



**FIRST QUARTER REPORT AS OF 31<sup>st</sup> March 2011**

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Declaration pursuant to art. 154-bis, paragraph 2, of Italian Legislative Decree no. 58/1998

**COMPANY POSITIONS*****BOARD OF DIRECTORS***

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Chairman	Filippo Casadio
Executive Director	Francesco Gandolfi Colleoni
Not Executive Director	Gianfranco Sepriano
Independent Director	Fabio Senese
Independent Director	Orfeo Dallago

***BOARD OF AUDITORS***

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

***AUDITORS***

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PricewaterhouseCoopers SPA

## REPORT ON THE TREND OF THE FIRTS QUARTER 2011

First quarter 2011 consolidated data confirmed the good level of volumes reached in the last quarter of 2010 and the positive trend of results.

The good market situation and the further increase of copper prices (+35%, average 1° quarter 2011 LME price versus average 1° quarter 2010 average LME price) brought to a sensible expansion of consolidated sales, which have grown from € 81.4 million, in the first quarter of last year, to € 136.7 million in the first three months of 2011.

In the first quarter 2011 the consolidated non-metal sales<sup>1</sup> increased by 34.2%, with an increase of 26.9% in winding wires sector and of 61.9% in the cables.

In detail:

Consolidated non-metal sales (€/million)	2011 1° quarter		2010 1° quarter		Variation
	Value	%	Value	%	%
Winding wires	20.3	74.9%	16.0	79.2%	26.9%
Cables	6.8	25.1%	4.2	20.8%	61.9%
<b>Total</b>	<b>27.1</b>	<b>100.0%</b>	<b>20.2</b>	<b>100.0%</b>	<b>34.2%</b>

EBITDA and EBIT were € 10.7 million and € 7.8 million respectively against € 5.2 million and € 3.2 million in the first quarter of last year. Net profit increased from € 1.1 million to € 5.9 million.

The following chart shows also the Adjusted EBITDA and EBIT values.

Consolidated financial data (€/million)	2011 1° quarter	2010 1° quarter
Sales <sup>2</sup>	136.7	81.4
EBITDA	10.7	5.2
EBIT	7.8	3.2
Net result	5.9	1.1

Adjusted consolidated financial data (€/million)	2011 1° quarter	2010 1° quarter
Adjusted EBITDA <sup>3</sup>	6.8	4.0
Adjusted EBIT <sup>3</sup>	3.9	2.0

<sup>1</sup> The non-metal sales total (or hollow turnover) corresponds to the revenues subtracting the metal component.

<sup>2</sup> The item "Sales" represents "Revenues" as stated on the profit and income statement.

<sup>3</sup> The adjusted EBITDA and EBIT have been respectively measured as the sum of EBITDA and EBIT and the income and charges from operations on derivatives, according to Note 14. These indicators are taken net of the effect by copper price increases on the stock values according to Note 3. Such indicators are used by the Group management to monitor and evaluate the operating trend and are not identified as accounting measurement within IFRS. As the composition of such measurements is not ruled by reference accounting principles, the determination principles applied by the Group could be not homogeneous with others and therefore could not be compared.

Net financial debt as at March 31<sup>st</sup> 2011 was € 118.0 million, up from € 97.8 million at the end of 2010. Such increase has to be entirely ascribed to the working capital needs caused by the expansion of volumes and the copper price growth.

(€/million)	31.03.2011	31.12.2010
NET FINANCIAL DEBT <sup>4</sup>	118.0	97.6

Consolidated investments were € 2.4 million. They were mainly related to the expansion of the production lines of our Brazilian subsidiary IRCE Ltda and to the construction of the new logistic center in Germany. Other investments were made by IRCE S.p.A. and Smit Draad Nijmegen BV.

As to the short term prospects, even with the current decrease of cables sales, caused by the marked slowdown, the consolidation of the winding wire demand should allow us to maintain the current level of profitability.

Imola, 13<sup>th</sup> May 2011

The Chairman

Filippo Casadio

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<sup>4</sup> Net Financial Debt is measured as the sum of the short-term and long-term financial liabilities less cash and cash equivalents (note 10). Please note that the methods for measuring the net financial debt comply with the measurement method of the Net Financial Position as defined by the Consob Deliberation no. 6064293 dtd. 28.07.2006 and by the CESR guidelines dtd. 20.02.2005.

