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The Business Description of the Group

The Bolzoni Group has been active for over sixty years in the design, production and distribution of lift truck attachments and industrial material handling equipment.

The close connection to the world of logistics and its development has given the group the opportunity to take advantage of the significant growth margins resulting from the effects of globalisation.

Today Bolzoni is present worldwide in over forty countries. Its products hold the leading position in the European market for lift truck attachments and it is the second largest worldwide manufacturer in this sector.

The Group offers a wide range of products utilized in industrial material handling and, in particular, lift truck attachments, lifting platforms and hand pallet trucks.

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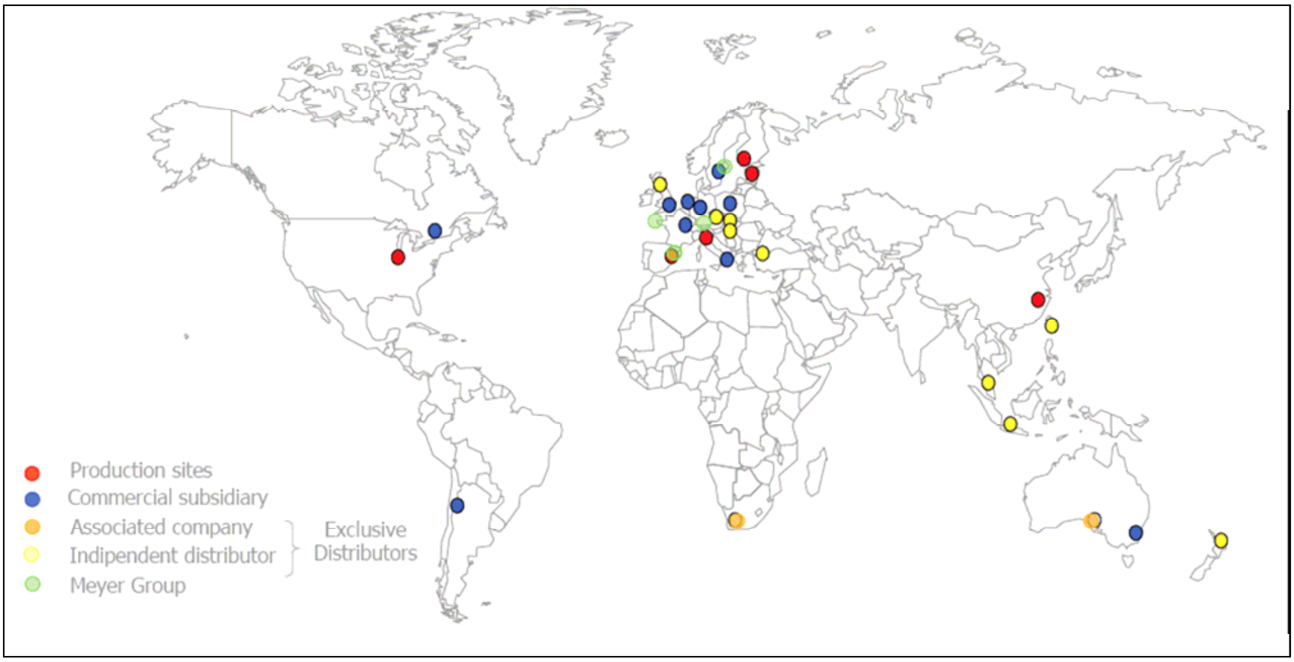

Group structure

Following the recent acquisition of the Meyer Group (01.11.2006), the fourth lift truck attachment manufacturer in the world, either directly or indirectly, Bolzoni controls 19 companies located in various countries throughout the world and all included in the Group's consolidating area. Seven of these (including the parent company) are manufacturing plants located in Italy, Germany, Finland, United States of America, Estonia, Spain and China whereas thirteen companies carry out exclusively commercial and distribution activities, directly serving the principal global logistics and material handling markets.

As mentioned above on 1.11.2006 Hans H Meyer GmbH (fourth manufacturer in the world of lift truck attachments) with registered offices in Salzgitter Germany, became a part of the Bolzoni Group, together with its three subsidiary companies (hereinafter called the Meyer Group) situated in Europe. The acquisition has implied the payment by Bolzoni S.p.A. of 7 million euros, subject to possible further integration up to a maximum total amount of 9.5 million euros, on the basis of the results emerging from their financial statement for the year 2006 prepared in accordance with German accounting principles (for further details please refer to the explanatory notes contained in the consolidated financial statement).

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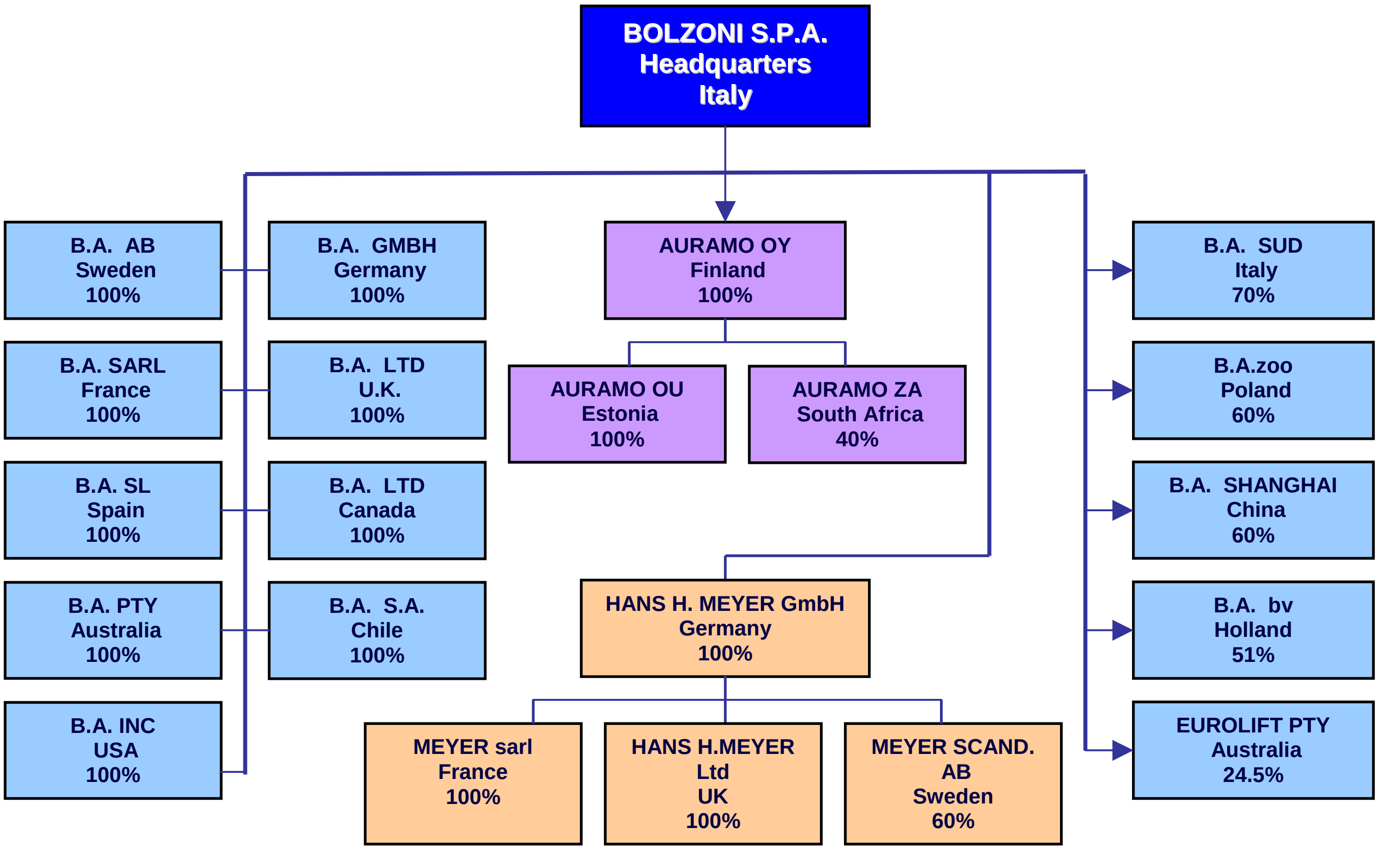


Either through subsidiaries or associated companies the Group is present in many countries, representing all together 80% of the specific world market.

The benchmark market and competitors

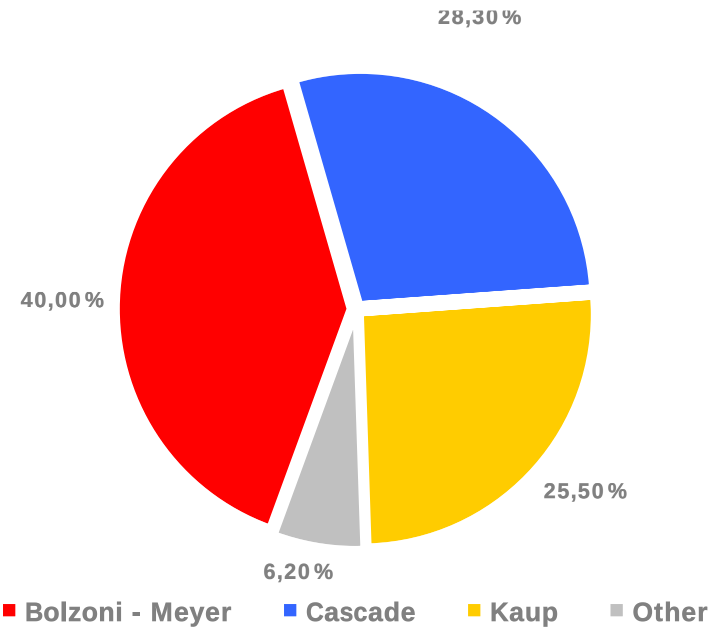
The fork lift truck attachment market is a dense one, 90% of which is covered by three manufacturers (Cascade, Bolzoni and Kaup).

With reference to the fork lift truck attachment market as a whole, Bolzoni (with approximately 40% of the market) holds the leading position in the European market followed by the Cascade Corporation, a US company with production plants in Europe as well (with a market share of about 28%) whereas on a worldwide level it occupies the second position (with a market share of about 25%) preceded by the Cascade Corporation (occupying approximately 50%).

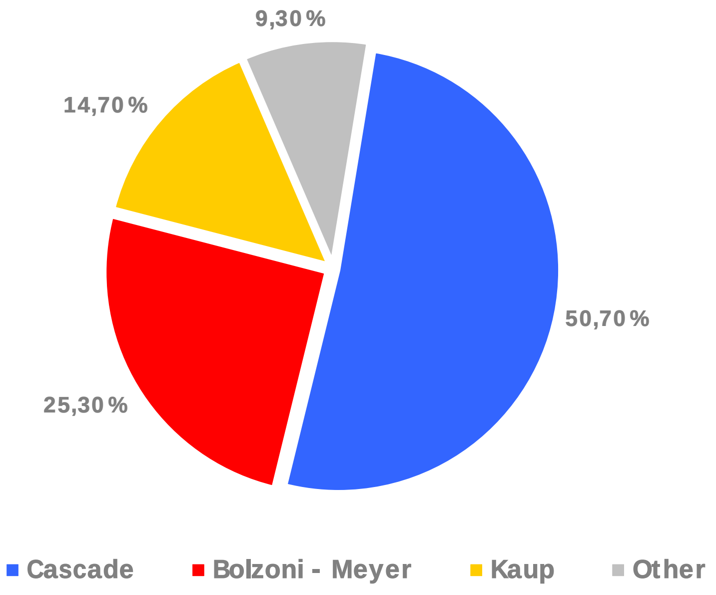
The third position both in Europe and worldwide is held by Kaup (a German manufacturer).

Bolzoni holds the leadership position worldwide with regards to the production of integral side shifters, supplied directly to the manufacturers of fork lift trucks (with a market share of around 81%).

The following pie-chart shows our Group's share of the European market, following the acquisition of Meyer:



Our Group's market share worldwide after the Meyer acquisition is the following:



Market share

Even without taking into account the positive effects produced by the acquisition of the Meyer Group, our Group has maintained its market share with an 8% increase in turnover on an annual basis.

Success factors

The factors behind the Group's success can be summed up in the following 7 points:

- *Presence worldwide,*
- *Leadership in the European attachment market*
- *World Leadership in integral side shifters*
- *Market of reference with ample prospects for growth*
- *Ample and consolidated customer portfolio*
- *Strongly defended sales and distribution network*
- *Excellence and quality of products and production procedure*

Human Resources

Number of employees

The following table shows the overall number of people employed in the Group companies on 31st December 2006, 2005 and 2004, divided according to the main categories and also to area (Italy and abroad).

Category	31.12.2006			31.12.2005			31.12.2004		
	Italy	Abroad	Total	Italy	Abroad	Total	Italy	Abroad	Total
Executives	7	27	34	4	26	30	5	26	31
First line managers	5	0	5	0	0	0	0	0	0
White collar	95	229	324	95	125	220	98	119	217
Blue collar	146	232	378	149	138	287	152	127	279
Total	**253**	**488**	**741**	**248**	**289**	**537**	**255**	**272**	**527**

The increased number of employees in foreign subsidiaries at 31.12.2006 is mainly due to the Meyer acquisitions.

Report on the consolidated financial statement for the year ended 31.12.2006

For easier reading, unless otherwise specified, figures are indicated in thousands of euros.

Main results

The following tables contain the main management results highlighting the effects of the acquisition of the Meyer Group and which refer to the last two months of year 2006.

Consolidated entire year	*31.12.2006*	*31.12.2005*	*Var. %*
Revenue	107,103	94,697	+ 13.1%
Ebitda	13,240	10,735	+ 23.3%
Ebit	9,668	7,396	+ 30.7%
Profit before tax	8,149	7,573	+ 7.6%
Result for the period	4,790	4,350	+ 10.1%

Consolidated entire year without Meyer	*31.12.2006*	*31.12.2005*	*Var. %*
Revenue	102,312	94,697	+ 8.0%
Ebitda	12,946	10,735	+ 20.6%
Ebit	9,473	7,396	+ 28.1%
Profit before tax	8,003	7,573	+ 5.7%
Result for the period	4,584	4,350	+ 5.4%

Revenue
The increase in revenue recorded for the year was 13.1%; if the Meyer figures were not included in the calculation the increase would be 8%.

Ebitda and Ebit
These two indicators coincide with the intermediate results included in the Consolidated Income Statement under "Gross Operating Result" and "Operating Result".

Trends in the benchmark market
According to statistics issued by the association of forklift truck manufacturers, compared to 2005 the market we use as our benchmark recorded the following variations in 2006:

- European Union + 12.4%
- North America + 4.6%
- World (Europe and USA included) + 14.2%.

Once again it is important to highlight the extremely positive growth trend in our market segment both in Europe as well as the rest of the world, the only negative exception being the U.S. market during the last part of the year.
The world market has therefore continued to grow at a higher than expected rate.

Dollar Exchange Rate
The Dollar whose exchange rate against the euro was 1.18 on 31.12.2005, fell to 1.32 on 31.12.2006 with an average exchange rate for the year of over 1.26.
The entire year 2006 presents a negative exchange rate of 782 thousand euros, against a positive exchange rate difference of 992 thousand euros recorded for the year 2005.

Ebitda
The trend of Ebitda during the period under examination has been the following:

	31.12
% Ebitda on turnover - 2005	11.34%
% Ebitda on turnover - 2006	12.36%

As indicated in the table on the previous page, the Ebitda figure has grown by 23.33% during the two periods under comparison.
If the effects of the Meyer Group's consolidation are not taken into account, the growth in Ebitda would be 20.6%.
Ebitda was affected, especially in the fourth quarter, by the increase in the cost of raw material as well as the negative effects of the euro/dollar exchange rate. The effects caused by higher raw material costs have been compensated by an increase in selling prices as of January 2007.

Result before tax

Despite the negative effect of the dollar, profit before tax for the entire 2006 period grew by 7.5% compared to 2005. Without the consolidation of the Meyer Group the increase would have been 5.7%

Reconciliation of period's result and net equity between Group and Parent company

	Net Equity	Net Result
Parent's corporate financial statement	35,526	3,280
Elimination of profits on intercompany inventory (net tax effect)	-1,484	126
Net equity and Result of Consolidated Companies	3,575	1,823
Foreign currency exchange reserve	-1,001	0
Deferred tax assets on fiscal losses carried forward	524	2
Meyer goodwill	910	0
Other adjustments	1,307	-365
GROUP'S PORTION OF CONSOLIDATED FINANCIAL STATEMENT	39,357	4,866
Net Equity and Minority Result	-359	-76
CONSOLIDATED FINANCIAL STATEMENT	38,998	4,790

Economic highlights of the group companies (in euros)

	Turnover		EBITDA		Net profit	
	2005	2006	2005	2006	2005	2006
Bolzoni SpA	63.462	67.680	6.844	8.181	2.994	3.280
Auramo Finland	15.445	15.997	2.454	2.171	1.615	1.128
Bolzoni Auramo Sweden	2.217	2.650	199	170	106	84
Bolzoni Auramo Netherlands	2.054	1.897	125	126	112	103
Bolzoni Auramo Germany	7.442	7.730	125	-9	88	-68
Bolzoni Auramo UK	2.718	3.659	-133	79	-152	10
Bolzoni Auramo Rental UK	108	0	13	0	-53	0
Bolzoni Auramo Australia	1.221	1.214	-44	-61	-31	-148
Bolzoni Auramo Chile	202	638	-17	61	-24	48
Bolzoni Auramo France	10.346	10.777	883	1.087	566	699
Bolzoni Auramo Spain	10.282	10.780	492	349	174	17
Bolzoni Auramo Italy (Bari)	1.938	1.995	67	72	17	22
Bolzoni Auramo USA	14.393	13.778	186	133	-443	-475
Bolzoni Auramo Canada	1.000	1.533	39	144	94	62
Bolzoni Auramo Poland	637	948	-4	60	-4	40
Bolzoni Auramo China	188	1.010	-113	38	-123	7
Hans H. Meyer GmbH	0	4.791	0	289	0	206
CONSOLIDATED	**94.697**	**107.103**	**10.734**	**13.240**	**4.359**	**4.866**

Consolidated turnover grew by 13,1% As can be seen from the above table, the turnover produced by the Meyer Group during the last two months of the period amounts to 4,791 thousand euros.
We would like to point out the increase in the parent company's turnover as well as that of the Swedish, English, Chilean, Canadian, Polish and Chinese subsidiaries.
On the other hand there has been a drop in the turnover of the US subsidiary which is related to specific factors connected to the US market and in particular to the negative trend of the US economy during the second half of 2006.
Consolidated EBITDA rose by 23.3%. Consolidated net profit grew by 11.6%
The negative trend in the euro-dollar exchange rate affected the results of both the parent and the Finnish subsidiary. Furthermore, the trend in costs of raw material affected the Group's production plants, particularly during the last months of the year.

Investments during year 2006

The Group companies made the following investments during 2006:

Investments 2006	Tangible	Intangible	Total in euro
Bolzoni S.p.A.	9,378	397	9,775
Auramo Finland	356	499	855
Bolzoni Auramo Sweden	48	0	48
Bolzoni Auramo Netherlands	2	0	2
Bolzoni Auramo Germany	113	57	170
Bolzoni Auramo UK	191	0	191
Bolzoni Auramo Rental UK	0	0	0
Bolzoni Auramo Australia	27	0	27
Bolzoni Auramo Chile	0	0	0
Bolzoni Auramo France	4	0	4
Bolzoni Auramo Spain	208	35	243
Bolzoni Auramo Italy	10	0	10
Bolzoni Auramo USA	146	0	146
Bolzoni Auramo Canada	53	0	53
Bolzoni Auramo Poland	2	0	2
Bolzoni Auramo Shanghai China	28	0	28
Meyer Group	161	2	163
TOTAL	**10,727**	**990**	**11,717**

The investments in tangible fixed assets made by the parent are mainly in relation to the new production line of forks for lift trucks where production began during the first months of 2007.
Investments in intangible fixed assets made by Bolzoni S.p.A. and Auramo Finland refer mainly to the capitalization of development costs for new technical solutions on existing products.

Inventory as at 31.12.2006

	31.12.2006	31.12.2005
Bolzoni S.p.A.	8,579	7,030
Auramo Oy Finland	2,251	2,169
Bolzoni Auramo Sweden	304	322
Bolzoni Auramo Netherlands	171	120
Bolzoni Auramo Germany	1,248	1,166
Bolzoni Auramo UK	573	560
Bolzoni Auramo Rental UK	0	0
Bolzoni Auramo Australia	778	785
Bolzoni Auramo Chile	38	70
Bolzoni Auramo France	333	345
Bolzoni Auramo Spain	1,187	1,139
Bolzoni Auramo Italy	49	57
Bolzoni Auramo USA	4,176	5,674
Bolzoni Auramo Canada	478	385
Bolzoni Auramo Poland	145	115
Bolzoni Auramo China	692	718
Meyer Group	3,741	0
CONSOLIDATED	**22,355**	**18,178**

If the amount related to the Meyer Group is removed from consolidated inventory, it can be said that inventory on the whole remained at a constant level despite a considerable increase in turnover.
In detail, the two most important figures are the parent company's increase in inventory and the considerable drop in the US subsidiary's stock.

2006 Financial Year Depreciation

The Bolzoni S.p.A. corporate financial statement for 2006 includes depreciation for 1,604 thousand euros (1,635 thousand euros in 2005).
The Consolidated financial statement for 2005 includes depreciation for 3,384 thousand euros (3,282 thousand euros in 2005).

