	71,810	22,372		94,181
Assets not allocated				
Assets	145,699	44,965		190,664
Trade payables	32,044	10,164		42,207
Liabilities not allocated				
Liabilities	32,044	10,164		42,207
Other business area informations				
Net tangible assets	67,770	10,276		78,047
Net working capital	113,655	34,801		148,456

In the 1st half year 2011 the two strategic business areas show the following situations:

- the sector of winding wires shows better results in terms of volumes and margins when compared to those in the same period of the previous year;
- in the sector of cables the results are improved (versus 1st half year 2010) with good volumes and margins optained in the 1st quarter thanks to the PV incentives, while the 2nd quarter showed a slowdown after the reduction of these incentives.

Regarding assets and liabilities, the two business units show situations link to the business trend.

In the chart below it's related the secondary structure based on geographical market areas for sales, assets and investments:

30 June 2011 €/000	EU	Outside EU	Total
Revenues	214,262	35,453	249,715
Total value of assets for location	48,700	29,825	78,525
Cost for the purchase of tangible and intangible assets	2,759	832	3,591

30 June 2010 €/000	EU	Outside EU	Total
Revenues	152,160	29,035	181,196
Total value of assets for location	49,824	30,586	80,411
Cost for the purchase of tangible and intangible assets	5,912	98	6,010

NOTES ON THE MAIN ITEMS OF CONSOLIDATED BALANCE SHEET

1. INTANGIBLE ASSETS

The item is the set of intangible assets that will provide future earnings. The mainly item is the goodwill that passed from Euro 2,370 thousands at the end of 2010 to Euro 2,357 thousands at the end of June 2011, reduction due to the amortization of intangibles assets with definite useful life.

The goodwill entered on the Irce Group balance sheet has been estimated at its use value and refers to the major residual value paid in taking over the Draad Nijmegen holding, compared to the corresponding Shareholders' equity book value. Cash flow generating units (CGU) have been found; they will benefit from the synergic effects deriving from the acquisition. In this case controlled company Draad has been found a unique CGU formed by the manufacturing and marketing activities of winding wires. During the 1st half year of 2010 there wasn't the necessity to test with impairment indicators any intangible assets.

2. TANGIBLE ASSETS

€/000	Land	Buildings	Plant & machinery	Industrial & commercial equipment	Other assets	Work in process & advance payments	Total
Net Value at 31 December 2010	13,505	20,789	38,354	1,192	579	3,052	77,472
Movements in period							
. Investments	-	15	357	113	297	2,760	3,542
. Exchange rates effect	1	(147)	(515)	(2)	1	(27)	(689)
. Reclassification	-	7	19	1	-	(27)	-
. Disposals	-	-	(31)	(92)	(122)	-	(245)
. Depreciation for disposals	-	-	31	87	122	-	240
. Depreciation	-	(633)	(3,123)	(280)	(115)	-	(4,151)
Total	1	(758)	(3,262)	(173)	183	2,706	(1,303)
Net value at 30 June 2011	13,506	20,031	35,092	1,019	762	5,758	76,168

Investments of the period were €. 3.54 million; most of them were made by IRCE S.p.A. in Italy and by IRCE Ltda in Brazil.

3. OTHER FINANCIAL ASSETS

The Other Financial Assets are made up as follows

€/000	30/06/2011	31/12/2010
- Shareholdings in other companies	73	79
- Other financial assets	17	17
Totale	90	96

4. ADVANCED TAXES

Advanced taxes are detailed below**:**

€/000	30/06/2011	31/12/2010	Change
- Non-deductible depreciation	136	454	(318)
- Provision for risk	277	300	(23)
- Provision for doubtful receivable	728	634	94
- Losses carried forwards	2,145	4,740	(2,595)
- Loss on currency exchange adjustment	57	41	16
- Association fees	-	2	(2)
- Inter-group margin	(9)	96	(105)
Total	3,334	6,267	(2,933)

The advanced taxes receivable are recorded in respect of all the deductible temporary differences as well as the tax assets and liabilities carried forward, to the extent that there are probable future taxable profits which will render applicable the use of temporary deductible differences and tax assets and liabilities carried forward. The decrease of "losses carried forward" is due to the complete utilization of losses carried forward of IRCE SPA.