**CONSOLIDATED ASSETS AND LIABILITIES STATEMENT**

<b>ASSETS</b>	<b>Notes</b>	<b>31.03.2011</b>	<b>31.12.2010</b>
<b>NON CURRENT ASSETS</b>			
Goodwill and intangibles assets	1	2,360,077	2,370,285
Land, buildings, plant and machinery	2	69,827,190	72,649,442
Industrial and commercial equipment and other assets	2	1,765,904	1,770,729
Work in progress and advance payments	2	4,890,396	3,052,030
Other financial assets		91,318	95,795
Deferred tax		4,111,092	6,267,090
<b>TOTAL NON CURRENT ASSETS</b>		<b>83,045,977</b>	<b>86,205,371</b>
<b>CURRENT ASSETS</b>			
Inventory	3	112,745,890	100,348,944
Trade receivables	4	130,420,557	111,076,838
Receivables from subsidiaries	5	566,436	566,436
Tax receivables		6,122,939	6,556,273
Other receivables		3,046,649	3,509,529
Other financial current assets	6	1,107,317	1,589,749
Cash and equivalent	7	3,720,197	5,160,738
<b>TOTAL CURRENT ASSETS</b>		<b>257,729,985</b>	<b>228,808,507</b>
<b>TOTAL ASSETS</b>		<b>340,775,962</b>	<b>315,013,878</b>

<b>SHAREHOLDERS EQUITY AND LIABILITIES</b>	<b>Notes</b>	<b>31.03.2011</b>	<b>31.12.2010</b>
<b>SHAREHOLDERS' EQUITY</b>			
SHARE CAPITAL	8	14,626,560	14,626,560
RESERVES	8	128,206,283	117,362,920
PROFIT (LOSS) OF THE PERIOD		5,861,933	10,800,118
<b>TOTAL GROUP SHAREHOLDERS' EQUITY</b>		<b>148,694,776</b>	<b>142,789,598</b>
<b>MINORITY INTEREST</b>		<b>216,435</b>	<b>210,074</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>148,911,211</b>	<b>142,999,672</b>
<b>NON CURRENT LIABILITIES</b>			
Non-current financial liabilities	9	11,353,627	11,490,302
Deferred tax		3,316,195	3,174,797
Provisions for risks and charges		1,531,093	1,066,116
Provisions for employee benefits		4,872,658	5,044,454
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>21,073,573</b>	<b>20,775,669</b>
<b>CURRENT LIABILITIES</b>			
Current financial liabilities	10	111,447,877	92,830,511
Trade payables		39,850,517	40,892,810
Tax payables		6,893,368	5,600,056
Amounts due to social security		2,237,957	3,253,387
Other current liabilities		10,361,459	8,661,773
<b>TOTAL CURRENT LIABILITIES</b>		<b>170,791,178</b>	<b>151,238,538</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>340,775,962</b>	<b>315,013,878</b>

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**

	Notes	31.03.2011	31.03.2010
Revenues	11	136,694,257	81,405,884
Other revenues and proceeds		153,726	310,224
<b>TOTAL REVENUES</b>		<b>136,847,983</b>	<b>81,716,108</b>
Raw material and consumable	12	(112,074,867)	(66,705,947)
Change in finished good and wip		4,273,735	5,096,722
Cost for services		(10,004,378)	(7,994,182)
Personnel cost		(7,907,740)	(6,644,856)
Depreciations	13	(2,154,039)	(1,960,205)
Provisions		(748,230)	(92,617)
Other operative costs		(407,606)	(223,792)
<b>OPERATING RESULT</b>		<b>7,824,858</b>	<b>3,191,231</b>
Financial incomes and charges	14	478,880	(1,660,322)
<b>RESULT BEFORE TAXES</b>		<b>8,303,738</b>	<b>1,530,909</b>
Income Taxes	15	(2,441,785)	(396,279)
<b>RESULT BEFORE MINORITY INTERESTS</b>		<b>5,861,953</b>	<b>1,134,630</b>
Minority interest		(20)	(4,886)
<b>NET RESULT</b>		<b>5,861,933</b>	<b>1,129,744</b>



## ACCOUNTING PRINCIPLES AND EXPLANATORY NOTES TO THE FIRST QUARTER REPORT 2011

### COMPANY INFORMATION

The Board of Directors authorized the First Quarter Report as at March 31<sup>st</sup>, 2011 to be published on May 13<sup>th</sup> 2011.