Financial indebtedness of Bolzoni S.p.A. and the Group (in euros)

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	At 31.12.2006		At 31.12.2005	
	Bolzoni SpA	Consolidated	Bolzoni SpA	Consolidated
Short term	5,275	10,840	6,415	9,780
Medium/long term	7,207	7,492	9,775	8,710
TOTAL	**12,482**	**18,332**	**16,190**	**18,490**

Net equity of the group companies (in euros)

	Net Equity	
	2006	2005
Bolzoni SpA	35,526	21,067
Auramo Finland	9,551	8,354
Bolzoni Auramo Sweden	735	625
Bolzoni Auramo Netherlands	44	-59
Bolzoni Auramo Germany	571	644
Bolzoni Auramo UK	77	66
Bolzoni Auramo Rental UK	0	9
Bolzoni Auramo Australia	-160	-12
Bolzoni Auramo Chile	30	-18
Bolzoni Auramo France	1,975	1,561
Bolzoni Auramo Spain	1,113	1,095
Bolzoni Auramo Italy	61	55
Bolzoni Auramo USA	720	1,311
Bolzoni Auramo Canada	266	231
Bolzoni Auramo Poland	138	96
Bolzoni Auramo China	664	303
Meyer Group	6,732	0
CONSOLIDATED	**39,357**	**23,799**

Evaluation of investments

The Bolzoni S.p.A. corporate financial statement the value booked for the investment in the subsidiary Bolzoni Auramo Australia (46 thousand euros) has been completely written down.

Transactions with related parties

The following tables contain the turnover figures, both per product and per interest, between the parent company Bolzoni S.p.A. and the other group companies:

Bolzoni SpA turnover to subsidiaries	Products	Interests	Total in euro
Auramo OY Finland	496	0	496
Bolzoni Auramo Sweden	213	0	213
Bolzoni Auramo Netherlands	442	4	446
Bolzoni Auramo Germany	2,188	0	2,188
Bolzoni Auramo UK	1,112	10	1,122
Bolzoni Auramo Rental UK	0	0	0
Bolzoni Auramo Australia	331	24	355
Bolzoni Auramo Chile	246	4	250
Bolzoni Auramo France	6,733	0	6,733
Bolzoni Auramo Spain	4,252	0	4,252
Bolzoni Auramo Italy	1,075	0	1,075
Bolzoni Auramo USA	6,241	139	6,380
Bolzoni Auramo Canada	511	18	529
Bolzoni Auramo Poland	305	0	305
Bolzoni Auramo Shanghai China	603	0	603
TOTAL	**24,748**	**199**	**24,947**

Bolzoni SpA turnover to associated companies:	Products	Interests	Total in euro
Eurolift Australia	525	0	525
TOTAL	**525**	**0**	**525**

Consolidated turnover to associated companies	Products	Interests	Total in euro
Eurolift Australia	525	0	525
Auramo South Africa	1,320	0	1,320
TOTAL	**1,845**	**0**	**1,845**

Turnover from subsidiaries to Bolzoni SpA:	Products	Interests	Total in euro
Auramo Finland	886	128	1,014
Bolzoni Auramo Sweden	2	0	2
Bolzoni Auramo Netherlands	16	0	16
Bolzoni Auramo Germany	9	0	9
Bolzoni Auramo UK	19	0	19
Bolzoni Auramo Rental UK	0	0	0
Bolzoni Auramo Australia	0	0	0
Bolzoni Auramo Chile	5	0	5
Bolzoni Auramo France	52	0	52
Bolzoni Auramo Spain	2,741	0	2,741
Bolzoni Auramo Italy	29	0	29
Bolzoni Auramo USA	0	0	0
Bolzoni Auramo Canada	4	0	4
Bolzoni Auramo Poland	1	0	1
Bolzoni Auramo China	9	0	9
TOTAL	**3,773**	**128**	**3,901**

The following tables show the debts and credits between the parent company Bolzoni S.p.A. and all the group companies:

Bolzoni SpA credits towards subsidiaries:	Trade	Financial	Total in euro
Auramo Finland	136	0	136
Bolzoni Auramo Sweden	71	0	71
Bolzoni Auramo Netherlands	78	80	158
Bolzoni Auramo Germany	574	0	574
Bolzoni Auramo UK	857	253	1,110
Bolzoni Auramo Rental UK	0	0	0
Bolzoni Auramo Australia	476	600	1,076
Bolzoni Auramo Chile	82	100	182
Bolzoni Auramo France	1,798	0	1,798
Bolzoni Auramo Spain	1,608	0	1,608
Bolzoni Auramo Sud Italy	584	0	584
Bolzoni Auramo USA	3,034	3,837	6,871
Bolzoni Auramo Canada	233	450	683
Bolzoni Auramo Poland	131	0	131
Bolzoni Auramo Shanghai China	730	0	730
TOTAL	**10,392**	**5,320**	**15,712**

Bolzoni SpA debts towards subsidiaries:	Trade	Financial	Total euro
Auramo Finland	267	3,500	3,806
Bolzoni Auramo Sweden	9	0	9
Bolzoni Auramo Netherlands	11	0	11
Bolzoni Auramo Germany	49	0	49
Bolzoni Auramo UK	6	0	6
Bolzoni Auramo Rental UK	0	0	0
Bolzoni Auramo Australia	0	0	0
Bolzoni Auramo Chile	2	0	2
Bolzoni Auramo France	48	0	48
Bolzoni Auramo Spain	983	0	983
Bolzoni Auramo Sud Italy	12	0	12
Bolzoni Auramo USA	29	0	29
Bolzoni Auramo Canada	6	0	6
Bolzoni Auramo Poland	1	0	1
Bolzoni Auramo Shanghai China	10	0	10
Hans H. Meyer GmbH	151	0	151
TOTAL	**1,623**	**3,500**	**5,123**

Debts with Shareholders – Intesa Group	Bolzoni SpA	Consolidated
Medium term	3,322	3,322
Short term	2,212	2,243
TOTAL	**5,534**	**5,565**

The Intesa Group has also issued a bank guarantee of 1.2 million euros to a third party.

Credits towards associated companies:	Bolzoni SpA	Consolidated
Eurolift Australia	211	211
Auramo South Africa	0	414
TOTAL	**211**	**525**

Transactions with Group companies and correlated parties (associated companies and Banca Intesa) were performed at normal market conditions.

CONSOLIDATED INCOME STATEMENT as at 31.12. 2006

INCOME STATEMENT *(thousands of euros)*	**31.12.2006**	**31.12.2005**	**% Var 2006 vs 2005**
Turnover	107.103	94.697	13.1%
Other operating revenue	1.184	1.086	9.0%
Total revenue	**108.287**	**95.783**	**13.1%**
Costs for raw material and consumables	- 42,043	- 37,752	11.4%
Costs for services	- 26,977	- 23,470	14.9%
Personnel expenses	- 25,780	- 23,253	10.9%
Other operating expenses	- 403	- 709	- 43.2%
Result of associated companies assessed at N.E.	156	136	14.7%
Gross operating result	**13,240**	**10,736**	**23.3%**
Amortization	- 3,384	- 3,282	3.1%
Provisions and write-downs	- 188	- 57	N.R.
Operating result	**9,668**	**7,397**	**30.7%**
Financial income and expenses	- 737	- 815	- 9.6%
Exchange rate earnings and losses	- 782	992	N.R.
Result before tax	**8,149**	**7,573**	**7.6%**
Income tax	- 3.283	- 3,214	2.1%
Result of the period	**4,866**	**4,359**	**11.6%**

BREAKDOWN OF REVENUE ACCORDING TO GEOGRAPHICAL AREAS

2006 (incl. Meyer)	Europe	North America	R.O.W.	Total
Revenue	83,505	15,427	8,171	107,103

2006 (excl. Meyer)	Europe	North America	R.O.W.	Total
Revenue	79,323	15,420	7,569	102,312

2005	Europe	North America	R.O.W.	Total
Revenue	74,705	15,441	4,551	94,697

Excluding the impact produced by the recent acquisition of the Meyer Group and examining the various geographical areas, we can see a 6.2 % growth in Europe, a 0.1% drop in USA and a 66.3% growth in the rest of the world.

It should also be noted that the trend in revenue does not follow any seasonal patterns.

INTEREST BEARING LOANS AND BORROWINGS

	Actual Interest Rate %	Maturity	31.12.06	31.12.05
Short term				
Bank overdrafts		On request	4	99
Advance on collectable bills subject to final payment		30-90 days	3,017	2,263
Subsidiaries' loans			2,235	3,391
Meyer's loans			4,232	0
Euro 7,000,000 bank loan	Euribor +0.90	2007	1,167	2,333
Euro 7,750,000 bank loan	Euribor +0.70	2007	1,107	1,107
Euro 2,000,000 bank loan	Euribor +0.40	2007	667	333
Euro 2,000,000 bank loan	Euribor +0.40	2007	390	380
Euro 1,000,000 bank loan	Euribor +0.40	2007	191	0
Euro 2,800,000 bank loan	4.12	2007	2,000	2,800
Government loan 394/81	1.72	2007	303	303
Other minor loans		2006	0	135
			15,313	**13,144**
Medium/long term				
Euro 7,000,000 bank loan	Euribor +0.90	2007	0	1,167
Euro 7,750,000 bank loan	Euribor +0.70	2010	3,322	4,429
Euro 2,000,000 bank loan	Euribor +0.40	2009	1,333	1,667
Euro 2,000,000 bank loan	Euribor +0.40	2010	1,230	1,620
Euro 1,000,000 bank loan	Euribor +0.40	2011	715	0
Government loan 394/81	1.72	2009	607	911
Handelsbanken loan	Euribor +0.60	2008	1,430	0
Other minor loans			280	284
			8,917	**10,078**

Bank overdrafts and advances subject to final payment
Bank overdrafts and advances subject to final payment refer mainly to the Parent company.

Euro 7,000,000 bank loan

The loan is unsecured and repayable in half-yearly fixed principal value instalments.

Euro 7,750,000 bank loan

The loan, secured by the property in Podenzano, is repayable in equal, half-yearly instalments.

Euro 2,000,000 bank loans

The two loans are unsecured and are repayable in half-yearly, fixed principal value instalments.

Euro 1,000,000 bank loan

The loan is unsecured and is repayable in half-yearly, fixed principal value instalments.

Euro 2,800,000 bank loan

The loan is unsecured and is repayable during 2007 in a single instalment.

Government loan according to Law 394/81

This loan, secured by a bank guarantee specifically obtained for the purpose, is repaid in half-yearly, fixed principal value instalments.

Foreign subsidiaries' loans
These include:

- a loan obtained by the subsidiary Auramo OY amounting to approx. 1.2 million euros with maturity within the current period;
- a loan of US $ 0.5 million obtained by the subsidiary Bolzoni Auramo Inc.;
- a loan of 0.4 million euros obtained by the subsidiary Bolzoni Auramo GmbH;
- a loan obtained by the subsidiary Auramo OY amounting to approx. 1.4 million euros, secured by a pledge on the capitalization policy described in note 10

All loans are secured by comfort letters given by parent, except for the Auramo OY loan of 1.2 million euros

Net Financial Position	31.12.2006 "without Meyer"	MEYER	" with Meyer"	31.12.2005	Variat.
Cash in hand and liquid funds	4,328	145	4,473	3,364	1,109
Short term loans	- 11,081	- 4,232	- 15,313	- 13,144	- 2,169
TOTAL – SHORT TERM	**- 6,753**	**- 4,087**	**- 10,840**	**- 9,780**	**- 1,060**
Finan. assets held to maturity	1.425	-	1,425	1,368	57
Long term loans	- 8,917	-	- 8,917	- 10,078	1,161
TOTAL – MEDIUM/LONG TERM	**- 7,492**	**-**	**- 7,492**	- 8,710	1,218
NET FINANCIAL POSITION (NET FINANCIAL INDEBTEDNESS)	**- 14,245**	**- 4,087**	**- 18,332**	**- 18,490**	**158**

The net financial position decreased from 18,490 thousand euros at 31.12.2005 to 18,332 thousand euros as at 31.12.2006.
The positive cash flow produced during the period amounted to 9,016 thousand euros, the proceeds from the listing operation amounted to 11,400 thousand euros (the amount is already net of the commission given to the investment dealers and the consultancy fees).
During the second quarter dividends were also paid out for the amount of 2,000 thousand euros, and as at December 31 2006 investments were made in relation to the fork project amounting to approx. 3,365 thousand euros. Furthermore. 7,000 thousand euros were paid out for the 100% acquisition of Hans H. Meyer GmbH (this sum is subject to a possible integration, of up to a further maximum amount of 2,500 thousand euros, depending on the results of the Meyer Group's sub-consolidated financial statement at 31.12.2006 drawn up according to German accounting principles).

Listing in the STAR segment of Borsa Italiana

The shares of Bolzoni S.p.A. have been listed in the Star segment of Borsa Italiana since June 8 2006.
The listing price was 3.2 euros per share.
The market reacted very positively to our offering by subscribing 2.9 times the shares on sale for the institutional investors and 3.5 times those on sale for retail.
The costs related to the IPO have been deducted from net equity.

Events after the balance sheet date

During the first months of 2007 our benchmark market has recorded a positive trend in practically all the important markets with the single exception of the U.S.A.

Since December 31st 2006 until today, no other important events have occurred having a significant impact on the figures contained in this document.

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The Board of Directors' proposals to the Shareholders

Gentlemen,

We conclude our report by inviting you to approve the financial statement we have prepared and your consent regarding the criteria adopted.

We therefore propose:

- the approval of the financial statement at 31.12.2006;
- the allocation of 164,007 euros to legal reserve;
- the distribution of a 0,10 euro dividend per share owned, for a total amount of 2,568,591 euros to be distributed starting May 17 2007 and detachment of coupons on May 14 2007;
- the allocation to extraordinary reserve of the remaining profit amounting to 547,547 euros

Our sincere thanks go to the Shareholders for the trust demonstrated and to all our collaborators for their valuable assistance.

Podenzano, March 26 2007

The Board of Directors

CONSOLIDATED FINANCIAL STATEMENT at 31 December 2006

FINANCIAL STATEMENT €/000	Notes	31/12/2006	31/12/2005
ASSETS			
Non-current assets			
Property, plant and equipment	5	30,285	15,817
Goodwill	6	9,246	8,336
Intangible fixed assets	7	4,977	2,127
Investments in associated companies assessed on N.E.	8	525	448
Credits and other financial assets	9	213	205
Financial assets held to maturity	10	1,425	1,368
Deferred tax assets	11	2,746	1,827
Total non-current assets		**49,417**	**30,128**
Current assets			
Inventory	12	22,268	18,178
Trade receivables	13	29,074	22,023
- of which related to associated companies	*13*	*625*	*386*
Tax receivables	14	412	244
Other receivables	15	1,184	650
Cash and cash equivalent	16	4,473	3,364
- of which related to Banca Intesa	*16*	*750*	*0*
Total current assets		**57,411**	**44,459**
TOTAL ASSETS		**106,829**	**74,587**

CONSOLIDATED FINANCIAL STATEMENT at 31 December 2006

FINANCIAL STATEMENT €/000	**Notes**	**31/12/2006**	**31/12/2005**
GROUP NET EQUITY			
Share capital	17	6,421	5,319
Reserves	17	27,787	13,984
Result of the period	17	4,790	4,350
TOTAL NET GROUP EQUITY		**38,998**	**23,653**
NET THIRD PARTY EQUITY			
Capital, reserves and retained earnings		283	137
Result of the period		76	9
TOTAL NET GROUP AND THIRD PARTY EQUITY		**39,357**	**23,799**
LIABILITIES			
Non-current liabilities			
Long term loans	18	8,917	10,078
- of which related to Banca Intesa	*18*	*3,322*	*4,896*
T.F.R. provision (retirement allowance)	19	4,150	3,261
Deferred tax liability	11	3,738	1,467
Contingency and expenses provisions	20	133	117
Total non-current liabilities		**16,938**	**14,923**
Current liabilities			
Trade payables	21	26,654	16,747
Payables towards banks and current portion of long term loans	18	15,313	13,144
- of which related to Banca Intesa	*18*	*2,962*	*2,217*
Other payables	22	6,106	4,113
Tax payables	23	1,706	1,605
Current portion of contingency provision	18	754	256
Total current liabilities		**50,533**	**35,865**
TOTAL LIABILITIES		**67,471**	**50,788**
TOTAL NET EQUITY AND LIABILITIES		**106,828**	**74,587**

CONSOLIDATED INCOME STATEMENT at 31 December 2006

INCOME STATEMENT €/000	**Notes**	**31/12/2006**	**31/12/2005**
Turnover	4	107,103	94,697
- of which related to associated companies	*4*	*1,845*	*1,096*
Other operating revenue	24	1,184	1,086
Total revenue		**108,287**	**95,783**
Costs for raw material and consumables	25	(42,043)	(37,752)
Costs for services	26	(26,977)	(23,470)
- of which towards related parties	*26*	*(522)*	*(522)*
Personnel expenses	27	(25,780)	(23,253)
Other operating expenses	28	(403)	(709)
Result of associated companies assessed at N.E.	8	156	136
Gross operating result		**13,240**	**10,735**
Amortization	5,7	(3,384)	(3,282)
Provisions and write-downs	20	(188)	(57)
Operating result		**9,668**	**7,396**
Financial income and expenses	29	(737)	(815)
- of which related to Banca Intesa (expenses)	*29*	*(236)*	*(356)*
Exchange rate earnings and losses	29	(782)	992
Result before tax		**8,149**	**7,573**
Income tax	11	(3,283)	(3,213)
Result of continuing activities		**4,866**	**4,358**
Result of activities to be sold or transferred		0	1
Result of the period		**4,866**	**4,359**
Attributable to:			
- Group		4,790	4,350
- Third parties		76	9
Earnings per share	31		
- basic, for the year's profit attributable to ordinary shareholders of the parent		0.205	0.205
- diluted, for the year's profit attributable to ordinary shareholders of the parent		0.204	0.205

VARIATIONS TO CONSOLIDATED NET EQUITY
for years ended 31 December 2005 and 31 December 2006

	Capital	*Share prem. reserve*	*Legal reserve*	*Retained earnings*	*Stock option res.*	*Transl. differ.*	*Year result*	*Total Net Equity for the Group*	*Minority interests*	*Min. result*	*Total Net Equity*
Balances as at 31.12.2004	**5,319**	**5,278**	**463**	**7,549**	**0**	**- 1,107**	**2,652**	**20,154**	**- 39**	**- 8**	**20,107**
Profit allocation			86	2,566			- 2,652	0	- 8	8	0
Translation rate variations						203		203			203
Dividends				- 1,064				- 1.064			- 1,064
Other movements				10				10	184		194
Result for the period							4,350	4,350		9	4,359
Balances as at 31.12.2005	**5,319**	**5,278**	**549**	**9,061**	**0**	**-904**	**4,350**	**23,653**	**137**	**9**	**23,799**
Increase from IPO (1)	1,064	10,935						11,999			11,999
Increase from stock options	38	451			175			664			664
Profit allocation			151	4,199			- 4,350	0	9	- 9	0
Translation rate variations						- 97		- 97	- 9		- 106
Dividends				- 2,021				- 2,021			- 2,021
Other movements				10				10	146		156
Result for the period							4,790	4,790		76	4,866
Balances as at 31.12.2006	**6,421**	**16,664**	**700**	**11,249**	**175**	**- 1.001**	**4,790**	**38,998**	**283**	**76**	**39,357**

(1) The increase in capital is net of costs for listing operation and related tax effect.

CONSOLIDATED CASH FLOW STATEMENT

€/000	Notes	2006	2005
Net profit for the period		**4,790**	**4,350**
Adjustments to reconcile net profit with cash flow generated (used) by operating activities:			
Amortization		3,384	3,282
Net variation in TFR provision (retirement allowance)		889	338
Net variation in contingency and charges provision		513	135
Net variation in deferred tax		1,352	351
Net variation in investments assessed at N.E.		- 77	57
Variations in operating assets and liabilities:			
Increase (decrease) in inventory		- 4,090	- 1,345
Increase (decrease) in trade receivables		- 7,051	- 2,265
Increase (decrease) in other receivables		- 534	237
Increase (decrease) in trade payables		7,702	- 1,155
Increase (decrease) in other payables		1,993	167
Increase (decrease) in tax payables		101	859
Increase (decrease) in tax receivables		- 168	- 162
NET CASH FLOW GENERATED BY OPERATING ACTIVITIES:	a)	**8,804**	**4,849**
Cash flow generated by investment activity:			
Net investments in tangible activities		- 15,187	- 2,818
Net investments in intangible activities		- 4,219	-319
NET CASH FLOW USED FOR INVESTMENT ACTIVITIES	b)	**- 19,406**	**- 3,137**
Cash flow generated by financing activity:			
New loans (repayment) and transfer of short term portions to current liabilities		349	- 1,027
Net variation of other non-current financial assets/liabilities		-65	-103
Dividends paid		- 2,021	- 1,064
Monetary flows from share capital increase(IPO) and stock options		11,626	0
Share capital increase in subsidiaries and other variations to equity following IPO		1,163	292
CASH FLOW GENERATED (USED) BY FINANCING ACTIVITIES	c)	**11,052**	**- 1,902**
EFFECT OF EXCHANGE RATES ON THE NET LIQUID FUNDS			
NET INCREASE (DECR.) IN NET LIQUID FUNDS	a)+b)+c)	**450**	**- 190**
NET LIQUID FUNDS AT START OF THE YEAR		1,002	1,192
NET LIQUID FUNDS AT END OF THE YEAR		1,452	1,002
VARIATION		450	- 190
ADDITIONAL INFORMATION:			
Interest paid		952	735
Income tax paid		3,750	1,822

ACCOUNTING PRINCIPLES AND EXPLANATORY NOTES

1. Corporate information

Bolzoni S.p.A. is a limited company incorporated under Italian law, domiciled in Podenzano (PC), località "I Casoni".