5. INVENTORY

Inventory are detailed below:

€/000	30/06/2011	31/12/2010
- Raw and complementary materials, consumable items	45,661	28,677
- Products under development and finished products	18,030	18,490
- Finished goods and merchandise	65,219	53,182
Total	128,910	100,349

The inventory is not mortgaged or given as securities on liabilities.

The value of inventory is exposed to the net of a devaluation concerning the slow moving of packings and finished goods and of a devaluation of about € 1,6 million to adjust the value of inventory not cover by sales orders to the presumed realizable value due to decrease in the copper value at the present date.

6. TRADE RECEIVABLES

€/000	30/06/2011	31/12/2010
- Customers receivable	115,093	114,485
- Bad debts provision	(3,996)	(3,408)
Total	111,097	111,077

The movements in the bad debts provision during the first six months 2011 are shown below:

€/000	31/12/2010	Provision	Uses	30/06/2011
Bad debts provision	3,408	638	(5)	3,996

7. TAXES RECEIVABLE

The item refers to €/000 4,589 as credits due to tax pre-payments paid in, to €/000 312 as VAT payments effected and to €/000 469 as tax credits of the Brazilian controlled company Irce Ltda for the construction of new building net of a devaluation of €/000 1,000 for an possible nonpayment.

8. OTHER RECEIVABLES

The following is a breakdown of this item:

€/000	30/06/2011	31/12/2010
- Credits receivable	217	1,658
- Accrued income and deferred charges	193	197
- Receivables from personnel	290	361
- Receivables from social security institutes	150	167
- Other receivables	1,393	1,127
Total	2,243	3,510

9. OTHER CURRENT FINANCIAL ASSETS

€/000	30/06/2011	31/12/2010
- Mark to Market forward operations for copper	133	1,581
- Mark to Market forward operations for currency	50	-
- Mark to Market forward interest Swap	6	-
- Fixed account for LME operations	7	8
Totale	196	1,590

Item "Mark to Market forward operations for copper" refers to the Mark to Market valuation (*fair value*) of forward purchases contracts of copper open at 30 June 2011, stipulated by company Smit Draad Nijmegen BV and regarding 183 ton.

The Item "Fixed account for LME operations" refers to the margin call deposited at Brokers for the forward LME contracts.

10. CASH AND CASH EQUIVALENTS

This item includes bank deposits and cash.

€/000	30/06/2011	31/12/2010
- Bank deposits	4,103	4,869
- Cash	94	292
Total	4,197	5,161

Short-term bank deposits yield variable interest. At the close of balance sheet Bank deposits are not subject to liens or restrictions.

11. SHARE CAPITAL AND RESERVES

The share capital consists of 28,128,000 ordinary shares for an equivalent of € 14,626,560. The share capital is entirely subscribed and paid in. The shares are free of liens, claims or priorities that may affect profit sharing and repayment of capital.
The company's own shares at June 30 2011 are 1,654,173 equal to 5,88%.

12. NON-CURRENT FINANCIAL LIABILITIES

€/000	Currency	Rate	Company	31/06/2011	31/12/2010	Expiration
Carisbo	Euro	Variable	IRCE SPA	1,000	2,000	2012
Banca Intesa	Euro	Variable	IRCE SPA	5,359	6,296	2014
NAB	CHF	Fixed	Isomet AG	3,309	3,194	2011
Total				9,668	11,490	

13. DEFERRED TAX LIABILITIES

The liabilities resulting from deferred taxes are detailed below:

€/000	30/06/2011	31/12/2010	Change
- Advance depreciation	119	121	(2)
- Foreign exchange gains	48	9	39
- Differences resulting from IAS 17 application	108	108	-
- Differences resulting from land depreciation reversal	465	465	-
- Effects of TFR differences (IAS 19)	158	198	(40)
- Effect of amortization difference Isomet AG building	726	715	11
- Effect of fiscal inventory difference Isomet AG	448	469	(21)
- Deferred tax provision Smit Draad Nijmegen BV	1,343	1,123	220
- Effects of deferred taxes on Mark to Market derivatives	(3)	(33)	30
Total	3,412	3,175	237

14. PROVISIONS FOR RISKS AND CHARGES

The provisions for risks and charges are detailed below:

€/000	31/12/2010	Provision	Uses	30/06/2011
Agency pension fund	372	10	(9)	373
Provision for future costs	694	610	(169)	1,135
Total	1,066	620	(178)	1,508

The Agency pension fund is used for the indemnity related to agency contracts.
The provision for future costs refers to provisions made for various disputes, included the evaluation of a passivity originated by a record from the fiscal authority.

15. EMPLOYEE BENEFITS OBLIGATIONS

The following variations occurred in the leaving indemnity fund:

€/000	30/06/2011	31/12/2010
Balance as of January 1	5,044	5,475
Financial charges	109	213
Actuarial profits/losses	(123)	(250)
(Amounts paid)	(293)	(394)
Balance of period	4,734	5,044

The leaving indemnity fund is part of the definite benefit scheme currently provided.
A method known as "Projected Unit Credit Cost" has been used to work out the related liabilities.

16. CURRENT FINANCIAL LIABILITIES

The current financial liabilities are detailed below:

€/000	30/06/2011	31/12/2010
- Due to banks	109,190	92,030
- Amounts payable for derivatives	472	801
Total	109,662	92,831

The sensible increase of the banks liabilities, due to the economic trend of the first half-year and consequently to the working capital increase, has been carried out by import financing and invoices advance.

The item "payables for derivatives" refer for €/000 462 to the Mark to Market (*Fair Value*) valuation of the sales forward contracts for copper, open as at 30.06.2011, of the company IRCE SPA and for €/000 10 to the Mark to Market (fair value) valuation of the sales forward contracts for copper, open as at 30.06.2011, of the English subsidiary FD Sims Ltd.

The actual Net Financial Position of the Irce Group is as follows:

€/000	30/06/2011	31/12/2010
Cash	4,197	5,161
Other current financial assets	196	1,590
Cash and Cash equivalents	**4,393**	**6,751**
Current financial liabilities	(109,662)	(92,831)
Current net financial liabilities	**(105,269)**	**(86,080)**
Non-current financial liabilities	(9,668)	(11,490)
Non-current financial liabilities	**(9,668)**	**(11,490)**
Net financial position	**(114,937)**	**(97,570)**

17. TAXES PAYABLE

These items refer for €/000 2,425 to debts due to income tax, for €/000 2,897 to VAT payable and for €/000 31 to other taxes payable.

18. OTHER PAYABLES

The other debts are as follows:

€/000	30/06/2011	31/12/2010
- Due to employees	2,064	1,985
- Caution from Customers	2,472	2,201
- Accrued expenses and deferred income	605	946
- Others	3,430	3,530
Total	8,571	8,662

NOTES TO THE PRINCIPAL ITEMS ON THE CONSOLIDATED INCOME STATEMENT

19. REVENUES

These items refer to revenues for the sales of goods after returns and discount. The revenues at June 30 2011 for €/000 250,071 increase of 37 % in respect to the same period of the previous year (€/000 182,124).

20. RAW MATERIALS AND CONSUMABLES USED

This item includes the costs borne for purchasing raw materials – such as copper, insulating materials, packaging materials and consumable items (for maintenance work).

21. PERSONNEL COSTS

The costs borne for personnel are detailed below:

€/000	30/06/2011	30/06/2010	Change
- Wages and salaries	11,213	9,965	1,248
- Social security contributions	3,295	3,267	28
- Leaving indemnities	56	183	(128)
- Other costs	688	376	312
Total	15,252	13,791	1,461

The higher personnel cost in the 1st half year 2011 is the consequence of both the increased number of employees of the group and the lower use of redundancy fund by IRCE S.p.A..