Irce Spa is a corporate company set up according to the Law of Italy and its registered office is located in Imola (BO) via Lasie 12/a.

The Irce Group owns 9 manufacturing plants and is one of Europe leading manufacturers of electric winding wire. In Italy, the Irce Group is a leading manufacturer of electric cables.

Irce's Italian manufacturing plants are located in Imola (BO), Guglionesi (CB), Umbertide (PG) and Miradolo Terme (PV). The foreign plants are located in Nijmegen (NL), the head office of Smit Draad Nijmegen BV, Blackburn (UK), the head office of FD Sims Ltd, Joinville (Brazil), the headquarters of Irce Ltd and in Kochi (India), the head office of Stable Magnet Wire P.Ltd and Kierspe (D) the head office of Isodra GmbH.

Distribution takes place through agents and the following commercial subsidiaries: Isomet AG (Switzerland), DMG GmbH (Germany), Isolveco Srl (Italy) and Irce S.L. (Spain).

### FINANCIAL REPORTING PRINCIPLES

The First Quarter Report at March 31<sup>st</sup>, 2011 have been drawn up in compliance with the IAS 34 "Intermediate Balance Sheet" and with article 154 ter of TUF. This balance sheet consolidated not includes all informations requested by annual balance sheet and must be read together with December 31<sup>st</sup> 2010 balance sheet.

The diagrams used for compiling the consolidated balance sheet of the Group have been prepared in compliance with the IAS 1 principle, in particular;

- The shareholders' equity has been introduced by separately presenting current and non-current assets and liabilities.
- The profit-and-loss account has been prepared by classifying the item "by nature".

The following notes have been indicated in thousand euro.

This First Quarter Report has not been subjected to Audit Review.

#### 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 different from these evaluations. The evaluations are used to point out allowances due to credit risks, amortizations, asset depreciation and taxes.

**CONSOLIDATION AREA**

The table below lists the companies included in the consolidation area at March 31<sup>st</sup>, 2011:

Company	% shareholding	Registered office		Company capital	Consolidation
Isomet AG	100%	Switzerland	Fsv.	1,000,000	integral
Smit Draad Nijmegen BV	100%	The Netherlands	€	1,165,761	integral
FD Sims Ltd	100%	United Kingdom	£	15,000,000	integral
Isolveco Srl	75.0%	Italy	€	46,440	integral
DMG GmbH	100%	Germany	€	255,646	integral
IRCE S.L	100%	Spain	€	150,000	integral
IRCE Ltda	100%	Brazil	Real	83,753,810	integral
ISODRA GmbH	100%	Germany	€	25,000	integral
Stable Magnet Wire P.Ltd.	97.12%	India	INRs	165,189,860	integral

There are not changes in the consolidation area compared to Consolidated Balance Sheet as of December 31<sup>st</sup>, 2010.

**DERIVATIVE**

The Group currently has the following types of derivatives:

- derivatives relative to obligations for forward sales of copper, with a maturity date after March 31<sup>st</sup> 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 March 31<sup>st</sup> 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 March 31<sup>st</sup> 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 as at 31<sup>st</sup> March 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, 31/03/11 €/000
Tonnes/sales	2,125	0	489
Tonnes/purchase	285	0	587

The fair value of forward contracts for the sale and purchase of copper, open on March 31<sup>st</sup> 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 March 31<sup>st</sup> 2011 (amounts in Euro/000):

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

The following is a summary of USD derivatives for forward purchases, open as at March 31<sup>st</sup> 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, 31/03/11 €/000
USD	1,000	0	(20)