The main object of the activity of Bolzoni S.p.A. and the companies it controls (hereinafter jointly called "the Bolzoni Group" or "the Group") is to be found in the segment of attachments for fork lift trucks.

The consolidated financial statements of Bolzoni S.p.A. (the Company) for the year ended 31 December 2006 were approved by the Board of Directors on 26 March 2007.

2.1 Preparation basis

The consolidated financial statement for 2006 has been prepared in compliance with the international accounting standards (IAS/IFRS) issued by the International Accounting Standard Board (IASB) and approved by the European Commission.

The Bolzoni Group has adopted the IAS/IFRS since January 1 2005, following the enforcement of Ruling (CE) n° 1606 of 19 July 2002. The disclosure required by IFRS 1 – First time adoption of IFRS, regarding the effects following transition to IFRS, was included in the appendix attached to the consolidated financial statement at 31 December 2005 to which reference should be made.

The accounting standards used in this financial statement are those formally approved by the European Union and in force at 31 December 2006. Unless otherwise indicated, figures contained in the statements and notes are in thousands of euros.

The specific disclosure requirements established by CONSOB's resolution n° 15519 on 27 July 2006, and CONSOB's resolution n° 15520 on 27 July 2006 and Report n° DEM/6064293 on 28.7.2006 have been included.

The consolidated financial statement has been drawn up according to the historic cost, except for the derivative financial instruments, which are carried at fair value.

The financial statements have been drawn up using the following method:

- Current and non-current assets and current and non-current liabilities are indicated separately in the balance sheet;
- The analysis of costs in the income statement is made on the basis of their nature;
- The Cash Flow statement has been drafted using the indirect method.

Consolidation principles

The consolidated financial statement comprises the financial statements of Bolzoni S.p.A. and its subsidiaries at 31 December of each year. The financial statements of the subsidiaries are prepared for the same reporting year as the parent company , using consistent accounting policies. The closing date of subsidiary financial statements is the same as that of the parent.

In preparing the consolidated financial statement the assets, the liabilities, as well as the overall amounts of costs and revenue of the consolidated companies are acquired line by line and the portion of net equity and the year's result belonging to minority interests is attributed to the specific caption of the Income Statement and Balance Sheet. The accounting value of the investment in each of the subsidiaries is eliminated against the corresponding net equity portion of each of the subsidiaries , inclusive of possible adjustments to fair value of the related assets and liabilities, at the date of acquisition; any residual difference that may emerge is allocated to the goodwill caption.

Following is the list of the group companies at 31 December 2006:

Name	*Location*	*Share capital (thousands of currency)*	*% of direct ownership*	*% of indirect ownership*
Bolzoni Auramo Incorporated	Homewood – Illinois - USA	US $ 500	100 %	
Bolzoni Auramo Limited	Warrington - UK	GBP 780	100 %	
Bolzoni Auramo Polska Sp Zoo	Lublin - Poland	PLN 350	60 %	
Bolzoni Auramo S.L.	Barcellona - Spain	€ 750	100 %	

Bolzoni Auramo Sud S.r.l.	Bisceglie - Bari Italy	€ 26	70 %	
Bolzoni Auramo S.A.R.L.	Forbach – France	€ 198	100 %	
Auramo Oy	Vantaa – Finland	€ 565	100 %	
Bolzoni Auramo BV	Helmond - Netherlands	€ 18	51 %	
Bolzoni Auramo Australia PTY Ltd	Dudley Park SA - Australia	AUD $ 1,110	100 %	
Bolzoni Auramo S.A.	Santiago del Cile – Chile	CLP 81,370	100 %	
Bolzoni Auramo Canada Ltd.	Dollard des Ormeaux - Quebec - Canada	CAD $ 856	100 %	
Bolzoni Auramo GmbH	Korschenbroich – Germany	€ 1,000	100 %	
Bolzoni Auramo AB	Gavle - Sweden	SEK 100	100 %	
Auramo Baltic Ou	Tallinn - Estonia	EEK 40		100 %
Bolzoni Auramo Shanghai	Minhang District - China	RMB 8,159	60 %	
Eurolift Pty Ltd (*)	Dudley Park SA – Australia	AUD $ 300	24.5 %	
Bolzoni Auramo South Africa (*)	Benoni – South Africa	ZAR 100		40 %
Hans H. Meyer GmbH	Salzgitter – Germany	€ 1,023	100 %	
Meyer Scandinavia Ab	Sweden	SEK 100		60 %
Hans H. Meyer Ltd	Stockport UK	£ 250		100 %
Meyer S.a.r.l.	France	e 155		100 %

(*) = Associated companies assessed using the N.E. method

Compared to the previous year, the main variations are due to:
- take-over of the Meyer Group (Hans H. Meyer GmbH and its subsidiaries) as of 1.11.06;
- $ 500,000 increase in the share capital of the subsidiary Bolzoni Auramo Shanghai ($300.000 of which subscribed by Bolzoni S.p.A. with a 60% share in the company)

All the intra-group balances and transactions, including any possible profits and losses not achieved and resulting from intra-group transactions that are recognized in assets, are eliminated in full.

2.2 Significant accounting judgements and estimates

Judgements

The process of applying the Group's accounting principles calls for decisions to be made by the directors based on the following judgements (excluding those involving estimations) that have an significant effect on the amounts recognized in financial statements:

Untaxed reserves in the net equity of the subsidiaries

Various Group companies have untaxed reserves of net equity. By virtue of the Group's policy encouraging the homogenous strengthening of the subsidiaries wealth with respect to the evolution of business, dividends are not normally paid out to the parent company. Therefore, in compliance with IAS 12, no deferred tax has been calculated with respect to these reserves.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of Goodwill

At least on an annual basis, goodwill is checked for any possible impairment; this requires an estimation of the value in use of the cash-generating units to which goodwill is allocated, in turn based on the estimation of the current value of the expected cash flows from the cash-generating unit and their discounting back on the basis of a suitable discount rate. The carrying amount of goodwill at 31st December 2006 was 9,246 thousand euros (2005: 8,336 thousand euros). More details are given in Note 5.

2.3 Summary of principal accounting policies

Foreign currency translation

The consolidated financial statement is presented in thousands of euros, which is the Company's functional and presentation currency. Each entity in the group determines its own functional currency and the items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currency are initially recorded at the exchange rate (of the functional currency) on the transaction date. Monetary assets and liabilities denominated in foreign currencies, are retranslated to the functional currency at the exchange rate in force at the balance sheet date. All exchange rate differences are taken to profit or loss. Non-monetary items measured in terms of historic cost in a foreign currency are translated using the exchange rates in force at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined.

The subsidiaries using a functional currency other than the euro are as follows:

Bolzoni Auramo Inc.	US Dollar
Bolzoni Auramo Ltd	Canadian Dollar
Bolzoni Auramo Ltd	Pound Sterling
Bolzoni Auramo AB	Swedish Crown
Bolzoni Auramo Pty Ltd	Australian Dollar
Bolzoni Auramo Sp Zoo	Polish Zloty
Bolzoni Auramo Sa	Chilean Pesos
Bolzoni Auramo Shanghai	Chinese Renminbi (Yuan)

As at the reporting date, the assets and liabilities of these subsidiaries are translated into euros at the exchange rate ruling on that day and their income statements are translated using the average exchange rates for the year. The exchange rate differences arising from the translation are taken directly to a separate component of net equity. On possible disposal of a foreign company, the cumulative exchange rate differences, taken to net equity on the basis of that particular foreign company, are recognized in the income statement.

Property, plant and equipment

Property, plant and equipment are stated at historic cost, net of accumulated depreciation and accumulated impairment in value. Such cost includes costs for replacing part of plant and equipment when that cost is incurred if the recognition criteria are met. Depreciation is calculated on a straight-line basis over the expected useful life of the assets.

Depreciation, which begins when the assets are available for use, is calculated on a straight-line basis over the expected useful life of the assets and taking into account their residual value. The depreciation rates used, which reflect the useful life generally attributed to the various categories of assets, and which have remained unchanged with respect to the previous financial year, are the following:

Buildings and light constructions	3 %
Plants and equipment	from 10 to 15.5%
Industrial and commercial equipment	from 25% to 30%
Other assets	from 10% to 25%

Land, which normally has an unlimited useful life, is not subject to depreciation.

The carrying value of property, plant and equipment is reviewed for possible impairment whenever events or changes in circumstance indicate that the carrying value may not be recoverable, according to the established depreciation plan. If an indication of this type exists and in the event that the carrying value exceeds the expected realizable value, the assets or the cash-generating units to which the assets have been allocated are revalued until they actually reflect their realizable value.

The residual value of the asset, the useful life and the methods applied are reviewed annually and adjusted if necessary at the end of each financial year.

A tangible asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) are included in the income statement in the year the asset is derecognized.

Leases

Finance leases, which substantially transfer to the Group all the risks and benefits connected to the ownership of the leased item, are capitalized among property, plant and equipment at the inception of the lease, at the fair value of the leased item or, if lower, at the present value of the minimum lease payments. A debt of the same amount is booked in liabilities and is progressively reduced according to the plan for refunding the principal amounts included in the instalments.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income. The assets are depreciated according to and at the rates indicated in the prevgious paragraph.

The lease contracts where the lessor substantially retains all the risks and benefits typical of ownership are classified as operating leases.

The initial negotiation costs incidental to the operating lease contracts are considered as increasing the cost of the leased asset and are measured over the lease term so that they balance the income generated by the same lease.

Operating lease payments are recognized as an expense in the income statement on a straight-line basis over the lease term.

Business combinations and goodwill

Business combinations are recorded using the purchase method. This requires the fair value recognition of the identifiable assets (including previously unrecognized intangible assets) and the identifiable assets (including potential liabilities and excluding future restructuring) of the acquired company.

Goodwill acquired in a business combination is initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities and is classified as an intangible asset. The possible negative difference ("negative goodwill") is recognized in the income statement at the moment of acquisition. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed annually for impairment, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units (or groups of units).

Each unit or group of units to which the goodwill is so allocated:

- represents the lowest level within the Group at which the goodwill is monitored for internal management purposes;
- is not larger than a segment based on either the Group's primary or secondary reporting format determined in accordance with IAS 14 Segment.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (or group of cash-generating units) to which the goodwill relates. When the recoverable amount of the cash-generating unit (or group of units) is less than the carrying amount, an impairment loss is recognized: the orginal value is not however recovered if the reasons behind the reduction in value no longer exist. Where goodwill forms a part of a cash-generating unit (or group of units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Intangible assets

Acquired intangible assets are recognized as assets, according to the contents of IAS 38 (Intangible Assets) when it is probable that the use of the asset will generate future economic benefits and when the cost of the asset can be reliably determined.

Intangible assets acquired separately are measured on initial recognition at cost, whereas those acquired in a business combination are measured at fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is charged against profits in the year in which the expenditure is incurred. The useful lives of intangibles assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortization period and the amortization methods for an intangible asset with a finite useful life is reviewed at least at each year end or even more frequently if necessary. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates . The amortization expense on intangible assets with finite lives is recognized in the income statement in the expense category consistent with the function of the intangible asset.

The group has not recognized any intangible assets with indefinite lives in the balance sheet.

Research and development costs

Research costs are expensed as incurred. Development costs arising from a particular project are capitalized only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of technical, financial or other types of resources to complete development and its capacity to reliably measure the expenditure during the development of the asset and the existence of a market for the products and services resulting from the activity or of their use for internal purposes. The capitalized research costs include only those expenses sustained that can be directly attributed to the development process. Following the initial recognition, the development costs are measured at the cost less any accumulated amortization or loss. Any capitalized costs are amortised over the period in which the project is expected to generate income for the Group.

The carrying value of development costs is reviewed for impairment annually, when the asset is not yet in use, or more frequently when an indication of impairment arises during the reporting year.

Following is a summary of the policies applied by the Group to intangibles assets :

	Licences, Trademarks and Patents	*Development costs*
Useful lives	Finite	Finite
Method used	Licences amortized over 3 years Patents and trademarks amortized over 10 years	Amortized over 5 years, on a straight-line basis, corresponding to the period of expected future sales from the related project
Internally generated or acquired	Acquired	Internally generated (economically)
Impairment testing/tests on recoverable amounts	Annually and more frequently when an indication of impairment exists.	Annually for assets not yet in use and more frequently when an indication of impairment exists. The amortization method is reviewed at each financial year end.

Gains or losses deriving from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the income statement when the asset is disposed of.

Investment in an associate

The Group's investment in its associates is accounted for under the equity method of accounting. An associate is an entity in which the Group has significant influence and which is neither a subsidiary nor a joint-venture.

Under the equity method, the investment in the associate is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate. Goodwill related to an associate is included in the carrying amount of the investment and is not amortized. After application of the equity method, the Group determines whether it is necessary to recognize any additional impairment loss with respect to the Group's net investment in the associate. The income statement reflects the share of the results of operations of the associate. Where there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any changes and discloses this, when applicable, in the statement of changes in equity.

The reporting dates of the associates and the Group are identical, except for Eurolift whose reference date is 30th June; the associates' accounting principles conform to those used by the Group.

Impairment of assets

The Group assesses annually at each reporting date whether there is an indication that an asset (intangible assets, property, plant and equipment owned and finance leased assets) may be impaired. In making this assessment of the assets, both internal and external sources of information are considered. With regards to the former (internal sources) the following are considered: obsolescence or the physical deterioration of the asset; if, during the financial year there have been significant changes in the use of the asset; if the economic trend of the business appears to be worse than expected. With regards to external sources however the following are considered: if the market prices of the asset have significantly dropped; if there are particular technological, market or legislative issues capable of reducing the asset's value.

Regardless of whether there are internal or external indications of impairment loss, goodwill and the other possible intangible assets with indefinite useful life are subjected to impairment testing at least once a year.

In both cases (either the annual check of the carrying value of goodwill or the other tangible and intangible assets with a definite useful life with indications of possible impairment loss) the Group makes an assessment of the recoverable value. The recoverable value is the higher between the fair value of an asset or cash-flow generating unit, net of selling costs, and the value in use; it is determined for each asset, except when the asset does not generate cash flows which are largely independent from those generated by other assets or groups of assets, in which case the Group assesses the recoverable value of the cash-flow generating unit to which the asset belongs. In particular, as goodwill does not generate cash-flows independently from other assets or groups of assets, impairment testing involves the unit or the group of units to which goodwill has been allocated.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time-value of money and the risks specific to the asset.

For the assessment of value in use, the future financial flows are taken from the company business plans approved by Board of Directors, and which form the best assessment that the Group can make of the expected economic conditions during the period covered by the plan. Projections usually cover a period of three years; the long-term growth rate used for assessing the terminal value of the asset or the unit is normally lower than the average, long-term growth rate of the segment, of the Country or of the benchmark market and, if appropriate, may correspond to zero or can even be negative. The future financial flows are assessed by using the current conditions as benchmark: therefore the estimations do not consider either the benefits arising from future re-organization in which the Company is not yet involved or future investments for improvement or optimization of the asset or unit.

Impairment loss to assets in function (being used) are taken to profit and loss in the cost categories consistent with the function of the asset showing the impairment loss.

At each reporting date the Group also assesses whether there are any indications that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously written-off impairment loss, excluding goodwill, may only be reversed if there have been changes in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. In that case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit and loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining life. In no way the goodwill amount previously written-down can return to the original value.

Financial assets

Financial assets are initially recognized at the cost – plus the additional charges at acquisition – representing the fair value of equivalent paid. After the initial recognition, financial assets are assessed in relation to their operating destination on the basis of the following outline.

Financial assets held for for trading

These are financial assets acquired for the scope of obtaining a profit from short term price fluctuations. After initial recognition, these assets are measured at the fair value and the related profit or loss is charged to the income statement. The derivative financial instruments (interest rate swap, options, forward etc…) are classified as held for trading, unless designated as effective hedging instruments.

Financial assets held to maturity

These are non-derivative financial assets with fixed or determinable payments, and a fixed maturity, for which the company has the firm intention and ability to hold until maturity.

This cost is calculated as the amount initially recognized, less the principal repayments , plus or minus the accumulated amortization, using the effective interest rate method of any difference between the initially recognized value and the maturity amount. This calculation includes all the fees and points paid or received between the parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortized cost, gains and losses are recognized in income when the investments are derecognized or impaired, as well as through the amortization process.

The financial assets that the Group decides to maintain in its portfolio for an indefinite period are not included in this category.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These assets are carried at amortized cost using the effective discount rate. Gains and losses are recognized in income when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Available-for-sale financial assets

Includes financial assets not classified in the previous categories. After initial recognition these assets are measured at fair value with gains or losses being recognized as a separate component of equity until they are derecognized or until they are determined to be impaired at which time the accumulated gain or loss previously reported in equity is included in the income statement.

In the case of securities that are actively traded in organized financial markets, the fair value is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For those investments where there is no active market, the fair value is determined by using valuation techniques based on recent transaction prices between independent parties; the current market value of another substantially similar instrument; discounted cash flow analysis; option pricing models.

When the fair value cannot be reliably estimated, investments in other companies are left at cost value.

Inventories

Inventories are valued at the lower of purchase or production cost and expected net realizable value.

Costs incurred for bringing each product to its present location and stockage are accounted for as follows:

Raw material	– purchase cost based on average weighted cost;
Finished and semi-finished goods	– cost of direct materials and labour plus a portion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

The net realizable value is the estimated selling price less estimated costs of completion and the estimated costs necessary to make the sale.

If necessary, provisions have been allocated for write-down of materials, finished products, spare parts and other supplies considered obsolete or with a low turnover rate, considering their expected future use and their realizable value.

Trade and other receivables

Trade receivables, which generally have a 30-90 days' payment terms, are recognized at the original invoice amount less an allowance for any non-collectable amounts. This provision is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

Cash and cash equivalent

Cash and short term deposits in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity of three months or less.

For the purpose of the consolidated cash flow statement, cash and cash equivalents are represented by cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Interest-bearing loans and borrowings

All loans and borrowings are initially recognized at the fair value of the consideration received less directly attributable transaction costs.

After the initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost, using the effective interest rate method.

Gains and losses are recognized in net profit or loss when the liabilities are derecognized, as well as through the amortization process.

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset but has assumed an obligation to pay them in full without material delay to a third party;
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and benefits of the ownership of the assets, or (b) has neither transferred nor retained substantially all the risks and benefits of the asset but has transferred the control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and benefits of the asset nor transferred the control of the asset, the asset is recognized in the Group's balance sheet to the extent of the Group's continuing involvement in the asset itself. The continuing involvement which takes the form of a guarantee over the transferred asset, is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender, on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

Impairment of financial assets

The Group assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

Assets carried at amortized cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced either directly or through use of an allowance account. The amount of the loss shall be recognized in profit or loss.

The Group first assesses whether objective evidence of impairment exists individually, for financial assets that are individually significant, and individually or collectively for the financial assets that are not individually significant. In the absence of objective evidence of impairment for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in the income statement, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

Financial assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Retribution schemes under the form of investment in capital (Stock option plans)

As established by IFRS2 – Share based payments, these schemes represent a part of the beneficiary's retribution, the cost being represented by the fair value of the options (share purchase right) calculated at the assignment date of the right, the cost of which is recorded in the Income Statement at equal amounts along the period going from the said assignment date and the date the rights are exercisable, and the matching entry is take directly to net equity. Evaluations in fair value subsequent to the assignment date do not have any effect on the initial evaluation.

Provisions for contingencies and charges

Provisions for contingencies and charges are recognized when the Group has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a borrowing cost.

Pensions and other post-employment benefits

TFR retirement allowance, calculated in compliance with the laws and current labour contracts, is determined separately for each company at the end of each financial period using the projected unit credit actuarial valuation method. The actuarial gains and losses are recognized in the income statement, either as labour costs or financial charges depending on the case. Some of the Group companies have operated defined contribution pension schemes; except for the TFR retirement allowance there are no other schemes with defined benefits. Payments related to defined contribution plans are recognized in income statement as costs when incurred.

Assets available for sale and liabilities associated with these assets

The non-current assets (or group of assets and liabilities) are classified as held for sale if available for immediate sale in the present state, except for recurring transaction conditions for the sale of that type of asset and if the sale is highly probable.

These assets are carried at:

• the lesser between the carrying value and fair value net of sales costs, any impairment loss is taken to profit and loss, unless part of a business combination operation, otherwise

• at fair value net of sales costs (without the possibility of measuring write-downs during initial recognition) , if part of a business combination operation.

In any case the depreciation process is interrupted when the asset is classified as available for sale.

The assets and the liabilities directly connected to a group of assets to be sold must be distinctly classified in the income statement, as well as the pertinent reserves of accumulated profits or losses directly taken to equity. The net result of sale operations is indicated in a specific item of the profit and loss statement.

Revenue recognition

Revenue is recognised to the extent of the probability of the economic benefits coming to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Sale of goods

Revenue is recognized when the significant risks and rewards linked to the ownership of the goods have passed from the company to the buyer.

Services rendered

Revenue from rental activity is recognized on the basis of the contracts in force at the balance sheet date.

Revenue from services rendered (technical servicing, repairs, other services rendered) is recognized with reference to the stage of completion, measured as a percentage of total labour hours, with respect to the hours estimated for each operation.

Interest income

Revenue is recognized as interest accrues (using the effective interest method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

Dividends

Revenue is recognized when the shareholders' rights to receive the payment is established.