22. DEPRECIATION

Depreciation is as follows:

€/000	30/06/2011	30/06/2010	Change
- Intangibile asset amortization	53	64	(11)
- Tangible asset depreciation	4,151	4,139	12
Total depreciation	4,204	4,203	1

23. PROVISIONS

Provisions are detailed below:

€/000	30/06/2011	31/12/2010	Change
- Write-down of receivables	1,638	2,002	(364)
- Provisions for risks	120	756	(636)
Total provisions and write-downs	1,758	2,758	(1,000)

24. FINANCIAL INCOMES AND CHARGES

The financial income and charges are detailed below:

€/000	30/06/2011	30/06/2010	Change
- Other financial incomes	1,269	3,014	(1,745)
- Interest and other financial charges	(1,903)	(909)	(994)
- Profits (losses) on currency exchange	505	(603)	1,108
Total financial charges and proceeds	(129)	1,502	(1,631)

Below are detailed the profits and losses on LME already included in the above table:

€/000	30/06/2011	30/06/2010	Change
Profits on LME Operations	996	2,800	(1,804)
Losees on LME Operations	(540)	(211)	(329)
Total	456	2,589	(2,133)

Item "Profits on LME operations" refers to the closing of forward sales copper contracts stipulated by IRCE SPA.
Item "Losees on LME operations" refers for €/000 461 to the Mark to Market (*fair value*) valuation of the forward sales copper, open at 30/06/2011, of the company IRCE SPA; for €/000 10 to the Mark to Market (*fair value*) valuation of the forward sales copper, open at 30/06/2011, of the English subsidiary FD Sims Ltd and for €/000 69 to the closing of forward sales copper contracts stipulated by the English subsidiary FD Sims Ltd.

25. INCOME TAX

€/000	30/06/2011	30/06/2010
- Current taxes	(2,969)	(1,087)
- Prepaid/deferred taxes	(2,779)	(2,383)
Income tax on consolidated profits and losses	(5,748)	(3,470)

The increase in current taxes and deferred taxes is related to the higher margins in the first half of 2011.

26. EARNINGS PER SHARE

As required by IAS 33, the information regarding the data used to work out the earnings per share and diluted earnings are provided below.
The net earnings for the period (excluding the minority shareholder dividends) have been used to calculate the basic earnings per share. In addition, there are no preferential dividends, converted preference shares or equivalents that could affect the net earnings assigned to ordinary shareholders. The weighted average of the ordinary shares in circulation was used as the denominator, calculated by deducting the average number of own shares owned during the period from the total number of shares forming the share capital.
The diluted earnings per share are equivalent to the earnings per share, as there are no ordinary shares that could have "diluting" effects and no options or warrants, which may have the same effect, are likely to be exercised.

	30/06/2011	31/12/2010
Net Profit (loss) for parent company shareholders.	9,337,847	7,387,151
Weighted average number of shares for determining basic earnings per share	26,473,827	26,473,827
Basic profit (loss) per share	0.3527	0.2790
Diluted profit (loss) per share	0.3527	0.2790

27. RELATED PARTY TRANSACTIONS

At the 30.06.2011 results a debt of €/000 448of IRCE SPA to tax authority payable through the parent company AEQUAFIN SPA relating to the application of the system of national consolidation taxes.
During the half year €/000 35 have been paid to Directors Gianfranco Sepriano as fees for advice's activity for IRCE SPA.