## COMMENT TO CONSOLIDATED ASSETS AND LIABILITIES STATEMENT AS OF MARCH 31<sup>st</sup> 2011

### 1. INTANGIBLE ASSETS

This balance sheet item concerns the intangible assets from which economic benefits are expected in the future. The variations in intangible assets are detailed below:

€/ 000	Patent rights and intellectual property	Licenses, trade marks and similar rights	Goodwill	Total
Net value at Dec. 31 <sup>st</sup> 2010	265	74	2,031	2,370
<i>Operations over financial year</i>				
. Increment	11	15	-	26
. Other changes	(9)	(3)	-	(12)
. Reclassification	-	-	-	0
. Depreciation	(20)	(4)	-	(24)
Total	(18)	8	0	(10)
Net value at March 31 <sup>st</sup> 2011	247	82	2,031	2,360

Asset	Expected useful life	Depreciation method	Internally developed or purchased	Impairment tests for assessing losses in value
Patent rights and intellectual property	Definite	50%	Purchased	Review of depreciation method at each year-end, and impairment test if there are indicators of loss in value
Permits and licenses	Definite	20%		Review of depreciation method at each year-end, and impairment test if there are indicators of loss in value
Trademarks and similar rights	Definite	5,56%	Purchased	Review of depreciation method at each year-end, and impairment test if there are indicators of loss in value
Goodwill Smit Draad Nijmegen BV	Indefinite	n/a	Purchased	Subject to impairment test

The depreciation rates that concern other intangible assets are worked out depending on the extent to which they can be utilized; therefore they are examined at the financial year-end.

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. The value is subject to impairment test once a year to assess possible losses.

## 2. TANGIBLE ASSETS

€/000	Land	Buildings	Plant & machinery	Industrial equipment & commercial facilities	Other assets	Work in progress & advance payments	Total
Net Value at Dec. 31 <sup>st</sup> 2010	13,505	20,789	38,354	1,192	579	3,052	77,472
<i>Operations</i>							
. Investments	-	15	268	34	167	1,877	2,361
. Other changes	(108)	(319)	(758)	(1)	(9)	(21)	(1,216)
. Reclassification	-	(1)	18	1	-	(18)	0
. Divestments	-	-	-	(92)	(123)	-	(215)
. Depreciation	-	-	-	87	123	-	210
. Depreciation in the course	-	(332)	(1,605)	(139)	(53)	-	(2,129)
<b>Total</b>	<b>(108)</b>	<b>(637)</b>	<b>(2,077)</b>	<b>(110)</b>	<b>105</b>	<b>1,838</b>	<b>(989)</b>
Net value at March 31 <sup>st</sup> 2011	13,397	20,152	36,277	1,082	684	4,890	76,483

Investments of the period were € 2.4 million. They were mostly related to the expansion of IRCE Ltda's production lines and the completion of new warehouse in Germany. Other investments concerned IRCE Spa and Smit Draad Nijmegen BV's.

### 3. INVENTORY

Inventory are detailed below:

€/000	31/03/2011	31/12/2010
- Raw and complementary materials, consumable items	35,560	28,677
- Products under development and finished products	18,031	18,490
- Finished products and goods	59,149	53,182
<b>Total</b>	<b>112,746</b>	<b>100,349</b>

In the course of the first quarter inventories have not been depreciated and no previous inventory write-downs have been reversed.

The stocks recorded are not mortgaged or given as securities on liabilities.

The stock value at 31/03/2011 is influenced for about €/000 4,800 by the effect of the price revaluation of the copper raw material on the quantities stocked at start of year.

### 4. TRADE RECEIVABLES

€/000	31/03/2011	31/12/2010
- Customers/Bills & notes receivable	126,873	114,485
- Bad debts provision	(3,548)	(3,408)
<b>Total</b>	<b>130,421</b>	<b>111,077</b>

The balance of trade receivables is made up entirely of receivables due within the next 12 months.

### 5. RECEIVABLES FROM PARENT COMPANY

The item refers to receivables from the parent company Aequafin Spa relating to an IRES tax credit due to application of the system of national consolidation taxes.