Government grants

Government grants are recognized where there is reasonable assurance that the grants will be received and all related conditions will be complied with. When the grants relate to expense items they are recognized as income over the period necessary to match the grants on a systematic basis to the costs that they are intended to compensate.

Financial charges

Financial charges are taken to income statement when they are incurred.

Income tax

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and the tax laws used to compute the amount are those that are enacted at the balance sheet date.

Deferred tax

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the same time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income tax related to items recognized directly in equity is recorded directly in equity and not in the income statement.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Value Added Tax

Revenues, expenses and assets are recognized net of the amount of VAT except where the tax incurred on a purchase of assets or services is not recoverable from the taxation authority in which case VAT is recognized as part of the cost of acquisition of the asset or part of the expense item taken to the income statement. The net amount of VAT that can be recovered from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Derivative financial instruments and hedging

The Group uses derivative financial instruments such as forward currency contracts to hedge against risks associated mainly with fluctuations in exchange rates. These derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. They are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are taken directly to net profit or loss for the year.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of interest rate swap contracts is determined by reference to market values for similar instruments.

At 31 December 2006 none of the derivative contracts were considered as being subject to hedging, and no technical or financial match was found between the characteristics of the contracts drawn up and those of one or more specific financial instruments present at the balance sheet date.

Variations to accounting principles

The Accounting Principles adopted are in line with those applied in the previous financial year.

3. Acquisition of Meyer

On 5 October 2006 the contract was signed for the purchase of the entirety of the share capital of Hans H. Meyer GmbH, the fourth manufacturer worldwide in attachments for fork lift trucks, with registered offices in Salzgitter (Germany). In turn the acquired company holds a 100% investment in Meyer Sarl (France), 100% in Hans H. Meyer Ltd (UK) and 60% in Meyer Scandinavia Ab (Sweden). The acquisition came into force on 1 November 2006.

The fair value of the identifiable assets and liabilities in the consolidated financial statement of Hans H. Meyer GmbH are indicated below:

	Fair value measured on acquisition	Book value
Property, plant and equipment	6,900	3,860
Intangible fixed assets	2,541	41
Deferred tax assets	119	119
Inventory	3,613	3,613
Trade receivables	5,151	5,151
Other receivables	494	494
Cash	85	85
Total assets	**18,903**	**13,363**
Short term loans and payables to banks	(5,054)	(5,054)
Trade payables	(3,472)	(3,472)
Deferred tax liabilities	(2,178)	(20)
Other payables	(1,695)	(1,695)
Total liabilities	**(12,399)**	**(10,241)**

Net assets	6,504	3,122
Goodwill from acquisition	910	
Temporary acquisition cost	7,414	

The initial recording of the acquisition was determined at the temporary cost of 7,414 thousand euros, including 414 thousand euros for additional charges directly related to the acquisition itself. The acquisition contract foresees a payment of a first tranche for 7 million euros already paid at the end of October 2006. Once some pre-established conditions occur, in connection with the achievement of certain levels in EBITDA resulting from Hans H. Meyer GmbH's consolidated financial statement for year 2006 prepared in accordance with accounting principles generally in use in Germany, then it may be necessary to integrate the price up to a maximum of a further 2.5 million euros. As the amount of the possible second tranche will be determined, according to the contract, after April 30 2007, the initial booking was made at the temporary purchase cost of 7,414 thousand euros.

Since the acquisition date, Meyer's contribution to the Group's net earnings has amounted to 205 thousand euros. As the Meyer Group is not obliged to do so, the financial statement for 2006 has not been drawn up in accordance with IAS/IFRS; assuming that the figures established at the acquisition date are the same as those at 1.1.2006, the Group's net earnings habe been evaluated at 5,150 thousand euros and the Group's turnover at 130,606 thousand euros.

On November 1 2006 the property and the trade mark were assessed at the fair value in accordance with the international accounting principles, resulting in an appreciation of 3,040 thousand euros for property and 2,500 thousand euros for the trade mark. Both amounts are the result of specific appraisals performed by independent experts.

The temporarily determined goodwill amounts to 910 thousand euros.

4. Segment information

The Company has identified its segment of business as the primary segment. On the other hand the Company operates in a single segment: attachments for fork lift trucks. Consequently secondary information is reported geographically and is given below.

The geographical areas are identified as: Europe, North America and Rest of the World. In detail, the geographical areas are identified on the basis of the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers

The following tables give figures on revenue and information regarding some of the assets with reference to the Group's business segments for the financial years ended 31st December 2006 and 2005:

31 December 2006	*Europe*	*North America*	*Rest of World*	*Total*
Revenue	83,505	15,427	8,171	107,103
Other segment information				
Segment assets	95,084	7,661	3,439	106,184
Investment in associates			525	525
Total assets	**95,084**	**7,661**	**3,964**	**106,709**
Investments:				
Tangible fixed assets	10,473	146	108	10,727
Intangible fixed assets	990			990

31 December 2005	Europe	North America	Rest of World	Total
Revenue	74,705	15,441	4,551	94,697
Other segment information				
Segment assets	61,213	10,599	2,327	74,139
Investment in associates			448	448
Total assets			2,755	74,587
Investments:				
Tangible fixed assets	2,245	139	344	2,728
Intangible fixed assets	707			707

5. Property, plant and equipment

	01.01.06	Meyer (3)	Addition	Deprec.	Decr. (1)	Other var. (2)	31.12.06
Land	721	-	-	-	-	-	721
Buildings	6,907	7,423	904	-	-	(91)	15,143
Plant and machinery	22,207	3,727	8,868	-	(460)	(100)	34,242
Equipment	3,571	-	71	-	(49)	(16)	3,577
Other assets	6,230	4,327	885	-	(390)	71	11,123
Value of Property, Plant & Equipment	**39,636**	**15,477**	**10,728**	**-**	**(899)**	**(136)**	**64,806**
Land	-	-	-	-	-	-	-
Buildings	(1,190)	(3,030)	-	(230)	-	17	(4,433)
Plant and machinery	(15,166)	(3,052)	-	(1,719)	327	79	(19,531)
Equipment	(3,020)	-	-	(252)	49	15	(3,208)
Other assets	(4,443)	(2,495)	-	(694)	196	87	(7,349)
Accumulated Depreciation for Property, Plant & Equipment	**(23,819)**	**(8,577)**	**-**	**(2,895)**	**572**	**198**	**(34,521)**
Land	721	-	-	-	-	-	721
Buildings	5,717	4,393	904	(230)	-	(74)	10,710
Plant and machinery	7,041	675	8,868	(1,719)	(133)	(21)	14,711
Equipment	551	-	71	(252)	-	(1)	369
Other assets	1,787	1,832	885	(694)	(194)	158	3,774
Net Value of Property, Plant & Equipment	**15,817**	**6,900**	**10,728**	**(2,895)**	**(327)**	**(60)**	**30,285**

(1):for sales or variation in consolidation area
(2): exchange rate differences, reclassification or others
(3): Meyer acquisition

The value of the tangible fixed assets generated internally, entirely attributed to item "Equipment", amounts to 66 thousand euros (2005: € 139 thousand euros) and includes raw material, semi-finished products and personnel costs and related social security.
Investments in plant and machinery made in 2006 refer to the new production line of forks for lift trucks, with production starting during the first months of 2007. As the new production line was still in the completion phase at the end of 2006, the amortization procedure will start from the year 2007.

Other investments made refer to purchase of machine tools and equipment for the continual modernization necessary for increasing productivity and efficiency.

Below is a summary of the net and gross carrying values of the fixed assets acquired through lease contracts which are still in life. Such assets belong to the parent, the French and the Spanish subsidiaries.

	31.12.2006		31.12.2005	
	Gross value	Net value	Gross value	Net value
Buildings	204	141	204	147
Plants and equipment	4,144	275	4,144	542
Total	**4,348**	**416**	**4,348**	**689**

6. Goodwill

Goodwill acquired through business combinations have been allocated to three distinct cash-flow generating units, representing distinct segments, in order to verify any possible impairment:

- Auramo Oy
- Bolzoni Auramo GmbH
- Hans H. Meyer GmbH

	31.12.2005	Addition	Sale	Exchange rate diff.	31.12.2006
Auramo OY	8,155	-	-	-	8,155
Bolzoni Auramo GmbH	181	-	-	-	181
Hans H. Meyer GmbH	0	910	-	-	910
Total	**8,336**	**910**	**-**	**-**	**9,246**

Auramo OY, Bolzoni Auramo GmbH and Hans H. Meyer GmbH

The estimated recoverable value of goodwill recorded in the financial statement was performed using a discounted cash flow model which, for the determination of the assets value in use, foresees the estimate of future cash flows and the application of an appropriate discounting rate. The 7.8% discounting rate applied represents the shareholders' expected return rate for the investment in the risk capital and the time frame in which the expected cash flows are discounted is ten years. The discount rate adopted is the one currently used for the estimation of our company and published in the analyses made by the financial analysis companies.

The impairment tests performed on goodwill have not highlighted permanent impairments.

7. Intangible fixed assets

	01.01.06	Meyer (3)	Addition	Amorti-zation	Decr. (1)	Other variations (2)	31.12.06
Development costs	1,238	-	712	-	(2)	202	2,150
Trademarks and patent rights	1,029	2,500	42	-	-	(98)	3,473
Licences	1,903	805	215	-	(3)	(152)	2,768
Sundry	329	-	21	-	-	(162)	188
Gross value of Intangible Fixed Assets	**4,499**	**3,305**	**990**	**-**	**(5)**	**(210)**	**8,579**
Development costs	(371)	-	-	(250)	-	-	(621)
Trademarks and patent rights	(402)	-	-	(73)	-	37	(438)
Licences	(1,490)	(764)	-	(156)	2	(16)	(2,424)
Sundry	(109)	-	-	(10)	-	-	(119)
Accumulated amortization for Intangible Fixed Assets	**(2,372)**	**(764)**	**-**	**(489)**	**2**	**21**	**(3,602)**
Development costs	867	-	712	(250)	(2)	202	1,529
Trademarks and patent rights	627	2,500	42	(73)	-	(61)	3,035
Licences	413	41	215	(156)	(1)	(168)	344
Sundry	220	0	21	(10)	-	(162)	69
Net Value of Intangible Fixed Assets	**2,127**	**2,541**	**990**	**(489)**	**(3)**	**(189)**	**4,977**

(1): for sales or variation in consolidation area
(2): exchange rate differences, reclassification or others
(3): Meyer acquisition

The value of the intangible fixed assets generated internally and capitalized in 2006, entirely attributed to item “Development costs” amounts to 615 thousand euros (2005: 478 thousand euros) and consists of personnel costs and related social security. The projects refer in particular to the development of new technical solutions for existing products.

At 31 December 2006 development costs included 113 thousand euros related to running projects.

8. Investment in associates

The Group has the following investments in associated companies:

	2006	2005
Eurolift Pty Ltd	176	134
Bolzoni Auramo South Africa	349	314
Total	**525**	**448**

The following table highlights the main financial information regarding the investment in Eurolift :

	2006	2005
Portion of the associate’s equity:		
Current assets	233	289
Non-current assets	23	26
Current liabilities	(51)	(126)
Non-current liabilities	(31)	(35)
Net asset	176	154
Portion of the associate’s revenue and result:		
Revenue	392	467
Earnings	27	22

The following table highlights the main financial information regarding the investment in Bolzoni Auramo South Africa:

	2006	2005
Portion of the associate's equity:		
Current assets	737	517
Non-current assets	25	31
Current liabilities	(334)	(201)
Non-current liabilities	(40)	(99)
Net asset	389	248
Portion of the associate's revenue and result:		
Revenue	1,440	1,151
Earnings	122	118

The reference dates for investment in the associate Eurolift are 30 June 2006 and 30 June 2005, as accounting reports are not available at 31 December 2006 and 2005.

9. Credits and other financial assets (non-current)

Credits and other financial assets mainly refer to prepaid tax for the retirement allowance (applicable only to the parent) and other minor credits related to various subsidiaries.

10. Financial assets held to maturity

The balance refers to the capitalized interest policy issued by Tapiola company expiring December 2006 and cashed during the first days of 2007. This financial instrument was used as a guarantee on a specific loan (note 17) that the Group established in order to continue the benefits from the high yields offered by the policy during the previous financial years (minimum 4.5% yield).
The carrying amount corresponds to the cost incurred for the acquisition, plus interest accrual matured at the balance sheet date and notified by the issuer.

11. Taxation

11.1 Deferred tax

The situation at 31 December was the following:

	Consolidated balance sheet		Consolidated income statement	
	2006	2005	2006	2005
Deferred tax liability				
Accelerated depreciation for tax purposes	(780)	(667)	(113)	(152)
Exchange rate fluctuations	-	(213)	213	(213)
Capitalization of internal costs	(353)	(233)	(120)	(81)
Lease evaluations	(42)	(131)	89	36
Pensions	(28)	-	(28)	14
Variation in evaluation parent's inventory	(50)	(28)	(22)	(16)
Gains on sale of fixed assets split over 5 years	(25)	(35)	10	(18)
Bad debt provision for tax purposes	(35)	(21)	(14)	(21)
Affect related to acquisition of Meyer Group	(2,185)	-	-	-
Minor balances from subsidiaries	(240)	(129)	(111)	30
Sundry	-	(10)	10	46
	(3,738)	**(1,467)**		
Deferred tax assets				
Pensions	-	11	(11)	11

Fiscal losses carried forward on foreign subsidiaries	523	522	1	-
Obsolescence provision on parent's inventory	134	102	32	(28)
Offsetting infragroup's profit in stock	755	819	(64)	188
Non tax deductible provisions	138	200	(62)	(18)
IPO costs	686	-	-	-
Minor balances on subsidiaries	143	132	11	(142)
Exchange rate fluctuations	82	-	82	-
Meyer	134	-	-	-
Sundry	151	41	110	13
Fair value adjustments on acquisitions				–
	2,746	**1,827**		
Deferred tax income(expense)			**13**	**(350)**

Costs incurred during IPO, directly deducted from the share premium provision, are deducted from revenue over a period of 5 financial years, thus producing the above deferred tax assets.

Deferred tax liabilities referring to the Meyer acquisition and amounting to 2,185 thousand euros, are related to the deferred taxation deriving from the booking of the tangible fixed assets and the Meyer trademark at fair value.

Some Group subsidiaries have fiscal losses totalling 6,873 thousand euros (2005: 5,989 thousand euros) that are available indefinitely to offset future taxable profits of those companies where the losses had been produced. Deferred tax assets related to those losses have been recognized according to expected earnings, established on the basis of the business plans drawn up for each company. In particular, a time frame covering the next three financial years has been considered. The deferred tax assets on these losses carried to the balanced sheet amount to 523 thousand euros (2005: 522 thousand euros). The amount of available fiscal losses for which no deferred tax asset has been allocated at 31 December 2006 amounts to 4,966 thousand euros , corresponding to deferred tax not accounted for and amounting to approximately 1.4 million euros.

As in the previous year, at 31 December 2006 no deferred tax liability was recognized on the unremitted earnings of some subsidiaries and associates as the Group has determined that these earnings will not be distributed in the foreseeable future.

The payment of dividends to the shareholders of Bolzoni S.p.A. does not effect income tax.

11.2 Income tax

The main components of Income tax for the years ended 31 December 2006 and 2005 are the following:

Consolidated income statement	2006	2005
Current income tax		
Current income tax charge	3,296	2,863
Deferred income tax		
Related to origination and reversal of temporary differences	(13)	350
Income tax expense reported in the consolidated income statement	**3,283**	**3,213**

Reconciliation between tax expenses and the product of accounting profit multiplied by domestic tax rate for the years ended 31 December 2006 and 2005 gives the following:

IRES/Income tax	2006 Amount	2006 Rate	2005 Amount	2005 Rate
Theoretical tax rate		33.0 %		33.0 %
Result before tax	8,149		7,572	
Theoretical tax charge	**2,689**		**2,499**	33.0 %
Plus variations				
Tax free or non-taxable income	31		45	
Non deductible costs	1,815		498	
Minus variations				
Fiscal losses carried forward	0		(14)	
IPO costs	(461)		0	
Other minus variations	(1,562)		(1,138)	
Taxable income	7,972		6,964	
CURRENT IRES	**2,541**	**31.2 %**	**2,195**	**29.0 %**

IRAP	2006 Amount	2006 Rate	2005 Amount	2005 Rate
Theoretical tax rate		4.25 %		4.25%
Difference between production values and costs	6,402		4,974	
Theoretical tax charge	**272**		**211**	4.25%
Plus variations				
Personnel costs	11,505		10,602	
Other plus variations	1,567		1,183	
Minus variations				
Other minus variations	(1,714)		(1,031)	
Taxable amount	17,760		15,728	
CURRENT IRAP	**755**	**11.8 %**	**668**	**13.4%**

12. Inventory

	2006	2005
Raw material	6,489	4,228
Obsolescence provision for raw material	(66)	(67)
Net raw materials	**6,423**	**4,161**
Semi-finished products	6,735	7,158
Obsolescence provision for semi-finished products	(176)	(153)
Net semi-finished products	**6,559**	**7,005**
Finished products	9,950	7,374
Obsolescence provision for finished products	(664)	(362)
Net finished products	**9,286**	**7,012**
Total inventory at lesser between cost and net realizable value	**22,268**	**18,178**

With regards to the increase in amount of inventory, 3,741 thousand euros is due to the inclusion of the Meyer Group to the consolidation area.

Below are the variations in the obsolescence provision during the periods taken into consideration:

	31.12.2005	Increase	Decrease	31.12.2006
Obsolesc.prov. for raw material	67	-	(1)	66
Obsolesc.prov. for semi-finished prod.	153	28	(5)	176
Obsolesc.prov.for finished products	362	303	(1)	664
Total	**582**	**331**	**(7)**	**906**

The minus variations refer to derecognition of the provision subsequent to scrapping of material during the financial year.

13. Trade receivables (current)

	2006	2005
Trade receivables	23,408	18,918
Bills subject to collection	5,149	2,805
Bad debt provision	(108)	(86)
Total minority receivables	**28,449**	**21,637**
Eurolift	211	147
Bolzoni Auramo South Africa	414	239
Total associate receivables	**625**	**386**
Total trade receivables	**29,074**	**22,023**

Regarding the increase in trade receivables, 5,073 thousand euros is the result of the inclusion of the Meyer Group in the consolidation area.

Below are variations to the bad debt provision:

	31.12.05	Increases	Decreases	31.12.2006
Bad debt provision	86	22	-	108
Total	**86**	**22**	**-**	**108**

For the terms and the conditions covering related party receivables, refer to note 33.
Trade receivables are non-interest bearing and generally have a due date of 30-90 days. We would like to point out that these amounts are covered by a credit insurance.

14. Tax receivables

	2006	2005
Sundry	412	244
Total	**412**	**244**

This item mainly includes the balance of tax paid in advance by some group companies and which is higher than tax income liabilities pertaining to the financial year. The inclusion of the Meyer Group in the consolidation area has resulted in an increase of 273 thousand euros.

15. Other receivables

	2006	2005
VAT receivables	773	206
Advance to suppliers	52	101
Prepaid expenses	40	226
Sundry	319	117
Total	**1,184**	**650**

The increase in VAT receivables is related to the increase in investments during the second part of the year. The item 'Others' includes the amount of 128 thousand euros for exchange rate derivatives showing a positive fair value at 31 December 2006 (2005: 38 thousand euros). Prepaid expenses are mainly related to costs incurred but not pertaining to the parent. The inclusion of the Meyer Group in the consolidation area has not produced any significant affects.

16. Cash and cash equivalents

	2006	2005
Cash in hand and bank accounts	4,473	3,364
Total	**4,473**	**3,364**

Bank accounts have a variable interest rate.

For the purpose of the consolidated cash flow statement, the item 'Cash and cash equivalents' includes the following at 31 December :

	2006	2005
Cash in hand and bank accounts	4,473	3,364
Bank overdrafts and advance on collectable bills subject to final payment (note 18)	(3,021)	(2,362)
Total	**1,452**	**1,002**

17. Share capital and reserves

	2006	2005
Ordinary shares at 0.25 euros each	25,685,911	21,276,596

During year 2006 the two following share capital increases were made:

- on 08.06.2006 following the listing of the Company in the STAR segment of the Italian Screen Based Market run by Borsa Italiana S.p.A. a share capital increase was made for 4,255,319 ordinary shares at 0.25 euros each equivalent to 1,064 thousand euros;
- on 21.11.2006 following the stock option plan approved on 23.01.2006 a share capital increase was made for 153,996 ordinary shares at 0.25 euros each equivalent to 38 thousand euros (note 30).

Details of other reserves:

	Other reserves (of parent)	Curr. Transl. Diff.	IFRS transl. reserve	Consolid. reserve	Total
Balance at 31.12.2005	**11,124**	**(904)**	**1,344**	**2,420**	**13,984**
Share capital increase	11,561				11,561
Profit allocation	2,994			1,356	4,350
Other variations				10	10
Variation in translation reserve		(97)			(97)
Payment of dividends	(2,021)				(2,021)
Balance at 31.12.2006	**23,658**	**(1,001)**	**1,344**	**3,786**	**27,787**

Other reserves of the parent

The other reserves of the parent are made up of the revaluation reserve as per Law 342/2000, the statutory reserve and the retained earnings after the distribution of profits as approved by the Shareholders of Bolzoni S.p.A.

Reserve for currency translation differences

This reserve is used to record the currency differences resulting from the translation of the financial statements belonging to the foreign subsidiaries.

IAS/IFRS conversion reserve

This contains the affects on net equity following the first-time adoption of the IAS/IFRS principles on 1 January 2004.