28. CREDIT RISK COVERAGE

The following table gives details of the internal credit risk categories:

Risk level	*Exposure €/000*
Minimal	24,620
Medium	58,686
Above average	25,663
High	6,125

As at 30 June 2011, the breakdown of trade receivables by due date is as follows:

Expiration	*Amount €/000*
Not yet due	91,181
Expired by:	
< 30 days	10,361
31-60	3,316
61-90	2,838
91-120	1,192
> 120	6,204

29. FINANCIAL INSTRUMENTS

A comparison between the book value and the fair value of the financial instruments of the Group is indicated blow:

€/000	Book value		Fair value	
	30/06/2011	31/12/2010	30/06/2011	31/12/2010
Financial assets				
Liquid assets or other equivalent means	4,197	5,161	4,197	5,161
Other financial assets	196	1,590	196	1,590
Financial liabilities				
Current loans	109,190	92,030	109,190	92,030
Non-current loans	9,668	11,490	9,668	11,490
Other financial liabilities	472	801	472	801

30. EVENTS OCCURED AFTER BALANCE SHEET END DATE

No major events occurred in the intervening time between financial half-year and the date of approval of this financial statement.

Statement of the consolidated financial statement as of June 30 2009 according to article 154-bis D.Lgs no.58/1998

The undersigned Mr Filippo Casadio, Chairman, and Elena Casadio, Executive Manager assigned to draw up the company books of IRCE SPA, state that, in consideration to what provided for in Article 154-bis, clauses 5, of law no 58 dated February 24 1998:

- The documents are adequate in relation to the characteristics of the company.
- All law provisions have been duly applied,

The administrative and accounting procedures to determine the June 30 2009 consolidated balance sheet items have been fully complied with.

In addition, we state that the consolidated balance sheet:

a) Matches the book results and the accounting records;
b) Has been drawn up in compliance with IAS principles and provides a true picture of the economic, financial and property position of the Group as well as the companies included in the consolidation procedure;
c) The Information on the trend of the consolidated balance sheet contains a reliable analysis concerning the informations provided for Article 154-ter, clauses 4, of law no 58 dated February 24, 1998.

Imola, 29 August 2011

Filippo Casadio
The Chairman

Elena Casadio
Executive Manager

AUDITORS' REPORT ON THE REVIEW OF CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

To the Board of Directors of
IRCE SpA

1 We have reviewed the consolidated condensed interim financial statements of IRCE SpA (hereinafter also the "Company") and its subsidiaries ("IRCE Group") as of 30 June 2011 and for the six months period then ended, comprising the balance sheet, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and related notes. The Directors of IRCE SpA are responsible for the preparation of the consolidated condensed interim financial statements in accordance with the international accounting standard (IAS 34) applicable to interim financial reporting, as adopted by the European Union. Our responsibility is to issue this report based on our review.

2 We conducted our review in accordance with the criteria for a review recommended by the National Commission for Companies and the Stock Exchange (CONSOB) with Resolution no. 10867 of 31 July 1997. The review consisted principally of inquiries of Company personnel about the information reported in the consolidated condensed interim financial statements and about the consistency of the accounting principles utilized therein as well as the application of analytical review procedures on the data contained in the above mentioned consolidated financial statements. The review excluded certain auditing procedures such as compliance testing and verification and validation tests of assets and liabilities and was therefore substantially less in scope than an audit performed in accordance with generally accepted auditing standards. Accordingly, unlike the audit carried out by other auditors on the annual consolidated financial statements, we do not express a professional audit opinion on the consolidated condensed interim financial statements.

Regarding the amounts of the consolidated financial statements of the prior year and the consolidated condensed interim financial statements of the prior year, presented for comparative purposes, reference should be made to the reports issued by other auditors on 30 March 2011 and 27 August 2010, respectively.

3 Based on our review, nothing has come to our attention that causes us to believe that the consolidated condensed interim financial statements of IRCE Group as of 30 June 2011 and for the six months period then ended have not been prepared, in all material respects, in accordance with the international accounting standard (IAS 34) applicable to interim financial reporting, as adopted by the European Union.

Bologna, 29 August 2011

PricewaterhouseCoopers SpA

Signed by
Gianni Bendandi
(Partner)

This report has been translated into the English language from the original, which was issued in Italian, solely for the convenience of international readers.