



## APPROVAL OF 2010 FINANCIAL STATEMENTS

The Board of Directors has today approved the consolidated financial statements as at December 31<sup>st</sup> 2010.

Consolidated sales increased by 65.3% reaching € 388.2 million; profitability improved decisively, bringing EBITDA to € 33.3 million and net profit to € 10.8 million.

The growth of the winding wire market was strong since the second quarter, while the cable segment started growing in the last quarter of the year, thus not contributing to the annual growth.

Following are the most relevant data.

Financial Data (€/million)	Year 2010	Year 2009
SALES <sup>1</sup>	388.2	234.8
EBITDA	33.3	12.7
EBIT	22.1	3.2
NET PROFIT/(LOSS)	10.8	(15.2)
	31.12.2010	31.12.2009
NET FINANCIAL DEBT	97.6	43.9

Adjusted Financial Data (€/million)	Year 2010	Year 2009
EBITDA adjusted <sup>2</sup>	18.4	3.3
EBIT adjusted <sup>2</sup>	7.2	(6.2)

Consolidated net financial indebtedness, at the end of September, was € 97.6 million, higher than € 43.9 million at the end of 2009. Such increase is mostly due to the expansion of the working capital required by higher sales and copper price.

Investments of the period were € 13.4 million. They were mostly related to the expansion of IRCE Ltda's production lines. Others investments concerned IRCE Spa, Smit Draad Nijmegen BV's, and a new warehouse in Germany.

<sup>1</sup> The item "Sales" represents "Sales and service revenues" as stated on the profit and income statement.

<sup>2</sup> 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 (€ -3.2 million) minus/plus the effect of the copper price increase/decreases on the value of inventory (€ 11.7 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 recovery of the winding wire market seems to be consolidated and we believe shall continue also over the next quarters. The prospects of the cable segment are more uncertain as they seem connected to the demand coming from the investments in the photovoltaic. Overall, for the entire 2011, we expect good results.

The Board of Directors resolved a proposal to distribute a dividend of € 0.06 per share, to be paid starting from May 12<sup>th</sup> 2011.

The shareholders meeting is called on April 29<sup>th</sup> 2011 (first call) and on May 2<sup>nd</sup> 2011 (second call).

The manager responsible for preparing the company's financial reports, Elena Casadio, declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to our books and accounting records

Imola, 15<sup>th</sup> March 2011

IRCE SPA

**Contacts:**

Investor relation. Sepriano Gianfranco  
Tel. + 39 0382 77535 e-mail [gianfranco.sepriano@irce.it](mailto:gianfranco.sepriano@irce.it)

*IRCE Group is an important player in the winding wires and electric cable sector. The production is deployed in 4 facilities in Italy and 5 facilities abroad: Nijmegen (NI), Blackburn (UK), Joinville SC (Brazil), Kochi (India) and Kierspe (Germany). The Group includes also 4 commercial companies; three of them are located outside Italy (Germany, Spain and Switzerland) and the Group employs about 791 employees.*

## CONSOLIDATED ASSETS AND LIABILITIES STATEMENT

<b>ASSETS</b>	<b>31.12.2010</b>	<b>31.12.2009</b>
<b>NON CURRENT ASSETS</b>		
Goodwill and intangibles assets	2.370.285	2.338.807
Land, buildings, plant and machinery	72.649.442	60.155.187
Industrial and commercial equipment and other assets	1.770.729	1.859.112
Work in progress and advance payments	3.052.030	9.371.345
Other financial assets	95.795	85.576
Deferred tax	6.267.090	9.861.917
<b>TOTAL NON CURRENT ASSETS</b>	<b>86.205.371</b>	<b>83.671.944</b>
<b>CURRENT ASSETS</b>		
Inventory	100.348.944	61.465.053
Trade receivables	111.076.838	66.026.923
Receivables from parent company	566.436	1.360.013
Tax receivables	6.556.273	2.873.412
Other receivables	3.509.529	1.970.356
Other financial current assets	1.589.749	5.361.123
Cash and cash equivalent	5.160.738	3.606.456
<b>TOTAL CURRENT ASSETS</b>	<b>228.808.507</b>	<b>142.663.336</b>
<b>TOTAL ASSETS</b>	<b>315.013.878</b>	<b>226.335.280</b>

<b>LIABILITY AND SHAREHOLDERS EQUITY</b>	<b>31.12.2010</b>	<b>31.12.2009</b>
<b>NET EQUITY</b>		
SHARE CAPITAL	14.626.560	14.626.560
RESERVES	117.362.920	129.979.829
PROFIT (LOSS) OF THE PERIOD	10.800.118	(15.167.855)
<b>CONSOLIDATED GROUP EQUITY</b>	<b>142.789.598</b>	<b>129.438.535</b>
<b>THIRD PARTIES' EQUITY</b>	<b>210.074</b>	<b>307.523</b>
<b>TOTAL NET EQUITY</b>	<b>142.999.672</b>	<b>129.746.058</b>
<b>NON CURRENT LIABILITIES</b>		
Financial liabilities	17.498.932	22.186.668
Deferred tax reserve	3.174.797	2.221.628
Other Reserves	1.066.116	919.837
Severence Found	5.044.454	5.474.623
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>26.784.299</b>	<b>30.802.756</b>
<b>CURRENT LIABILITIES</b>		
Financial liabilities	86.821.881	30.651.172
Trade payables	40.892.810	21.951.010
Payables to tax authorities	5.600.056	3.037.044
Payables to social security	3.253.387	2.619.476
Other payables	8.661.773	7.527.764
<b>TOTAL CURRENT LIABILITIES</b>	<b>145.229.907</b>	<b>65.786.466</b>
<b>TOTAL LIABILITIES AND NET EQUITY</b>	<b>315.013.878</b>	<b>226.335.280</b>

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

	<b>31.12.2010</b>	<b>31.12.2009</b>
Sales and service revenues	388.178.752	234.750.987
Other income	1.863.857	1.308.186
<b>TOTAL REVENUES</b>	<b>390.042.609</b>	<b>236.059.173</b>
Raw material and supplies	(316.560.776)	(162.992.298)
Change in finished goods and wip	25.150.552	(5.581.482)
Services	(34.901.444)	(27.154.297)
Personnel costs	(28.795.164)	(26.271.912)
Depreciations	(9.171.046)	(9.144.508)
Provisions	(2.070.510)	(329.154)
Other operative costs	(1.641.104)	(1.396.196)
<b>OPERATING RESULT</b>	<b>22.053.117</b>	<b>3.189.326</b>
Financial incomes and charges	(5.017.201)	(21.842.842)
<b>RESULT BEFORE TAXES</b>	<b>17.035.916</b>	<b>(18.653.516)</b>
Taxes	(6.238.140)	3.524.311
<b>RESULT BEFORE MINORITY INTERESTS</b>	<b>10.797.776</b>	<b>(15.192.439)</b>
Minority interests	2.342	24.584
<b>NET RESULT</b>	<b>10.800.118</b>	<b>(15.167.855)</b>