Consolidation reserve

The consolidation reserve highlights the affects on net equity normally resulting from consolidation operations required for standardizing the items in the financial statements of the consolidated companies to the Group's criteria, from write-offs of infragroup non-realizable profits and from the off-setting of investments against their net equity.

18. Interest bearing loans and borrowings

	Actual interest rate %	Maturity	2006	2005
Short term				
Bank overdrafts		On request	4	99
Advance on collectable bills subject to final payment		30-90 days	3,017	2,263
Subsidiary loans			2,235	3,391
Meyer's loans			4,232	-
7,000,000 euro bank loan	Euribor +0.90	2007	1,167	2,333
7,750,000 euro bank loan	Euribor +0.70	2007	1,107	1,107
2,000,000 euro bank loan	Euribor +0.40	2007	667	333
2,000,000 euro bank loan	Euribor +0.40	2007	390	380
1,000,000 euro bank loan	Euribor +0.40	2007	191	0
2,800,000 euro bank loan	4.12	2007	2,000	2,800
Government loan 394/81	1.72	2007	303	303
Other minor loans		2006	-	135
			15,313	**13,144**
Medium/short term				
7,000,000 euro bank loan	Euribor +0.90	2007	0	1,167
7,750,000 euro bank loan	Euribor +0.70	2010	3,322	4,429
2,000,000 euro bank loan	Euribor +0.40	2009	1,333	1,667
2,000,000 euro bank loan	Euribor +0.40	2010	1,230	1,620
1,000,000 euro bank loan	Euribor +0.40	2011	715	-
Government loan 394/81	1.72	2009	607	911
Handelsbanken loan	Euribor +0.60	2008	1,430	-
Other minor loans			280	284
			8,917	**10,078**

Bank overdrafts and advances on collectable bills subject to final payment

These mainly refer to the parent and the Spanish subsidiary.

7,000,000 euro bank loan

The loan is unsecured and is repayable in half yearly, fixed principal value instalments.

7,750,000 euro bank loan

This loan is secured by a first degree mortgage on the property in Podenzano and is repayable in equal half yearly instalments.

2,000,000 euro bank loans

The two loans are unsecured and are repayable in equal half yearly instalments

1,000,000 euro bank loan

The loan is unsecured and is repayable in equal half yearly instalments

Government loan in accordance with Law 394/81

This loan, secured by a bank guarantee specifically obtained for the purpose, is repaid in half yearly, fixed principal value instalments.

Foreign subsidiary loans

These consist of:

- loan obtained by subsidiary Auramo OY amounting to about 1.2 million euros with maturity date during the year;
- 0.5 million dollar loan obtained by the subsidiary Bolzoni Auramo Inc.
- 0.4 million euro loan obtained by the subsidiary Bolzoni Auramo GmbH;
- loan obtained by the subsidiary Auramo OY amounting to about 1.4 million euros and secured by a pledge on the interest capitalization policy described in note 10.

All loans are secured by comfort letters given by the parent, with the exception of the 1.4 million euro loan obtained by Auramo Oy.

Some loans are subject to the observance of the following covenants (based on the consolidated financial statement):

Loan	Covenants	2006	Limit
2 million euros	Net financial debts/Net equity	0.46	1.5
2 million euros	Net financial debts/Gross operating margin	1.37	3.5
7 million euros	Financial charges /Sales revenue	0.69%	2.00%
7 million euros	Net financial debts/Net equity	0.50	1.9
		1.37	3.5

As previously shown, the covenants have all been observed. The non-observance could result, among other things, in the possible early repayment of the loan.

Net financial position	*31.12.2006*	*31.12.2005*	*Variat.*
Cash on hand and liquid funds	4,473	3,364	1,109
- of which related to Banca Intesa	*750*	*0*	*750*
Short term loans	- 15,313	- 13,144	- 2,169
- of which related to Banca Intesa	*- 2,962*	*- 2,217*	*- 745*
TOTAL SHORT TERM	**- 10,840**	**- 9,780**	**- 1,060**
Assets held to maturity	1,425	1,368	57
Long term loans	- 8,917	- 10,078	1,161
- of which related to Banca Intesa	*- 3,322*	*- 4,896*	*1,574*
TOTAL MEDIUM/LONG TERM	**- 7,492**	**- 8,710**	**1,218**
NET FINANCIAL POSITION (NET FINANCIAL INDEBTEDNESS)	**- 18,332**	**- 18,490**	**158**
- of which related to Banca Intesa	***- 5,534***	***- 7,113***	***1,579***

19. T.F.R. retirement allowance fund and other employee benefits

Below are the variations to this fund:

	2006	*2005*
T.F.R. fund at 01.01	**3,261**	**2,923**
Current cost of the service	504	506
Financial charges	123	126
Actuarial earnings/losses	- 125	76
(benefit paid)	- 350	- 370
T.F.R. fund at 31.12	**3,413**	**3,261**
Meyer pension fund at 31.10	743	-
Meyer current cost	6	-
(benefit paid by Meyer)	-12	-
Meyer pension fund at 31.12	**737**	**-**
Employee benefit funds at 31.12	**4,150**	**3,261**

This fund is part of those plans with defined benefits.

Liabilities have been determined using the Projected Unit Credit Cost method which can be broken down into the following phases:

- on the basis of a series of possible financial assumptions (increase in the cost of life, increase in salaries etc.), estimates have been made regarding the possible future benefits which could be paid to each employee included in the programme in the event of retirement, death, disablement, resignation etc. This estimate will include possible increases corresponding to longer length of service matured as well as the presumable growth in the level of retribution on the date of evaluation;
- the current average value of future benefits paid has been calculated at the evaluation date, on the basis of annual interest rate adopted and the possibilities of each sum actually being paid out;
- the company's liability has been defined by identifying the portion of the current average value for the future sum paid referring to service matured in the company by the employee at the evaluation date;
- based on the liability determined at the previous point, and the reserve allocated in the financial statement in accordance with Italian civil laws, the reserve considered as being valid for the IAS purposes has been identified.

Below are details of possible assumptions:

Demographic suppositions	Executives	Non Executives
Probability of death	Mortality rate tables for the Italian population as measured by ISTAT for year 2002 divided according to sex	Mortality rate tables for the Italian population as measured by ISTAT for year 2002 divided according to sex.
Probability of disablement	Tables, divided according to sex, adopted in the INPS model for projections up to 2010	Tables, divided according to sex, adopted in the INPS model for projections up to 2010
Probability of resignation	7.5% in each year	7.5% in each year
Probability of retirement	Achievement of the first of the pension requirements valid for Mandatory General Insurance	Achievement of the first of the pension requirements valid for Mandatory General Insurance
Probability for an employee of:		
-receiving advance payment of 70% of the accrued retirement allowance at the start of the year	3.0% in each year	3.0% in each year

Financial theories	Executives	Non Executives
Increase in the cost of life	2.0% per annum	2.0% per annum
Discounting rate	4.6% per annum	4.6% per annum
Overall salary increase	3.0% per annum	3.0% per annum
Increase in TFR retirement allowance	3.0% per annum	3.0% per annum

20. Provision for contingencies and charges

	31.12.05	*Incr.*	*Decr.*	*31.12.06*	*Within 12 mths*	*After 12 mths*
Agents' termination benefit provision	118	15	0	133	0	133
Product Warranty provision	193	415	95	513	513	0
Other provisions	62	241	62	241	241	0
Total	**373**	**671**	**157**	**887**	**754**	**133**

Agents' termination benefit provision

This provision is to meet the related liability matured by agents.

Product warranty provision

This provision has been created to meet charges in connection with product warranties sold during the financial year and which are expected to be incurred the following year. The determination of the necessary provision is based on past experience over the last five years indicating the average impact of costs incurred for warranty servicing with respect to the pertinent turnover.

Other provisions

This item includes a provision of 45 thousand euros for costs to be incurred during 2007 related to the partial personnel reorganization in one of the subsidiaries.

The amount resulting from Meyer's inclusion in the consolidation area is 547 thousand euros, 324 thousand euros of which are related to the product warranty provision.

21. Trade payables

	2006	2005
Advance from customers	48	38
Domestic suppliers	20,188	12,890
Foreign suppliers	6,418	3,819
	26,654	**16,747**

Trade payables are non-interest bearing and are normally settled on a 90 day basis approx.

For terms and conditions concerning related parties, see note 33.

Domestic supplier payables at 31 December 2006 include 3,046 thousand euros for investments in tangible fixed assets made during the second half of the period (Note 5). The variation is likewise affected by the increased inventory of the parent.

The amount resulting from Meyer's inclusion in the consolidation area is 2,196 thousand euros.

22. Other payables

	2006	2005
Payables to employees for wages	1,399	980
Payables to employees for matured but unused holidays	1,396	1,054
Other accrued expenses	320	220
VAT	649	460
Other short term liabilities	1,080	621
Social security payables	1,262	778
	6,106	**4,113**

The increase in payables to employees and to social security is due to the inclusion of Hans H Meyer to the consolidation area.

23. Payables to taxation authorities

	2006	2005
For wages and salaries	823	579
For income tax	699	995
Sundry	184	31
	1,706	**1,605**

Decrease in the item regarding income tax is due to the different impact of advance tax payment paid in each financial period.

INCOME STATEMENT

Revenue

For the break-down of revenue, please read note 4 regarding Segment Information.

24. Other revenue

	2006	2005
Sundry income	262	376
Gains on equity	12	93
Increases in fixed assets following internal work	910	617
	1,184	**1,086**

The increase in fixed assets is mainly due to capitalized personnel expenses for product development (615 thousand euros) and for the installation of the fork production line for lift trucks (207 thousand euros).

25. Costs for raw material and consumable supplies

	2006	2005
Raw material	15,740	14,816
Commercial goods	3,426	2,999
Semi-finished products	16,736	15,623
Other purchases for production	4,744	3,130
Sundry purchases	410	369
Additional expenses	125	116
Finished products	862	699
	42,043	**37,752**

Increase in the costs for raw materials and consumable supplies is mainly connected to the growth of turnover.

26. Service costs

	2006	2005
Industrial services	13,595	11,459
Commercial services	6,293	5,628
General services	5,520	4,901
Costs related to use of third party assets	1,569	1,482
	26,977	**23,470**

Increase in the cost of industrial services is due to greater amount of sub-contracting during 2006 in support of the higher turnover.

27. Personnel costs

	2006	2005
Wages and salaries	19,672	17,572
Social security	4,888	4,733
TFR retirement allowance (note 19)	385	516
Sundry costs	835	432

	25,780	**23,253**

The variation in personnel costs is related to the increase in the number of employees (207) following the acquisition of the Meyer Group and also to the increase in wages.

Number of Group employees:

	31.12.2006	31.12.2005	Variation
Top Managers	34	30	4
First-line managers	5	0	5
White collar	324	220	104
Blue collar	378	287	91
Total	**741**	**537**	**204**

28. Other operating costs

	2006	*2005*
Tax and duty	61	166
Bad debt	26	14
Losses on sale of fixed assets	3	26
Sundry	313	503
	403	**709**

Under the item 'Sundry' are recorded costs of administrative and legal nature, association fees and donations referred to the various group companies.

29. Financial income and charges

	2006	*2005*
Financial charges	(887)	(940)
Financial income	150	125
Net financial income (charges)	**(737)**	**(815)**

Compared to the previous year, net financial charges have decreased and this is mainly due to the liquidity obtained from the parent's listing on Italian Stock Exchange (Borsa Italiana S.p.A.)

29.1 Financial charges

	2006	*2005*
Interest on short term payables (overdrafts and credit disinvestments)	42	358
Interest on medium/long term loan payables	682	430
Charges other than above (lease contracts and sundry)	163	152
	887	**940**

29.2 Financial income

	2006	*2005*
Interest income from customers	44	68
Interest income from financial assets held to maturity	105	52
Income other than above	1	5

	150	**125**

29.3 Exchange rate gains and losses

	2006	2005
Exchange rate gains	302	595
Exchange rate differences following translation	(249)	549
Exchange rate losses	(835)	(152)
	(782)	**992**

Variations are mainly due to the affects from fluctuations in US dollar's exchange rate during 2006. The US dollar's devaluation has caused negative affects on both the result of exchange rate handling and on the translation of items in foreign currencies according to balance sheet date exchange rates.

30. Stock option plan

At the balance sheet date, the Bolzoni S.p.A. has running a stock option plan approved by the Board of Directors on 7.3.2006 and by the Extraordinary Shareholders Assembly on 23.3.2006. The plan establishes an overall number of 462,000 shares limited to the company executives divided into three tranches. The minimum price of issue has been established in 2.04 euros per share and the period for exercising the first tranche of rights has been subjected to a mandatory lock-up time of 180 days after the date the Company shares are admitted to listing on the Italian Screen Based Market organized and controlled by Borsa Italiana S.p.A.
The fair value of the granted options was evaluated on the date of assignment on the basis of the following assumptions:

Expected yield from dividends (%)	3.45
Expected volatility (%)	34.00
Risk free interest rate (%)	3.33
Advanced extinction	not considered

On the basis of the above assumptions the evaluation produced a cost of 351 thousand euros, accounted for under the item "Personnel Costs".
In November 2006 the right given under the first tranche of the stock option scheme was exercised, corresponding to 154,000 shares , at the minimum price established in the scheme (2.04 euros per share) . The second and third tranches, involving the same number of shares, will be exercisable in April 2007 and April 2008 respectively.

At the balance sheet date, the Company has not issued any convertible bonds.

31. Earnings per share

Basic earnings per share are calculated by dividing the year's net profit attributable to the ordinary shareholders of the parent by the weighted average number of ordinary shares outstanding during the year.
At 31 December 2006 the diluted earning calculation took into consideration the assignment of option rights for the purchase of shares coming from the stock option plan approved March 23 2006. Below are details on earnings and information on the shares used to calculate basic and diluted earnings per share:

Basic earnings/ (losses) per share	2006	2005
Net group profit attributable to ordinary shareholders	4,866	4,359
Average number of ordinary shares (n°/000)	23,695	21,277
Basic earnings per ordinary share	0.205	0.205

Diluted earnings / (losses) per share	*2006*	*2005*
Net group profit attributable to ordinary shareholders	4,866	4,359
Average number of ordinary shares (n°/000)	23,820	21,277
Basic earnings per ordinary share	0.204	0.205

On January 23 2006 the Shareholders approved the share splitting of the share capital, originally consisting of 5,319,349 shares with a nominal value of 1 euro, into 21,277,396 shares with a nominal value of 0.25 euro.

32. Dividends

Dividends approved and paid out during the year amount to 2,021,277 euros (2005: 1,063,830 euros). Dividends proposed for approval by the Shareholders (not recorded as liabilities at 31 December) amount to 2,568,591 euros.

If approved, the proposed resolution regarding earnings will result in a payment of 0.10 euros per share.(2005: € 0.095).

33. Commitments and contingencies

Capital commitments

At December 31 2006 the value of the Group's commitments was not material. At December 31 2005 the Group had commitments for approx. 515 thousand euros regarding the purchase of a new machine tool by the parent.

Legal litigations

Following the inspection made in March 2003 by the Inland Revenue of Piacenza, on June 13th 2006 the Regional Tributary Commission pronounced their verdict in favour of Bolzoni S.p.A. On November 24 2006 the Law Officers made an appeal to the Supreme Court against the verdict pronounced by the Regional Tributary Commission. Bolzoni S.p.A. has not recognized any provision as, supported by the favourable verdict and by the opinion of its lawyer, it believes the objection to be without grounds.

Guarantees granted

At 31 December 2006 Bolzoni S.p.A. granted the following guarantees:

- it has granted comfort letters to a bank on a loan given to the subsidiary Bolzoni Auramo Inc. for the amount of US$ 500,000 (2005: US $ 500,000);
- it has given some land and buildings as guarantee against a bank loan (see note 17);
- it has granted a surety to a bank for the amount of € 2,000,000 (2005: € 2,000,000) in favour of the subsidiary Auramo OY;
- it has granted a surety to a bank for the amount of € 630,000 (2005: € 630,000) in favour of the subsidiary Bolzoni Auramo S.a.r.l.;
- it has granted a surety to a bank for the amount of € 237,370 (2005: € 237,370) in favour of the subsidiary Bolzoni Auramo S.a.r.l.;
- it has granted a surety to a bank for the amount of € 750,000 (2005: € 750,000) in favour of the subsidiary Bolzoni Auramo GmbH;
- it has granted a surety to a bank for the amount of € 750,000 (2005: € 750,000) in favour of the subsidiary Bolzoni Auramo S.l.;
- it has granted a surety to a bank for the amount of € 850,000 (2005: € 0) in favour of the subsidiary Bolzoni Auramo S.l.;
- it has granted a surety to a bank for the amount of € 750,000 (2005: € 0) in favour of the subsidiary Hans H. Meyer GmbH.;
- it has granted a surety to a bank for the amount of € 750,000 (2005: € 0) in favour of the subsidiary Hans H. Meyer GmbH.;
- it has granted a surety to a bank for the amount of € 3,200,000 (2005: € 0) in favour of the subsidiary Hans H. Meyer GmbH..

34. Information on related parties

The following table indicates the total amount of transactions with related parties for the relevant financial year (further information on open balances at the end of the year can be found in notes 13 and 18).

Related parties		Sales to related parties	Purchases from related parties	Related parties receivables	Related Parties payables
Associates:					
Eurolift Pty	2006	525	–	211	–
	2005	580	–	147	–
Bolzoni Auramo South Africa	2006	1,320	–	414	–
	2005	516	–	239	–
Directors – other related companies : Gruppo Intesa	2006	–	236	750	6,284
	2005	–	356	–	7,113
Directors - other related companies:	2006	–	522	–	–
	2005	–	522	–	–

Associated companies

The Group has a 24.5% interest in Eurolift Pty (2005: 24.5%) and a 40% interest in Bolzoni Auramo South Africa (2005: 40%).

Terms and conditions of transactions between related parties

Transactions between related parties are performed at normal market prices and conditions. Outstanding balances at year end are unsecured, interest free and are settled in cash. No guarantees have been provided or received for any related party receivables or payables. For the year ended 31st December 2006 the Group, as in previous years, has not made any provision for doubtful debts referring to amounts owed by related parties.

Transactions with other related parties

Directors – other related parties

Auramo OY, entirely controlled group company, rents the property situated in Vantaa (Finland) where its offices and production plant are located, from Kinteisklo OY Auran Pihti, a company controlled by Mr Karl-Peter Otto Staack, a member of the board of directors. The contract establishes the payment of an annual rent of approximately 522 thousand euros (2005: approx. 522 thousand euros) .

As at 31 December 2006 Banca Intesa holds less than 10% of share capital of Bolzoni S.p.A. (2005: 28.36%) and a manager of Banca Intesa (Davide Turco) is a member of the Board of the parent. Bolzoni S.p.A. has business relations of a financial nature with the Intesa Group and, as a consequence, at 31st December 2006, the total value of debts towards the Intesa Group amounted to approximately 5.6 million euros (2005: € 7.1 million). The Intesa Group also granted a surety amounting to 1.2 million euros (2005: € 1.5 million) to a third party in the Company's interests. Intesa Mediocredito S.p.A., a company belonging to the Intesa Group, holds a mortgage right of the value of 10.85 million euros on the property situated in Podenzano as garantee for a loan.

35. Financial risk management: objectives and policies

The Group's principal financial instruments, other than derivatives, include bank loans, financial leases, short term deposit and cash bank accounts. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial instruments, such as trade payables and receivables, which arise directly from its operations.

The Group has also entered into derivative transactions, mainly including forward currency contracts. The purpose is to hedge against the interest rate and currency risks arising from the Group's operations and its sources of finance.

It is, and has been so throughout the year under review, the Group's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Group's financial instruments are those in connection with interest rates, liquidity, exchange rates and credits. The Board of Directors reviews and agrees on the policies for handling each of these risks and they are summarised below. The Group's accounting principles in relation to derivatives are set out in note 2.3.

Interest rate risk

With a part of its loans in euro at a floating interest rate, the Group believes it is exposed to the risk that a possible increase in rates could increase future financial charges.

As at 31.12.2006 the Company does not have any Interest Rate Swap contracts running which foresee the exchange of the difference between variable and one or more fixed rate interest amounts, calculated by reference to an agreed notional principal amount.

Foreign currency risk

The Group has identified its exposure to foreign currency risks mainly in connection with future collection of amounts in foreign currency (principally USD) as their subsequent translation could take place at potentially unfavourable conditions,. with a negative impact on the year's results.

The Group has entered into derivative financial contracts which hedge against exchange rate risks produced by cash flow from sales in foreign currency transactions with its American subsidiary Bolzoni Auramo Inc: more specifically, the instruments used are essentially forward currency contracts and Put options.

Following the expansion of its activities towards Asian markets, the Group is also exposed to foreign currency risks related to purchases of raw materials settled in both Chinese Yuan (CNY) and US Dollars (USD); to cover these risk Call options have been purchased or rather a Forward Rate agreement (purchase of a Call option and the sale of a Put option at the same price); the volume of these operations is however minimal.

As these derivative contracts are usually drawn up after the invoicing of sales or of the purchases generating the related cash flows and as it is not possible to identify a close correlation between the maturity of the derivative contracts and the dates of the underlying financial cash flows, the contracts under examination can therefore be classified as net hedging operations on trade receivables/ payables in foreign currency. Consequently, they have been recognized as financial assets held for trading and are therefore accounted for and assessed at fair value. The fair value variations are charged to income statement under financial income and charges

Risk of variations in price of raw material

The Group's exposure to the price risk is considered to be limited as the Group adopts a policy of partial hedging against the risk of fluctuations in the cost of raw materials thanks to supplier contracts at fixed prices for a period varying from three to six months and which mainly involve steel

Credit risk

Insurance policies have been taken out for all the Group companies in order to give protection against insolvency risks and which cover almost all the exposure.