### 6. OTHER CURRENT FINANCIAL ASSETS

€/000	31/03/2011	31/12/2010
- Forward operations for copper Mark to Market	1,078	1,581
- Forward operations for interest Swap	21	-
- Fixed account for LME operations	8	8
<b>Total</b>	<b>1,107</b>	<b>1,590</b>

The item "Forward operations for copper Mark to Market" refers for €/000 491 to the Mark to Market (Fair Value) valuation of copper sales forward contracts open on 31.03.2011 of the IRCE SPA and for €/000 587 to the Mark to Market (Fair Value) valuation of copper purchase forward contracts open on 31.03.2011 of the dutch subsidiary Smit Draad Nijmegen BV.

The contracts open concerns 2,025 tonnes for IRCE SPA and 385 tonnes for Smit Draad Nijmegen BV.

The item "Fixed account for LME operations" refers to the margin calls ("hedge requests") deposited at the Brokers for copper forward operation on LME.

## 7. CASH AND CASH EQUIVALENTS

This item includes bank deposits, cash in hand and valuables.

€/000	31/03/2011	31/12/2010
- Bank deposits	3,514	4,869
- Cash on hand and valuables	206	292
<b>Total</b>	<b>3,720</b>	<b>5,161</b>

Short-term bank deposits yield variable interest. The bank and postal deposits in effect at the closing date of the half-yearly financial statements are not subject to liens or restrictions.

## 8. SHAREHOLDERS' EQUITY

The share capital consists of 28,128,000 nominal ordinary shares for an equivalent of € 14,626,560. The share capital is entirely subscribed and paid up. The shares are free of any restrictions that could affect profit sharing and repayment of capital.

The company's own shares at March 31<sup>st</sup> 2011 are n. 1,654,173.

The Company Reserves are detailed below:

€/000	31/03/2011	31/12/2010
- Share premium reserve	40,539	40,539
- Legal reserve	2,925	2,925
- Company's own shares	(860)	(860)
- Earnings to be appropriated for investments in Souther Italy	201	201
- Conversion-related reserve	4,847	4,643
- Consolidation-related reserve	14,528	10,377
- Extraordinary Reserve	30,968	30,968
- Company surplus reserve	6,622	6,622
- IAS/IFRS transation reserve	2,009	2,009
- Retained earnings	3,680	3,680
- IAS/IFRS Fair Value reserve	15,266	16,258
- Profit (loss) previous year	7,482	-
<b>Total</b>	<b>128,206</b>	<b>117,363</b>

The translation reserve represents the differences in value resulting from conversion of the foreign holdings Isomet AG, FD Sims Ltd, IRCE Ltda and Stable Magnet Wire P.Ltd at the official exchange rate on March 31<sup>st</sup> 2011. As required under IAS 21 (Effects of changes in foreign exchange rates – net investment in a foreign operation), the translation reserve also includes the negatives exchanges differences resulting from the adjustment as at March 31<sup>st</sup> 2011 of the amounts owed to the parent company IRCE SPA by the foreign subsidiary FD Sims Ltd for an amount of €/000 156 and IRCE Ltda for an amount of €/000 45.

## 9. NON-CURRENT FINANCIAL LIABILITIES

€/000	Currency	Rates	Company	31/03/2011	31/12/2010	Due
Carisbo	Euro	Variable	IRCE SPA	2,000	2,000	2012
Banca Intesa	Euro	Variable	IRCE SPA	6,296	6,296	2014
NAB	CHF	Fixed	Isomet AG	3,058	3,194	2011
<b>Total</b>				<b>11,354</b>	<b>11,490</b>	

## 10. CURRENT FINANCIAL LIABILITIES

The current financial liabilities are detailed below:

€/000	31/03/2011	31/12/2010
- Due to banks	111,467	92,030
- Amounts payable for derivatives	22	801
<b>Total</b>	<b>111,448</b>	<b>92,831</b>

Item "Amounts payable for derivatives" refers for €/000 2 to the Mark to Market valuation (fair value) of the sales forward contracts for copper, open as at March 31<sup>st</sup> 2011, of subsidiary FD Sims Ltd, the contracts open concerns 100 tons and for €/000 20 refers to the Mark to Market valuation (fair value) of the derivatives relative to obligations for forward purchases of USD, open as at March 31<sup>st</sup> 2011, of IRCE SPA.