With respect to the credit risk arising from the other financial assets of the Group, which include cash and cash equivalents, available-for-sale financial assets and certain derivative instruments, the maximum risk is equivalent to the carrying amount of these assets in the event of default of the counterparty. These are normally primary domestic and international financial institutions.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, finance leases and hire purchase contracts with purchase option.

Fair value

Below is a comparison between the carrying amounts and the fair value of all the Group's financial instruments as indicated in the financial statement, divided according to category: .

	Carrying amount		Fair value	
	2006	*2005*	*2006*	*2005*
Financial assets				
Cash in hand	4,473	3,364	4,473	3,364
Financial assets avaible for sale	1,425	1,368	1,425	1,368
Other financial credits (long term)	213	205	213	205
Financial liabilities				
Bank overdrafts and advance on collectable bills subject to final payment	(3,021)	(2,362)	(3,021)	(2,362)
Loans:				
At variable rates	(18,299)	(14,427)	(18,299)	(14,427)
At fixed rates	(2.910)	(4,012)	(2.910)	(4,012)
Forward currency contracts *	128	(29)	128	(29)
Swap Interest Rates *	0	19	0	19

* accounted for in the financial statement at fair value.

Fair value

Fair value of derivatives and loans has been calculated by discounting the expected future cash flows at prevailing interest rates. The fair value of loans at fixed rates has been calculated using the market interest rates.

Interest rate risk

The following table shows the carrying amount, according to maturity date, of the Group's financial instruments exposed to interest rate risk:

Year ended 31st December 2006

Fixed rate	*<1 year*	*>1<2 yrs*	*>2<3 yrs*	*>3<4 yrs*	*>4<5 yrs*	*> 5 yrs*	*Total*
Government loan L. 394/81	(303)	(303)	(304)	-	-	-	(910)
Bank loan € 2,800,000	(2,000)	–	–	–	–	–	(2,000)

Variable rate	*<1 year*	*>1<2 yrs*	*>2<3 yrs*	*>3<4 yrs*	*>4<5 yrs*	*> 5 yrs*	*Total*
Liquid funds	4,473	-	-	-	-	-	4,473
Assets held to maturity	1,638	-	-	-	-	-	1,638
Overdrafts on bank accounts	(4)	-	-	-	-	-	(4)
Advance on collectable bills subject to final payment	(3,017)	-	-	-	-	-	(3,017)
Subsidiary loans	(2,235)	-	-	-	-	-	(2,235)
Meyer loans	(4,232)	-	-	-	-	-	(4,232)
Bank loan of Euro 7,000.000	(1,167)	-	-	-	-	-	(1,167)
Bank loan of Euro 7,750.000	(1,107)	(1,107)	(1,107)	(1,108)	-	-	(4,429)
Bank loan of Euro 2,000.000	(667)	(667)	(666)	-	-	-	(2,000)
Bank loan of Euro 2,000.000	(390)	(400)	(410)	(420)	-		(1,620)

Bank loan of Euro 1,000.000	(191)	(197)	(203)	(209)	(106)	(906)
Subsidiary loan	-	(1,430)	-	-	-	(1,430)
Other minor loans	-	(280)	-	-	-	(280)

Credit risk
There are no significant concentrations of credit risk within the Group.

36. Remuneration of Directors and Statutory Auditors

The following table shows the remuneration during year 2006 for the Directors and Statutory Auditors of the parent and subsidiary companies:

Name	*Amount paid by Parent*	*Amount paid by Group companies*	*Description*
Emilio Bolzoni	193	28	Director's fee
Roberto Scotti	193	28	Director's fee
Luigi Pisani	28	-	Director's fee
Franco Bolzoni	28	-	Director's fee
Pierluigi Magnelli	28	-	Director's fee
Davide Turco	28	-	Director's fee
Karl Peter Otto Staack	28	28	Director's fee
Carlo Baldi	17	-	Director's fee
Raimondo Cinti	17	-	Director's fee
Giovanni Salsi	17	-	Director's fee
Total	**577**	**84**	
Benvenuto Girometti	20	-	Auditor's Fee
Fiorenzo Salvini	13	-	Auditor's Fee
Giorgio Picone	13	-	Auditor's Fee
Total	**46**	**-**	

37. Events after the balance sheet date

Since December 31st 2006 until today, no other important events have occurred having a significant impact on the figures contained in this document.

BOLZONI S.P.A.
I CASONI DI PODENZANO (PC)
SHARE CAPITAL Euro 6,421,477.75 FULLY PAID
TAX CODE 00113720338
R. E. A. n. 87382

BOARD OF STATUTORY AUDITORS REPORT ON CONSOLIDATED FINANCIAL STATEMENT AT 31.12.2006

Gentlemen,

The Group's consolidated financial statement, which for the period 2005 had already been prepared adopting the international accounting principles (IAS/IFRS), at 31/12/2006 did not have to undergo any adjustments following the admission in 2006 of the Parent Company to listing on the Milan Stock market.

The accounting principles used for the present financial statement are therefore those officially approved by the European Union and currently ruling. The consolidated financial statement prepared in this way was made available and was then examined and checked by us.

We can state the following.

The financial statement shows a total profit of 4,866 thousand euros consisting of a group profit of 4,790 thousand euros and a third party profit of 76 thousand euros (30% investment in Bolzoni Auramo s.r.l, 40% investment in Bolzoni Auramo Polska, 40% investment in Bolzoni Auramo Shanghai and 49% investment in Bolzoni Auramo B.V.) and may be summarized as follows:

BALANCE SHEET

Assets	€	106,828
Liabilities and funds	€	67,472
Capital and group reserves	€	38,998
Capital, reserves and third party results	€	359
Total liabilities, funds and capital	€	106,828

INCOME ACCOUNT

Production value	€	108,287
Production costs	€	-98,619
Diff.between prod.value and costs	€	9,668
Income and financial charges	€	-1,519
Result before tax	€	8,149
Income tax for financial period	€	-3,283
Profit of the year	€	4,866
Result of trading activities	€	0
Result of the year	€	4,866
Third party result	€	76
Group result	€	4,790

The figures refer to the year ended 31st December 2006, the balance sheet date for all the Group companies entirely owned by Bolzoni SpA with the exception of Bolzoni Auramo s.r.l. where Bolzoni has a 70% stake, Bolzoni Auramo Polska with a 60% ownership, Bolzoni Auramo Shanghai with a 60% ownership and Bolzoni Auramo B.V. with a 51% ownership. The result of the financial statement of the new subsidiary company (100% owned) Hans H. Meyer GmbH has also been included but only in relation to the last two months of the period.

Through the audit and the analysis of the book-keeping entries, the documents and the information transmitted by the companies included in the consolidation, we can declare that the Financial Statement presented to you is in order and corresponds to the book-keeping entries.

The ample and exhaustive Management Report prepared by the Directors corresponds to the contents of the Consolidated Financial Statement. It offers a clear and precise, overall situation of the entire Group, together with the management trend as a whole and, analytically, also in the various areas in which the group companies operate.

The consolidation principles used, and which we consider to be correct, are the following:

a) the total consolidation of those companies where the parent company directly or indirectly (Auramo Baltic OU, Meyer sarl, Hans H Meyer Ltd and Meyer Scandinavia AB) detains the majority of voting rights;

b) the net equity method for those companies associated following the Auramo OY investment and the cost method for the directly associated companies where the percentage of ownership goes from 20% to 50%.

We moreover confirm that the Management Report and the Explanatory Notes provide complete and exhaustive information regarding management performance, consolidation principles, important events which have occurred to date since the end of the financial year and the expected development of the management.

Piacenza, April 12 2007

THE BOARD OF STATUTORY AUDITORS

Dott. Benvenuto Girometti

Dott. Giorgio Picone

Dott. Fiorenzo Salvini

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BALANCE SHEET as at 31 December 2006

BALANCE SHEET *(euros)*	Notes	31/12/2006	31/12/2005
ASSETS			
Non-current assets			
Property, plant and equipment	3	18,138,167	10,197,710
Intangible fixed assets	4	545,895	324,686
Investment in subsidiaries	5	26,765,403	19,145,146
Investment in associated companies	6	46,311	46,311
Credits and other financial assets	7	5,333,672	5,727,560
- of which related to subsidiaries	*7*	*5,320,370*	*5,703,759*
Deferred tax assets	8	1,129,013	323,007
Total non-current assets		**51,958,461**	**35,764,420**
Current assets			
Inventory	9	8,578,988	7,029,579
Trade receivables	10	20,641,140	19,664,512
- of which related to subsidiaries	*10*	*10,391,528*	*10,409,782*
- of which related to associates	*10*	*211,239*	*147,114*
Tax receivables	11	0	150,487
Other receivables	12	781,847	219,611
Cash and cash equivalent	13	2,108,354	1,830,605
- of which related to Banca Intesa		*718,505*	*0*
Total current assets		**32,110,329**	**28,894,794**
TOTAL ASSETS		**84,068,790**	**64,659,214**

BALANCE SHEET as at 31 December 2006

BALANCE SHEET *(euros)*	Notes	31/12/2006	31/12/2005
NET EQUITY			
Share capital	14	6,421,478	5,319,149
Reserves	14	25,824,095	13,251,756
Result of the period	14	3,280,146	2,994,257
TOTAL NET EQUITY		**35,525,719**	**21,565,162**
LIABILITIES			
Non-current liabilities			
Long-term loans	15	7,207,195	9,774,623
- of which related to Banca Intesa	*15*	*3,321,414*	*4,895,218*
T.F.R. provision (retirement allowance)	16	3,252,943	3,075,060
Deferred tax liability	9	1,154,261	1,178,859
Contingency and expenses provisions	17	132,500	117,500
Total non-current liabilities		**11,746,899**	**14,146,042**
Current liabilities			
Trade payables	18	26,386,531	17,470,075
- of which related to subsidiaries	*18*	*5,123,321*	*3,740,046*
Payables to banks and current portion of L.T. loans	15	7,382,740	8,246,053
- of which related to Banca Intesa	*15*	*2,961,549*	*2,217,391*
Other payables	19	1,725,953	1,812,323
Tax payables	20	1,055,936	1,215,735
Current portion of contingency provision	17	245,012	203,824
Total current liabilities		**36,796,172**	**28,948,010**
TOTAL LIABILITIES		**48,543,071**	**43,094,052**
TOTAL NET EQUITY AND LIABILITIES		**84,068,790**	**64,659,214**

INCOME STATEMENT as at 31 December 2006

INCOME STATEMENT *(euros)*	Notes	31/12/2006	31/12/2005
Turnover	21	67,679,950	63,461,716
- of which related to subsidiaries and associates	*31*	*25,273,799*	*25,649,338*
Other operating revenue	22	587,167	365,537
Total revenue		**68,267,117**	**63,827,253**
Costs for raw material and consumables	23	(31,616,450)	(31,669,418)
- of which related to subsidiaries	*23*	*(3,772,458)*	*(3,483,126)*
Costs for services	24	(16,921,608)	(14,573,458)
Personnel expenses	25	(11,361,908)	(10,551,329)
Other operating expenses	26	(218,427)	(189,133)
Adjustment of investments	5	(46,183)	0
Gross operating result (Ebitda)		**8,102,541**	**6,843,915**
Amortization	3,4	(1,604,055)	(1,635,303)
Provisions and write-downs	17	(127,392)	(106,642)
Operating result		**6,371,094**	**5,101,970**
Financial income and expenses	27	(178,105)	(403,567)
- *of which expenses related to subsidiaries*	*31*	*(128,365)*	*(76,549)*
- *of which income related to subsidiaries*	*31*	*198,512*	*156,629*
- *of which expenses related to Banca Intesa*	*31*	*(236,368)*	*(356,154)*
Exchange rate earnings and losses	27	(493,020)	822,578
Result before tax		**5,699,969**	**5,520,981**
Income tax	8	(2,419,823)	(2,526,724)
Result of the period		**3,280,146**	**2,994,257**

TABLE SHOWING VARIATIONS TO NET EQUITY
for the financial year ended 31 December 2006

	Capital	Reval. reserve	Share premium provision	Legal reserve	Other Reserves	Stock Option reserve	Profit	Total Net Equity
Balances on 31.12. 2004	**5,319,149**	**2,329,967**	**5,277,504**	**462,687**	**3,999,171**	**0**	**1,717,040**	**19,105,518**
Profit allocation				85,852	1,631,188		- 1,717,040	0
Dividends					-1,063,830			- 1,063,830
IAS variations					529,217	0	-31,060	498,157
Year result							3,025,317	3,025,317
Balances on 31.12.2005	**5,319,149**	**2,329,967**	**5,277,504**	**548,539**	**5,095,746**	**0**	**2,994,257**	**21,565,162**

	Capital	Reval. reserve	Share premium provision	Legal reserve	Other Reserves	Stock Option reserve	Profit	Total Net Equity
Balances on 31.12. 2005	**5,319,149**	**2,329,967**	**5,277,504**	**548,539**	**5,095,746**	**0**	**2,994,257**	**21,565,162**
Profit allocation				151,265	2,842,992		- 2,994,257	0
Dividends					-2,021,277			- 2,021,277
Increase from IPO (1)	1,063,830		10,935,093					11,998,923
Other variations (2)	38,499		451,059		37,801	175,406		702,765
Year result							3,280,146	3,280,146
Balances on 31.12.2006	**6,421,478**	**2,329,967**	**16,663,656**	**699,804**	**5,955,262**	**175,406**	**3,280,146**	**35,525,719**

(1) The increase in capital is net of listing costs and related tax effect.
(2) The increase in capital, in share premium provision and Stock Option reserve is in relation to the running stock option plan (see Notes 15 and 29)

CASH FLOW STATEMENT

(euros)	Notes	2006	2005
Net profit of the year		**3,280,146**	**2,994,257**
Adjustment to reconcile net profit with cash flow generated (used) by operating activities:			
Amortization		1,604,055	1,635,303
Net variation in TFR provision (retirement allowance)		177,883	272,691
Net variation of contingency and charges provision		56,188	(40,247)
Net variation of deferred tax		(830,603)	439,194
Net variation of investments		(7,620,257)	(234,287)
Variations in operating assets and liabilities:			
Increase (decrease) in inventory		(1,549,409)	1,418,336
Increase (decrease) in trade receivables		(976,628)	(3,915,653)
Increase (decrease) in other receivables		(168,347)	(44,767)
Increase (decrease) in trade payables		6,606,719	1,175,304
Increase (decrease) in other payables		(86,370)	111,305
Increase (decrease) in tax payables		(159,800)	786,210
Increase (decrease) in tax receivables		150,487	(69,357)
NET CASH FLOW GENERATED BY OPERATING ACTIVITIES	a)	**484,064**	**4,528,289**
Cash flows generated by investment activity:			
Net investments in tangible activities		(7,055,869)	(3,366,927)
Net investments in intangible activities		(400,116)	(220,117)
NET CASH FLOW USED FOR INVESTMENT ACTIVITIES	b)	**(7,455,985)**	**(3,587,044)**
Cash flows generated by financing activity:			
New loans (repayment) and transfer of short term portions to current liabilities.		(3,986)	(43,927)
Net variation of other non-current financing assets/liabilities			
Dividends paid		(2,021,277)	(1,063,830)
Share capital increase		11,626,190	0
Other variations to net equity and third party interests		1,075,498	0
CASH FLOW GENERATED (USED) BY FINANCING ACTIVITIES	c)	**6,694,180**	**(1,107,757)**
EFFECT OF EXCHANGE RATES ON NET LIQUID FUNDS			
NET INCREASE (DECR.) IN NET LIQUID FUNDS	a)+b)+c)	**(277,741)**	**(166,512)**
NET LIQUID FUNDS AT START OF YEAR		828,253	994,765
NET LIQUID FUNDS AT END OF YEAR		550,512	828,253
VARIATION		(277,741)	(166,512)
ADDITIONAL INFORMATION:			
Interest paid		705,424	601,484
Income tax paid		2,877,040	1,269,543

ACCOUNTING PRINCIPLES AND EXPLANATORY NOTES

1. Corporate information

Bolzoni S.p.A. is a limited company incorporated and domiciled in Podenzano (PC), località "I Casoni" and its principal activity is in the sector of attachments for fork lift trucks.

The publication of Bolzoni S.p.A.'s (the Company) financial statement for the year ended 31 December 2006 was authorized by the resolution taken by the directors on March 26 2007.

2. Basis of Preparation and Accounting Principles

2.1 Basis of preparation

Following the application of the European Decree n° 1606/2002 enacted by the European Parliament and by the European Council in July 2002, companies with shares admitted to trading in a controlled market of a member State of the European Union must prepare their financial statements in conformity with the international accounting principles (IAS/IFRS) issued by the International Accounting Standard Board (IASB) and approved by the European Union.

On the basis of the national rules for the implementation of the above Decree, Bolzoni SpA's corporate financial statement has been drawn up in accordance with the above principles as of 2006. It should be noted that the accounting principles applied are in line with those adopted for the preparation according to IAS/IFRS in the opening Balance Sheet at January 1 2005, as well as for the 2005 Income Statement and the Balance Sheet at December 31 2005, as re-displayed in accordance with IAS/IFRS and indicated in the Appendix attached to this document, in addition to being in line with the regulations issued in implementation of article 9 of the Legislative Decree n° 38/2005.

The accounting principles used for this financial statement are those formally approved by the European Union and ruling as at December 3t 2006.

The figures indicated in the accounting statements are given in euros whereas, in the explanatory notes they are rounded to the nearest thousand of euros, except where indicated.

Information has been supplied according to the specific requirements established in CONSOB's resolution n° 15519 dated July 27 2006, CONSOB's resolution n° 15520 dated July 27 2006 and in Circular n° DEM/6064293 dated July 28 2006.

The financial statement has been prepared according to the following method:

- in the Balance Sheet, current and non-current assets and current and non-current liabilities are indicated separately;
- in the Income Statement the analysis of costs is made on the basis of their nature;
- the Cash Flow Statement has been drawn up using the indirect method.

2.2 Accounting principles

Property, plant and equipment

Property, plant and equipment are stated at historic cost, less accumulated depreciation and accumulated impairment in value. Such cost includes costs for replacing part of plant and equipment when that cost is incurred if the recognition criteria are met. Depreciation is calculated on a straight-line basis over the expected useful life of the assets.

Depreciation, which begins when the assets are available for use, is calculated on a straight-line basis over the expected useful life of the assets and taking into account their residual value. The depreciation rates used, which reflect the useful life generally attributed to the various categories of assets, and which have remained unvaried with respect to the previous financial year, are the following:

Buildings and light constructions	3 %
Plants and equipment	from 10 to 15.5%
Industrial and commercial equipment	from 25% to 30%
Other assets	from 10% to 25%

Land, which normally has an unlimited useful life, is not subject to depreciation.

The carrying value of property, plant and equipment is reviewed for possible impairment whenever events or changes in circumstance indicate that the carrying value may not be recoverable, according to the established depreciation plan. If an indication of this type exists and in the event that the carrying value exceeds the expected realizable value, the assets or the cash-generating units to which the assets have been allocated are revalued until they actually reflect their realizable value.

The residual value of the asset, the useful life and the methods applied are reviewed annually and adjusted if necessary at the end of each financial year.

A tangible asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) are included in the income statement in the year the asset is derecognized.

Leases

Finance leases, which basically transfer to the Company all the risks and benefits incidental to the ownership of the leased item, are capitalized among property, plant and equipment at the inception of the lease, at the fair value of the leased item or, if lower, at the present value of the minimum lease payments. A debt of the same amount is booked in liabilities and is progressively reduced according to the plan for refunding the portions of capital included in the installments.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income. The assets are depreciated according to and at the rates indicated in the previous paragraph.

The lease contracts where the lessor substantially retains all the risks and benefits typical of ownership are classified as operating leases.

The initial negotiation costs incidental to the operating lease contracts are considered as increasing the cost of the leased asset and are measured over the lease term so that they balance the income generated by the same lease.

Operating lease payments are recognized as an expense in the income statement on a straight-line basis over the lease term.

Intangible assets

Acquired intangible assets are recognized as assets, according to the contents of IAS 38 (Intangible Assets) when it is probable that the use of the asset will generate future economic benefits and when the cost of the asset can be reliably determined.

Intangible assets acquired separately are measured on initial recognition at cost, whereas those acquired in a business combination are measured at fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is charged against profits in the year in which the expenditure is incurred. The useful lives of intangibles assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortization period and the amortization methods for an intangible asset with a finite useful life is reviewed at least at each financial year end or even more frequently if necessary. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates . The amortization expense on intangible assets with finite lives is recognized in the income statement in the expense category consistent with the function of the intangible asset.

The Company has not recognized any intangible assets with indefinite lives in the balance sheet.

Research and development costs

Research costs are expensed as incurred. Development costs arising from a particular project are capitalized only when the Company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of technical, financial or other types of resources to complete development and its capacity to reliably measure the expenditure during the development of the asset and the existence of a market for the products and services resulting from the activity or of their use for internal purposes. The capitalized research costs include only those expenses sustained that can be directly attributed to the development process. Following the initial recognition, the development costs are measured at the cost less any accumulated amortization or loss. Any capitalized costs are amortized over the period in which the project is expected to generate income for the Company.

The carrying value of development costs is reviewed for impairment annually, when the asset is not yet in use or more frequently when an indication of impairment arises during the reporting year.

A summary of the policies applied by the Company to intangibles assets follows:

	Licences and Patents	*Development costs*
Useful lives	Finite	Finite
Method used	Licences amortized over 3 years ; Patents amortized over 10 years	Amortized over 5 years, on a straight-line basis, corresponding to the period of expected future sales deriving from the related project
Internally generated or acquired	Acquired	Internally generated
Impairment testing/tests on recoverable amounts	Annually or more frequently when there is indication of impairment.	Annually for assets not yet in use and more frequently when there is indication of impairment. The amortization method is reviewed at each financial year end.

Gains or losses deriving from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the income statement when the asset is disposed of.

Impairment of assets

The Company assesses annually at each reporting date whether there is an indication that an asset (intangible assets, property, plant and equipment owned and finance leased assets) may be impaired. In making this assessment of the assets, both internal and external sources of information are considered. With regards to the former (internal sources) the following are considered: obsolescence or the physical deterioration of the asset; if, during the financial year there have been significant changes in the use of the asset; if the economic trend of the business appears to be worse than expected. With regards to external sources however the following are considered: if the market prices of the asset have significantly dropped; if there are particular technological, market or legislative issues capable of reducing the asset's value.

Regardless of whether there are internal or external indications of impairment loss, goodwill and the other possible intangible assets with indefinite useful life are subjected to impairment testing at least once a year.

In both cases (either the annual check of the carrying value of goodwill or the other tangible and intangible assets with a definite useful life with indications of possible impairment loss) the Company makes an assessment of the recoverable value. The recoverable value is the higher between the fair value of an asset or cash-flow generating unit, net of selling costs, and the value in use; it is determined for each asset, except when the asset does not generate cash flows which are largely independent from those generated by other assets or groups of assets, in which case the Company assesses the recoverable value of the cash-flow generating unit to which the asset belongs. In particular, as goodwill does not generate cash-flows independently from other assets or groups of assets, impairment testing involves the unit of the group of units to which goodwill has been allocated.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time-value of money and the risks specific to the asset.

For the assessment of value in use, the future financial flows are taken from the company business plans approved by Board of Directors, and which form the best assessment that the Company can make of the expected economic conditions during the period covered by the plan. Projections usually cover a period of three years; the long-term growth rate used for assessing the terminal value of the asset or the unit is normally lower than the average, long-term growth rate of the segment, of the Country or of the benchmark market and, if appropriate, may correspond to zero or can even be negative. The future financial flows are assessed by using the current conditions as benchmark:

therefore the estimations do not consider either the benefits arising from future re-organisation in which the Company is not yet involved or future investments for improvement or optimization of the asset or unit.

Impairment loss to assets in function (being used) are taken to profit and loss in the cost categories consistent with the function of the asset showing the impairment loss.

At each reporting date the Company also assesses whether there are any indications that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously written-off impairment loss, excluding goodwill, may only be reversed if there have been changes in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. In that case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit and loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining life. In no case can the goodwill amount previously written-down return to the original.

Investments in subsidiary and associated companies

Investments in subsidiary and associated companies are carried at the adjusted cost when there is an impairment. Whenever the Company's possible share of the associated/subsidiary company's losses exceeds the carrying value of the investment, it is necessary to proceed to the cancellation of the investment value and the portion of further impairment is taken to provision in the liabilities in the event of the Company being obliged to account for it.

Financial assets

Financial assets are initially recognized at the cost – plus the additional charges at acquisition – representing the fair value of equivalent paid. After the initial recognition, financial assets are assessed in relation to their operating destination on the basis of the following outline.

Financial assets held for trading

These are financial assets acquired for the scope of obtaining a profit from short term price fluctuations. After initial recognition, these assets are measured at the fair value and the related profit or loss is charged to the income statement. The derivative financial instruments (interest rate swap, options, forward etc…) are classified as held for trading, unless designated as effective hedging.

Financial assets held to maturity

These are non-derivative financial assets with fixed or determinable payments, and a fixed maturity date, for which the Company has the firm intention and ability to hold until maturity.

After initial recognition, these assets are carried at the amortized cost, using the effective interest rate method.

This cost is calculated as the amount initially recognized less the repayments of capital, plus or minus the accumulated depreciation using the effective interest rate method of any difference between the initially recognized value and the maturity amount. This calculation includes all the fees and points paid or received between the parties to the contract that are an integral part of the effective interest rate, transaction costs and other premiums or discounts. For investments carried at the amortized cost, gains and losses are recognized in income when the investments are derecognized or impaired, as well as through the amortization.

The financial assets the Company decides to maintain in its portfolio for an indefinite period are not included in this category.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These assets are carried at amortized cost using the effective discount rate. Gains and losses are recognized in income when the loans and receivables are derecognized or impaired, as well as through the amortization.

Available-for-sale financial assets

Includes financial assets not classified in the previous categories. After initial recognition these assets are measured at fair value with gains or losses being recognized as a separate component of equity

until they are derecognized or until they are determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in the income statement.
In the case of securities that are actively traded in organized financial markets, the fair value is determined by referring to quoted market bid prices at the close of business on the balance sheet date. For those investments where there is no active market, the fair value is determined by using valuation techniques based on recent transaction prices between independent parties; the current market value of another substantially similar instrument; discounted cash flow analysis; option pricing models.
When the fair value cannot be reliably estimated, investments in other companies are left at cost value.

Inventories

Inventories are evaluated at the lesser between the purchase or production cost and expected net realizable value.

Costs incurred for bringing each product to its present location and stockage are accounted for as follows:

Raw material	– purchase cost based on average weighted cost;
Finished and semi-finished goods	– average production cost for the financial year based on cost of direct materials and labour plus a portion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

The net realizable value is the estimated selling price less estimated costs of completion and the estimated costs necessary to make the sale.

If necessary, provisions have been allocated for write-down of materials, finished products, spare parts and other supplies considered obsolete or with a low turnover rate, considering their expected future use and their realizable value.

Trade and other receivables

Trade receivables, which generally have a 30-120 days' payment terms, are recognized at the original invoice amount less an allowance for any non-collectable amounts. This provision is made when there is objective evidence that the Company will not be able to collect the debts. Bad debts are written off when identified.

Cash and cash equivalent

Cash and short term deposits in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity of three months or less.

For the purpose of the cash flow statement, cash and cash equivalents are represented by cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Interest-bearing loans and borrowings

All loans and borrowings are initially recognized at the fair value of the consideration received less directly attributable transaction costs.

After the initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost, using the effective interest rate method.

Gains and losses are recognized in net profit or loss when the liabilities are derecognized, as well as through the amortization process.

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset but has assumed an obligation to pay them in full without material delay to a third party;

- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and benefits of the ownership of the assets, or (b) has neither transferred nor retained substantially all the risks and benefits of the asset but has transferred the control of the asset.

Where the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and benefits of the asset nor transferred the control of the asset, the asset is recognized in the Company's balance sheet to the extent of the Company's continuing involvement in the asset itself. The continuing involvement which takes the form of a guarantee over the transferred asset, is measured at the lesser between the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender, on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

Impairment of financial assets

The Company assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

Assets carried at amortized cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced either directly or through use of an allowance account. The amount of the loss shall be recognized in profit or loss.

The Company first assesses whether objective evidence of impairment exists individually, for financial assets that are individually significant, and individually or collectively for the financial assets that are not individually significant. In the absence of objective evidence of impairment for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in the income statement, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

Financial assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Retribution scheme under the form of investment in capital (Stock option plans)

As established by IFRS2 – Share based payments, these schemes represent a part of the beneficiary's retribution, the cost being represented by the fair value calculated at the grant date of the option and is recorded in the Income Statement at equal amounts for the length of the period going from the said date and the date the option becomes exercisable , and the matching entry is take directly to net equity. Evaluations in fair value subsequent to the assignment date do not have any effect on the initial evaluation.

Provisions for contingencies and charges

Provisions for contingencies and charges are recognized when the Company has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a borrowing cost.

Pensions and other post-employment benefits

TFR retirement allowance, calculated in compliance with the laws and current labour contracts, is determined separately for each company at the end of each financial period using the projected unit credit actuarial valuation method. The actuarial gains and losses are recognized in the income statement, either as labour costs or financial charges depending on the case.

Assets available for sale and liabilities associated with these assets

The non-current assets (or groups of assets and liabilities) are classified as held for sale if available for immediate sale in the present state, except for recurring transaction conditions for the sale of that type of asset and if the sale is highly probable.

These assets are carried at;

- the lesser between the carrying value and fair value net of sales costs, any impairment loss is take to profit and loss, unless part of a business combination operation, or else
- at fair value net of sales costs (without the possibility of measuring write-downs during initial recognition), if part of a business combination operation.

In any case the depreciation process is interrupted when the asset is classified as available for sale.

The assets and the liabilities directly connected to a group of assets to be sold must be distinctly classified in the income statement, as well as the pertinent reserves of accumulated profits or losses directly taken to equity. The net result of sale operations is indicated in a specific item of the profit and loss statement.

Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized in the Income Statement:

Sale of goods

Revenue is recognized when the significant risks and rewards linked to the ownership of the goods have passed from the company to the buyer.

Services rendered

Revenue from services rendered (technical servicing, repairs, other services rendered) is recognized with reference to the stage of completion, measured as a percentage of total labour hours, with respect to the hours estimated for each operation.

Interest income

Revenue is recognized as interest accrues (using the effective interest method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

Dividends

Dividends are recognized when the shareholders' rights to receive the payment is established

Government grants

Government grants are recognized where there is reasonable assurance that the grants will be received and all attaching conditions will be complied with. When the grants relate to expense items they are recognized as income over the period necessary to match the grants on a systematic basis to the costs that they are intended to compensate.

Financial charges

Financial charges are taken to income statement when they are incurred.

Income tax

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and the tax laws used to compute the amount are those that are enacted by the balance sheet date.

Deferred tax

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the same time of the transaction, affects neither the accounting profit nor taxable profit or loss;

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent of the probability that taxable profit will be available and against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised, excepting:

- where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income tax related to items recognized directly in equity is recognized directly in equity and not in the income statement.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable rights exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Value Added Tax

Revenues, expenses and assets are recognized net of the amount of VAT except where the tax incurred on a purchase of assets or services is not recoverable from the taxation authority in which case VAT is recognized as part of the cost of acquisition of the asset or part of the expense item taken to the income statement. The net amount of VAT that can be recovered from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Derivative financial instruments and hedging

The Company uses derivative financial instruments such as forward currency contracts to cover risks associated with foreign currency fluctuations. These derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. They are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are taken directly to net profit or loss for the period.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of interest rate swap contracts is calculated by reference to the market value for similar instruments.

At 31st December 2006 none of the derivative contracts was considered as being subject to hedging, and no technical or financial match was found between the characteristics of the contracts drawn up and those of one or more specific financial instruments present at the balance sheet date.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into euros (the functional currency) at the exchange rate ruling at the balance sheet date. All exchange rate differences are taken to the income statement. The non-monetary items assessed in foreign currencies at the historical cost are translated using the exchange rate ruling on the date the transaction is registered. Non monetary items carried in foreign currencies at the fair value are translated using the exchange rate ruling on the date the value is determined.

Variation in the accounting principles

The accounting principles adopted are in line with those applied in the previous financial year, as indicated in the special Appendix attached to these Explanatory Notes.

Judgements and accounting estimations

In accordance with IAS/IFRS principles, the preparation of the financial statement requires estimates and assumptions on behalf of the management which have an effect on the value of assets and liabilities and on their disclosure at the date of the statement. The actual results could however differ from these estimates. The estimates are used for measuring depreciation, write-downs and recovery of value of investments, benefits to employees, taxes and accrual to provisions for contingencies and risks. Estimates and assumptions are reviewed from time to time and the effects of each variation can be seen in the Income Statement in the period in which the review is performed, if the review itself involves only this period, or else in the subsequent periods if the review involves both the current and following years.

3. Property, plant and equipment

	01.01.06	Addition	Deprec.	Decrease (1)	31.12.06
Land	721	-	-	-	721
Buildings	5,178	892	-	-	6,070
Plant and machinery	13,242	8,299	-	(243)	21,298
Equipment	3,136	60	-	(49)	3,147
Other assets	2,699	125	-	(94)	2,730
Value of Property, Plant and Equipment	**24.976**	**9,376**		**(386)**	**33,966**
Land	-	-	-	-	
Buildings	(980)	-	(156)	-	(1,136)
Plant and machinery	(8,957)	-	(883)	235	(9,605)
Equipment	(2,672)	-	(201)	49	(2,824)
Other assets	(2,169)	-	(185)	91	(2,263)
Accum. Depr. for Property, Plant and Equipment	**(14,778)**	**-**	**(1,425)**	**375**	**(15,828)**
Land	721	-	-	-	721
Buildings	4,198	892	(156)	-	4,934
Plant and machinery	4,285	8,299	(883)	(8)	11,693
Equipment	464	60	(201)	-	323
Other assets	530	125	(185)	(3)	467
Net value of Property, Plant and Equipment	**10,198**	**9,376**	**(1,425)**	**(11)**	**18,138**

(1): For sales

The value of the tangible fixed assets generated internally, entirely attributed to item 'Plant', amounts to 66 thousand euros (2005: 87 thousand euros) and is represented by raw material, semi-finished products and personnel costs and related social security.
The investments made during 2006 in Plant and Machinery refer to the new production line of forks for lift trucks where production began during the first months of 2007. As the new production line was in the completion phase at the end of 2006, the amortization process will start from the following year (2007).
The other investments made refer to the purchase of machine tools and equipment and are part of a continual modernization process aimed at increasing productivity and efficiency.

Below is a summary of the net and gross carrying values of the fixed assets acquired through lease contracts in 2006 and whose effects have been included in the previous table.

	31.12.2006		31.12.2005	
	Gross value	Net value	Gross value	Net value
Plant and machinery	3,223	123	3,223	355
Equipment	45	0	45	0
Other assets	677	23	677	30
Total	**3,945**	**146**	**3,945**	**385**

4. Intangible fixed assets

	01.01.06	Addition	Amortization	Decr.	31.12.06
Development costs	327	250	-	-	577
Patent rights	74	10	-	-	84
Licences	1,220	140	-	-	1,360
Others	200	0	-	-	200
Gross value of Intangible Fixed Assets	**1,821**	**400**	**-**	**-**	**2,221**
Development costs	(107)	-	(80)	-	(187)
Patent rights	(63)	-	(7)	-	(70)
Licences	(1,126)	-	(92)	-	(1,218)
Others	(200)	-	0	-	(200)
Accumulated amortization for Intangible Fixed Assets	**(1,496)**	**-**	**(179)**	**-**	**(1,675)**
Development costs	220	250	(80)	-	390
Patent rights	11	10	(7)	-	14
Licences	94	140	(92)	-	142
Others	0	0	0	-	0
Net Value of Intangible Fixed Assets	**325**	**400**	**(179)**	**-**	**546**

The value of intangible fixed assets generated internally and capitalized in 2006, and attributed entirely to the item 'Development costs' amounts to 250 thousand euros and includes related personnel costs and social security. These projects mainly refer to the development of new technical solutions for existing products.

As at 31 December 2006 development costs included 113 thousand euros referring to running projects.

5. Investments in subsidiaries

The Company has the following investments in subsidiary companies:

	Location	% of invest.	31.12.05	Incr. Decr.	W-down	2006
Bolzoni Auramo Inc.	USA	100	2,967	0	0	2,967
Bolzoni Auramo Ltd	UK	100	204	0	0	204
Bolzoni Auramo Polska	Poland	60	50	0	0	50
Bolzoni Auramo S.l.	Spain	100	683	0	0	683
Bolzoni Auramo s.r.l.	Italy	70	18	0	0	18
Bolzoni Auramo Shanghai	China	60	248	252	0	500
Bolzoni Auramo S.a.r.l.	France	100	376	0	0	376
Auramo Oy	Finland	100	13,119	0	0	13,119

Bolzoni Auramo Bv	Netherlands	51	0	0	0	0
Bolzoni Auramo Pty	Australia	100	46	0	(46)	0
Bolzoni Auramo Sa	Chile	100	0	0	0	0
Bolzoni Auramo Canada Ltd	Canada	100	123	0	0	123
Bolzoni Auramo GmbH	Germany	100	589	0	0	589
Bolzoni Auramo Ab	Sweden	100	722	0	0	722
Hans H. Meyer GmbH	Germany	100	0	7,414		7,414
TOTAL			**19,145**	**7,666**	**(46)**	**26,765**

Acquisition of Meyer

On October 5 2006 the entire share capital was acquired of the company Hans H Meyer GmbH, fourth manufacturer in the world of attachments for fork lift trucks, with registered offices in Salzgitter (Germany). The acquired company in turn holds a 100% investment in Meyer Sarl (France), 100% in Hans H. Meyer Ltd (UK) and 60% in Meyer Scandinavia AB (Sweden).

The acquisition contract establishes payment in two instalments: the first for 7 million euros made at the end of October 2006 and the second (ranging from 0 to 2.5 million euros) after April 30 2007. As, according to the contract, the amount of the second instalment will be definitive after April 30 2007, a temporary purchase cost of 7 million euros has been recorded in the financial statement, plus additional costs.

The increased cost of investment in Bolzoni Auramo Shanghai is due to the subscription and the payment of the share capital increase.

The write-down of the book value of the investment in Bolzoni Auramo Pty is attributable to the impairment resulting from the analysis made at the end of the year.

6. Investments in associated companies

The Company has the following investments in associated companies:

	2006	2005
Eurolift Pty Ltd	46	46
Total	**46**	**46**

The following table sums up the main financial information regarding the investment in Eurolift:

	2006	*2005*
Portion of the associate's equity:		
Current assets	233	289
Non-current assets	23	26
Current liabilities	(51)	(126)
Non-current liabilities	(31)	(35)
Net assets	176	154
Portion of the associate's revenue and result:		
Revenue	392	467
Profit	27	22

7. Credits and other financial assets (non-current)

	31.12.2005	Increases	Decreases	31.12.2006
Finan. credits towards subsidiaries	5,704	5	389	5,320
Prepayed IRPEF tax on TFR (retirement allowance)	14	-	14	-
Guarantee deposits	9	5	-	14
Total	**5,727**	**10**	**403**	**5,334**

Details on the residual amount of interest-bearing loans, a normal market conditions, given to the single subsidiaries are provided below:

Subsidiaries	31.12.2006	31.12.2005
Bolzoni Auramo Inc.	800	800
Bolzoni Auramo Inc.	3,037	3,391
Bolzoni Auramo Canada Ltd	450	475
Bolzoni Auramo Australia Pty	600	600
Bolzoni Auramo Sa	100	100
Bolzoni Auramo Ltd	253	248
Bolzoni Auramo Bv	80	90
Total	**5,320**	**5,704**

The loans were given in euros, except for the residual value of 3,037 thousand euros, paid out in US Dollars and the residual value of 253 thousand euros paid out in Pounds Sterling.

None of the credits have a contract life longer than 5 years.

8. Taxation

8.1 Deferred tax

Deferred tax as at 31st December is as follows:

	Balance Sheet		Income Statement
	2006	2005	2006
Deferred tax liability			
Accelerated depreciation for tax purposes	780	667	113
Exchange rate fluctuations	0	214	(214)
Capitalization of internal costs	195	70	125
Sundry	179	228	(49)
	1,154	**1,179**	
Deferred tax assets			
Inventory devaluation	102	102	
IPO costs	687	0	
Sundry	340	221	119
	1,129	**323**	
Deferred tax income /(expense)			**144**

Costs incurred during IPO, directly deducted from the share premium reserve, have been deducted from revenue over five years thereby producing the above indicated prepaied tax.

The payment of dividends by Bolzoni S.p.A. to its shareholders has no income tax consequences.

8.2 Income tax

The major components of income tax for the years ended at 31st December 2006 and 2005 are:

	2006	2005
Income statement		
Current income tax		
Current income tax charge	2,564	2,087
Deferred income tax		
Relating to origination and reversal of temporary differences	-144	440
Income tax	**2,420**	**2,527**

A reconciliation between tax expense and the product of accounting profit multiplied by the domestic tax rate for the years ended 31st December 2006 and 2005 gives the following:

IRES/Income tax	2006		2005	
	Amount	Rate	Amount	Rate
Theoretical tax rate		33%		33%
Result before tax	5,700		5,521	
Theoretical tax charge	**1,881**	33%	**1,822**	33%
Plus variations:				
Tax free or non-taxable income	31		45	
Exchange rate fluctuations	823		0	
Depreciation	165		110	
Company cars	155		168	
Non-deductible costs	242		393	
Other plus variations for IAS purposes	430		0	
Minus variations				
IPO costs	(461)		0	
Exchange rate fluctuations	0		(574)	
Tax depreciation	(477)		(518)	
Dividends from subsidiaries	(296)		(212)	
Other minus variations	(443)		(633)	
Other minus variations for IAS purposes	(346)		0	
Taxable amount	5,523		4,300	
CURRENT IRES	**1,823**	**31.98%**	**1,419**	**25.70%**

IRAP	2006		2005	
	Amount	Rate	Amount	Rate
Theoretical tax rate		4.25%		4.25%
Difference between production values and costs	5,700		5,521	
Theoretical tax charge	**242**	4.25%	**235**	4.25%
Plus variations:				
Personnel costs	11,362		10,602	
Other plus variations	1,567		977	
Minus variations:				
Other minus variations	(1,194)		(1,676)	
Taxable amount	17,435		15,424	
CURRENT IRAP	**741**	**13.00%**	**656**	**11.87%**

9. Inventory

	2006	2005
Raw material	2,147	1,790
Obsolescence provision for raw material	(67)	(67)
Net raw materials	**2,080**	**1,723**
Semi-finished products	4.760	4,072
Obsolescence provision for semi-finished products	(148)	(153)
Net semi-finished products	**4,612**	**3,919**
Finished products	1,947	1,443
Obsolescence provision for finished products	(60)	(55)
Net finished products	**1,887**	**1,388**
Total inventory at lesser between cost and net realizable value	**8,579**	**7,030**

Increase in value of inventory is mainly related to increase in turnover.