With reference to the financial liabilities, **the Group's net financial position**, drawn up in accordance with the Consob Communication 6064293 dated 28<sup>th</sup> July 2006 and the CESR guidelines dated 10<sup>th</sup> February 2005, is as follows:

€/000	31/03/2011	31/12/2010
Available funds	3,720	5,161
Other current financial assets	1,107	1,590
Cash and Cash equivalents	4,827	6,751
Current bank loans	(111,448)	(92,831)
<b>Current net financial indebtedness</b>	<b>(106,621)</b>	<b>(86,080)</b>
Non-current bank loans	(11,354)	(11,490)
<b>Non-current financial liabilities</b>	<b>(11,354)</b>	<b>(11,490)</b>
<b>Net financial indebtedness</b>	<b>(117,975)</b>	<b>(97,570)</b>

## COMMENT TO CONSOLIDATED PROFIT AND LOSS AS OF MARCH 31<sup>st</sup> 2011

### 11. REVENUES AND OTHER ICOME

These items refer to revenues for the sales of goods after returns and discount. The revenues at March 31<sup>st</sup> 2011 for €/000 136,694 increase of 68% in respect to the same period of the previous year (€/000 81,406).

### 12. COSTS OF RAW MATERIALS AND CONSUMABLES

This item includes the costs borne for purchasing raw materials - such as copper, insulating materials, packaging materials and consumable items (for maintenance work), net of changes to inventories.

### 13. DEPRECIATION

Depreciation is as follows:

€/000	31/03/2011	31/03/2010	Variation
- Intangible asset depreciation	25	30	(5)
- Tangible asset depreciation	2,129	1,930	199
<b>Total</b>	<b>2,154</b>	<b>1,960</b>	<b>194</b>

### 14. FINANCIAL INCOME AND CHARGES

The financial charges and proceeds are detailed below:

€/000	31/03/2011	31/03/2010	Variation
- Other financial proceeds	254	163	91
- Interest and other financial charges	(595)	(339)	(256)
- Profits (losses) currency exchange	(57)	(265)	208
<b>Total</b>	<b>(398)</b>	<b>(441)</b>	<b>43</b>

€/000	31/03/2011	31/03/2010	Variation
- Charges on derivatives	(81)	(1,219)	1,138
- Profit on derivatives	958	-	958
<b>Total</b>	<b>877</b>	<b>(1,219)</b>	<b>2,096</b>

The item "Charges on derivatives" refers for €/000 79 to the result of the sales forward contracts for copper of FD Sims Ltd and for €/000 2 to the Mark to Market (*fair value*) valuation of the sales forward contracts for copper, open as at March 31<sup>st</sup> 2011, of FD Sims Ltd.

The item "Profit on derivatives" refers for €/000 467 to the result of the sales forward contracts for copper of IRCE SPA and for €/000 491 to the Mark to Market (*fair value*) valuation of the sales forward contracts for copper, open as at March 31<sup>st</sup> 2011, of IRCE SPA.

This Profit on derivatives have been considered for the EBITDA and EBIT adjusted for €/000 877 at March 31<sup>st</sup> 2011 and the Charges for €/000 1,219 at March 31<sup>st</sup> 2010.

### 15. INCOME TAX

€/000	31/03/2011	31/03/2010
- Current taxes	(645)	(281)
- Prepaid / deferred taxes	(1,797)	(115)
<b>Total</b>	<b>(2,442)</b>	<b>(396)</b>

### 16. CORRELATED PARTIES

As at March 31<sup>st</sup> 2011, IRCE SpA has a credit due from the parent company Aequafin Spa, because of the application of the national consolidated tax scheme.



**17. EVENTS OCCURED AFTER BALANCE SHEET END DATE**

No major events occurred in the intervening time between financial year end and the date the balance sheet was approved.

**18. STATEMENT ACCORDING TO ARTICLE 154-BIS D.LGS NO.58/1998**

The Executive Manager assigned to draw up the company books, Dott.ssa Elena Casadio, declares that the information contained in this quarterly report is an accurate representation of the documents, accounting books and records.