Below are the variations in the stock obsolescence provision during the periods under consideration:

	31.12.2005	Increase	Decrease	31.12.2006
Obsolescence provision for raw material	67	-	-	67
Obsolescence provision for semi-finished products	153	-	(5)	148
Obsolescence provision for finished products	55	5		60
Total	**275**	**5**	**(5)**	**275**

The minus variations refer to de-recognition of the provision following scrapping of material performed during the financial year.

10. Trade receivables (current)

	2006	2005
Trade receivables	6,965	6,600
Bills subject to collection	3,181	2,594
Bad debt provision	(108)	(86)
Total third party receivables	***10,038***	***9,108***
Receivables from subsidiaries	10,392	10,410
Receivables from associates	211	147
Total trade receivables	**20,641**	**19,665**

Below are the variations to the bad debt provision:

	31.12.05	Increase	Decrease	31.12.2006
Bad debt provision	86	22	-	108
Total	**86**	**22**	**-**	**108**

For the terms and the conditions concerning related party receivables, refer to note 32. Trade receivables are non-interest bearing and are generally on a 30-120 days' terms. We would like to point out that these amounts are covered by a credit insurance.

Below are details of receivables related to the single subsidiary and associated companies:

	31.12.2006	31.12.2005	Variations
Auramo Oy	136	126	10
Bolzoni Auramo AB	71	26	45
Bolzoni Auramo GmbH	574	328	246
Bolzoni Auramo Pty Ltd	476	369	107
Bolzoni Auramo SA	82	49	33
Bolzoni Auramo Polska	131	146	- 15
Bolzoni Auramo Canada Ltd	233	96	137
Bolzoni Auramo SL	1,608	2,091	- 483
Bolzoni Auramo Inc.	3,035	3,979	- 944
Bolzoni Auramo Ltd	857	650	207
Bolzoni Auramo Rental	0	20	- 20
Bolzoni Auramo srl	584	478	106
Bolzoni Auramo sarl	1,798	1,547	251
Bolzoni Auramo BV	78	94	- 16
Bolzoni Auramo Shanghai	729	411	318
Eurolift	211	147	64
Bolzoni Auramo South Africa	299	123	176
Total	**10,603**	**10,557**	**46**

11. Tax receivables

As at 31.12.2005 this item included a receivable from the taxation authority amounting to 150 thousand euros which was collected during the financial year 2006.

12. Other receivables

	2006	2005
VAT receivables	534	50
Advance to suppliers	51	145
Prepaid expenses	31	19
Sundry	166	6
Total	**782**	**220**

The item 'VAT receivables' refer to the balance of the month of December 2006. The item 'Sundry' includes the amount of 128 thousand euros relating to derivative contracts on the US dollar showing a positive fair value as at December 31 2006 .

13. Cash and cash equivalents

	2006	2005
Cash in hand and bank accounts	7	7
Short term deposits	2,101	1,824
Total	**2,108**	**1,831**

Short term deposits have a variable interest rate.

For the purpose of the cash flow statement, cash and cash equivalents comprise the following at 31 December :

	2006	2005
Cash in hand and bank accounts	2,108	1,831
Bank overdrafts and advance on collectable bills subject to final payment (note 16)	(1,558)	(1,003)
Total	**550**	**828**

14. Share capital and reserves

	2006	2005
Ordinary shares of 0.25 euros each	25,685,911	21,276,596

During the financial year 2006 two share capital increases were made:

- on 08.06.2006, following the Company's listing on the STAR segment of the Italian Screen Based Market controlled by Borsa Italiana S.p.A., a share capital increase was made of 4,255,319 ordinary shares each with a value of 0.25 euros, corresponding to 1,064 thousand euros;
- on 21.11.2006, following the stock option plan approved on 23.01.2006, a share capital increase was made of 153,996 ordinary shares each with a value of 0.25 euro, corresponding to 38 thousand euros (Note 29).

For details regarding net equity movements please refer to the 'Table showing Variations to Net Equity'.

	Amount	Possible use	Available Portion	Tax restraints	Use for loss hedging	Other uses
A) Share capital	6,421				No use	No use
B) Share premium reserve	16,663	A – B - C			No use	No use
C) Legal reserve	700	B			No use	No use
C) Other reserves	5,956	A – B - C			No use	No use
C) IAS reserves	175	A – B - C			No use	No use
D) Revaluation reserve	2,330	A – B - C			No use	No use
Total	**32,245**					
Year's profit	3,280					
Total net equity	35,525					

Key: A) for share capital increase, B) to hedge against losses, C) for distribution to shareholders.

15. Interest bearing loans and borrowings

	Effective interest rate %	Maturity	2006	2005
Short term				
Bank overdrafts		On request	8	23
Advance on collectable bills subject to final payment		30-90 days	1,550	98
Euro 7,000,000 bank loan	Euribor +0.90	2007	1,167	2,333
Euro 7,750,000 bank loan	Euribor +0.70	2007	1,107	1,107
Euro 2,000,000 bank loan	Euribor +0.40	2007	667	320
Euro 2,000,000 bank loan	Euribor +0.40	2007	390	380
Euro 1,000,000 bank loan	Euribor+0.40	2007	191	0
Euro 2,800,000 bank loan	4.12	2007	2,000	2,800
Government loan 394/81	1.72	2007	303	303
			7,383	**8,246**
Medium/long term				
Euro 7,000,000 bank loan	Euribor +0.90	2007	0	1,167
Euro 7,750,000 bank loan	Euribor +0.70	2010	3,322	4,429
Euro 2,000,000 bank loan	Euribor +0.40	2009	1,333	1,648
Euro 2,000,000 bank loan	Euribor +0.40	2010	1,230	1,620
Euro 1,000,000 bank loan	Euribor+0.40	2011	715	0
Government loan 394/81	1.72	2009	607	911
			7,207	**9,775**

7,000,000 euro bank loan

This loan is unsecured and is repayable in half yearly, fixed principal value instalments .

7,750,000 euro bank loan

This loan, given by Banca Intesa and secured by a first degree mortgage on the property in Podenzano, is repayable in equal half yearly instalments.

2,000,000 euro bank loans

The two loans are unsecured and are repayable in equal, half yearly instalments .

1,000,000 euro bank loan

The loan is unsecured and is repayable in equal, half yearly instalments.

Government loan in accordance with Law 394/81

This loan, secured by a bank guarantee specifically obtained for the purpose, is repaid in half yearly, fixed principal value instalments.

Some loans are subject to the observance of covenants. As at 31.12.2006 all these covenants have been observed. The non-observance would result in the loan being repaid in advance.

Net Financial Position	31.12.2006	31.12.2005	Variation
Cash on hand and liquid funds	2,108	1,831	277
- of which related to Banca Intesa	*719*	*0*	*719*
Short term loans	- 7,383	- 8,246	863
- of which related to Banca Intesa	*- 2,962*	*- 2,217*	*- 745*
Total short term	**- 5,275**	**- 6,415**	**1,140**
Long term loans	- 7,207	- 9,775	2,568
- of which related to Banca Intesa	*- 3,322*	*- 4,896*	*1,574*
Total medium/long term	**- 7,207**	**- 9,775**	**2,568**
NET FINANCIAL POSITION (NET FINANCIAL INDEBTEDNESS)	**- 12,482**	**- 16,190**	**3,708**
- of which related to Banca Intesa	*- 5,565*	*- 7,113*	*1,548*

16. T.F.R. retirement allowance fund

Below are the variations to this fund:

	2006	2005
T.F.R. retirement allowance fund at 01.01	**3,075**	**2,802**
Current cost of the service	492	440
Financial charges	123	126
Actuarial earnings/(losses)	(125)	76
(benefit paid out)	(312)	(369)
T.F.R. retirement allowance at 31.12	**3,253**	**3,075**

This fund is part of those plans with defined benefits.

To determine liabilities the method called Projected Unit Credit Cost has been used and which can be broken down into the following phases:

- on the basis of a series of possible financial solutions (increase in the cost of life, increase in salaries etc.), estimates have been made regarding the possible future benefits which could be paid to each employee included in the programme in the event of retirement, death, disablement, resignation etc. This estimate will include possible increases corresponding to longer length of service matured as well as the presumable growth in the level of retribution on the date of evaluation;
- the current average value of future benefits paid has been calculated at the evaluation date, on the basis of annual interest rate adopted and the possibilities of each sum actually being paid out;
- the company's liability has been defined by identifying the portion of the current average value for the future sum paid referring to service matured in the company by the employee at the evaluation date;
- based on the liability determined at the previous point, and the reserve allocated in the financial statement in accordance with Italian civil laws, the reserve considered as being valid for the IAS purposes has been identified.

Below are details of possible scenarios:

Demographic theories	Executives	Non Executives
Probability of death	Mortality rate tables for the Italian population as measured by ISTAT for year 2002 divided according to sex	Mortality rate tables for the Italian population as measured by ISTAT for year 2002 divided according to sex.
Probability of disablement	Tables, divided according to sex, adopted in the INPS model for projections up to 2010	Tables, divided according to sex, adopted in the INPS model for projections up to 2010
Probability of resignation	7.5% in each year	7.5% in each year
Probability of retirement	Achievement of the first of the pension requirements valid for Mandatory General Insurance	Achievement of the first of the pension requirements valid for Mandatory General Insurance
Probability for an employee of: -receiving advance payment of 70% of the accrued retirement allowance at the start of the year	3.0% in each year	3.0% in each year

Financial theories	Executives	Non Executives
Increase in the cost of life	2.0% annually	2.0% annually
Discounting rate	4.6% annually	4.6% annually
Overall salary increase	3.0% annually	3.0% annually
Increase in TFR retirement	3.0% annually	3.0% annually

allowance		

17. Provision for contingencies and charges

	31.12.05	*Incr.*	*Decr.*	*31.12.06*	*Within 12 mnths*	*After 12 mnths*
Agents' termination benefit provision	118	15	-	133	-	133
Product Warranty provision	84	91	(84)	91	91	-
Other provisions	120	154	(120)	154	154	-
Total	**322**	**260**	**(204)**	**378**	**245**	**133**

Agents' termination benefit provision

This provision is for meeting the related liability matured by agents.

Product warranty provision

This provision has been created to meet charges in connection with product warranties sold during the financial year and which are expected to be incurred the following year. The determination of the necessary provision is based on passed experience over the last five years indicating the average impact of costs incurred for warranty servicing with respect to the pertinent turnover.

Other provisions

These provisions have mainly been created to cover the negative net equity of one of the subsidiaries (Bolzoni Auramo Pty) whose book value was entirely written down during the year (Note 6).

18. Trade payables

	2006	*2005*
Domestic suppliers	20,007	12,704
Foreign suppliers	1,257	1,026
Branch suppliers	5,123	3,740
	26,387	**17,470**

Trade payables are non-interest bearing and are normally settled on a 90 day basis.
For terms and conditions for related parties, see Note 33.
Domestic supplier payables at 31 December 2006 include 3,046 thousand euros related to investments in tangible fixed assets made during the second semester of the year (Note 4).
Below are details of payables related to the single subsidiary companies:

	31.12.2006	*31.12.2005*	*Variations*
Auramo Oy	3,806	2,703	1,103
Bolzoni Auramo AB	9	1	8
Bolzoni Auramo GmbH	49	6	43
Bolzoni Auramo SA	2	13	-11
Bolzoni Auramo Polska	1	0	1
Bolzoni Auramo Ltd	6	4	2
Bolzoni Auramo SL	983	823	160
Bolzoni Auramo Inc.	29	118	-89
Bolzoni Auramo Rental Ltd	0	6	-6
Bolzoni Auramo Canada Ltd	6	0	6
Bolzoni Auramo srl	12	15	-3
Bolzoni Auramo sarl	48	40	8
Bolzoni Auramo BV	11	11	0
Bolzoni Auramo Shanghai	10	0	10
Hans H Meyer GmbH	151	0	151
Total	**5,123**	**3,740**	**1,383**

The above includes an interest bearing loan of 3.5 million eur4os obtained by Auramo OY, at variable rate, and expiring during the year.

19. Other payables

	2006	2005
Payables to employees for wages	544	707
Payables to employees for matured but unused holidays	446	356
Sundry payables	25	118
Other accrued expenses	45	26
Other short term liabilities	48	11
Social security payables	618	594
	1,726	**1,812**

20. Payables to taxation authorities

	2006	2005
Tax withheld at source on Employees pay	497	354
For income tax	482	816
Sundry	77	46
	1,056	**1,216**

Decrease in Income Tax Payable accounted for at 31 December 2006 is due to the higher amounts of advance payments made during the same year.

INCOME STATEMENT

21 .Revenue

Below is a break down of revenue according to geographical area.

2005	Europe	North America	R.O.W.	Total
Revenue	51,103	8,602	3,757	63,462

2006	Europe	North America	R.O.W.	Total
Revenue	56,014	6,814	4,852	67,680

Compared to the previous year, revenue from Europe has increased by 9.6%, revenue in U.S.A. has dropped by 20.8% and the rest of the world has grown by 29.1%.

22. Other revenue

	2006	2005
Sundry income	13	28
Gains on equity	12	92
Contingent assets	43	41
Increases in fixed assets following internal work	519	204
	587	**365**

Increases in fixed assets refer mainly to capitalized personnel costs for product development (245 thousand euros) and the installation of a new fork production line (207 thousand euros).

23. Costs for raw material and consumable supplies

	2006	2005
Raw material	5,006	5,308
Commercial goods	3,426	3,712
Semi-finished products	18,279	17,687
Other purchases for production	4,042	3,862
Sundry purchases	410	369
Additional expenses	125	116
Finished products	329	615
	31,617	**31,669**

24. Service costs

	2006	2005
Industrial services	12,510	10,542
Commercial services	2,670	2,464
General services	1,500	1,355
Costs related to use of third party assets	242	212
	16,922	**14,573**

The increase in costs for industrial services is the result of greater amount of sub-contracting during 2006 in support of the increase in turnover.

25. Personnel costs

	2006	2005
Wages and salaries	8,348	7,346
Social security	2,598	2,527
TFR retirement allowance (note 17)	381	530
Sundry costs	35	148
	11,362	**10,551**

Variation in personnel costs is correlated to the increase in the number of employees (7 persons) and also to the increase in wages following the renewal of the specific national collective contract.

Average number of employees in the Company:

	31.12.2006	31.12.2005	Variation
Top Managers	6	4	2
First-line managers	5	0	5
White collar	93	92	1
Blue collar	146	147	(1)
Total	**250**	**243**	**7**

26. Other operating costs

	2006	*2005*
Tax and duty	61	45
Losses on sale of fixed assets	27	21
Sundry	130	123
	218	**189**

Under the item 'Sundry' are recorded costs of administrative and legal nature, association fees and donations.

27. Financial income and charges

	2006	*2005*
Financial charges	(836)	(827)
Financial income	658	423
Net financial income (charges)	**(178)**	**(404)**

Compared to the previous year, net financial charges have decreased, mainly thanks to the liquidity obtained from the Company's listing on the Italian Stock Exchange.

27.1 Financial charges	*2006*	*2005*
Interest on short-term payables (overdrafts and credit disinvestment)	46	114
Interest on medium/long term loan payables	716	533
Charges other than above (lease contracts and sundry)	74	180
	836	**827**

27.2 Financial income	*2006*	*2005*
Interest income from customers	208	157
Interest income from financial assets	139	43
Dividends from subsidiaries	311	223
	658	**423**

Interest income from financial assets refers to the use of the liquidity obtained from listing operation.

The dividends were paid out by the subsidiaries Bolzoni Auramo S.a.r.l. (300 thousand euros) and Bolzoni Auramo S.r.l. (11 thousand euros).

27.3 Exchange rate gains and losses	*2006*	*2005*
Exchange rate gains	513	974
Exchange rate losses	(1,006)	(152)
	(493)	**822**

Variations are essentially due to effects deriving from variations in the exchange rate of the US dollar during 2006. The devaluation of the dollar produced negative effects both on the result of the exchange rate handling and on the adjustment of items in foreign currencies to balance sheet date exchange rates.

28. Stock option plan

At the balance sheet date, the Bolzoni company has running a stock option plan approved by the Board of Directors on 07.03.2006 and approved by the Extraordinary Shareholders' Assembly on 23.3.2006. The plan establishes an overall number of 462,000 shares limited to the company executives, divided into three tranches. The minimum price of issue has been established in 2.04 euros per share and the period for exercising the first tranche of rights has been subjected to a mandatory lock-up time of 180 days following the admission of the Company shares to listing on the Italian Screen Based Market organised and controlled by Borsa Italiana S.p.A.

The fair value of the granted options was evaluated on the assignment date on the basis of the following assumptions:

Expected yield from dividends (%)	3.45
Expected volatility (%)	34.00
Risk-free interest rate (%)	3.33
Advanced extinction	Not considered

The evaluation according to the above mentioned assumptions has produced a cost of 351 thousand euros accounted for under the item 'Personnel Costs'.

In November 2006 the right given under the first tranche of stock option scheme was exercised, corresponding to 154,000 shares, at the minimum price established by the scheme (2.04 euros per share). The second and third tranches, involving the same number of shares, are exercisable in April 2007 and April 2008 respectively.

At the balance sheet date the Company has not issued any convertible bonds.

29. Dividends

Dividends approved and paid out during the year amount to € 2,021,277 (2005: € 1,063,830). Dividends proposed for approval by the Shareholders' Assembly (not recognized as liabilities as at December 31st) amount to € 2,568,591 (2005: € 2,021,277). If approved, the proposed resolution regarding earnings will result in the payment of a € 0.10 dividend per share (2005: € 0.095).

30. Commitments and contingencies

Capital commitments

As at December 31st 2006 the value of the Company's commitments was not material. As at December 2005 the Company's commitments amounted to approximately 515 thousand euros related to the purchase of a new machine tool.

Legal litigations

Following the inspection made in March 2003 by the Inland Revenue of Piacenza, on June 13th 2006 the Regional Tributary Commission pronounced their verdict in favour of Bolzoni S.p.A. On November 24 2006 the Law Officers made an appeal to the Supreme Court against the verdict pronounced by the Regional Tributary Commission. Bolzoni S.p.A. has not recognized any provision as, supported by the favourable verdict and by the opinion of its lawyer, it believes the objection to be without grounds.

Guarantees granted

Bolzoni S.p.A. has granted the following guarantees as at 31st December 2006:

- it has granted comfort letters to a bank on a loan given to the subsidiary Bolzoni Auramo Inc. for the amount of US$ 500,000 (2005: US$ 500,000);
- it has given some land and buildings as guarantee against a bank loan (see note 17);
- it has granted a surety to a bank for the amount of € 2,000,000 (2005: € 2,000,000) in favour of the subsidiary Auramo OY;
- it has granted a surety to a bank for the amount of € 630,000 (2005: € 630,000) in favour of the subsidiary Bolzoni Auramo S.a.r.l.;
- it has granted a surety to a bank for the amount of € 237,370 (2005: € 237,370) in favour of the subsidiary Bolzoni Auramo S.a.r.l.;
- it has granted a surety to a bank for the amount of € 750,000 (2005: € 750,000) in favour of the subsidiary Bolzoni Auramo GmbH;
- it has granted a surety to a bank for the amount of € 750,000 (2005: € 750,000) in favour of the subsidiary Bolzoni Auramo S.l.;
- it has granted a surety to a bank for the amount of € 850,000 (2005: € 0) in favour of the subsidiary Bolzoni Auramo S.l.;
- it has granted a surety to a bank for the amount of € 750,000 (2005: € 0) in favour of the subsidiary Hans H. Meyer GmbH.;
- it has granted a surety to a bank for the amount of € 750,000 (2005: € 0) in favour of the subsidiary Hans H. Meyer GmbH.;
- it has granted a surety to a bank for the amount of € 3,200,000 (2005: € 0) in favour of the subsidiary Hans H. Meyer GmbH.;

31. Information on related parties

The following table indicates the total amount of transactions with related parties for the relevant financial year :

Related parties		*Sales to related parties*	*Purchases from related parties*	*Related parties receivables*	*Related Parties payables*
Subsidiaries	*2006*	24,748	3,772	10,392	5,123
	2005	25,069	3,483	10,410	3,740
Associates	*2006*	525	-	211	-
	2005	580	-	147	-
Directors – other related companies : Gruppo Intesa	*2006*	–	236	719	6,284
	2005	–	356	-	7,113

Subsidiary companies

For details regarding receivables and payables see notes 10 and 18.

Associated companies

The Company has a 24.5% interest in Eurolift Pty (2005: 24.5%).

Terms and conditions of transactions between related parties

Transactions between related parties are performed at normal market prices and conditions. Outstanding balances at year end are unsecured, interest free and are settled in cash. No guarantees have been provided or received for any related party receivables or payables. For the year ended 31 December 2006 the Company has not made any provision for doubtful debts referring to amounts owed by related parties (2005: Euro 0).

Transactions with other related parties

Directors – other related parties

As at 31 December 2006 Banca Intesa holds less than 10% of share capital of Bolzoni S.p.A. (2005: 28.36%) and a manager of Banca Intesa (Davide Turco) is a member of the Board of the Company. Bolzoni S.p.A. maintains business relations of a financial nature with the Intesa Group and, as a consequence, as at 31st December 2006, the total value of debts towards the Intesa Group amounted to approximately 5.6 million euros (2005: € 7.1million). The Intesa Group also granted a surety amounting to 1.2 million euro (2005: € 1.5 million) to a third party in the Company's interests. Intesa Mediocredito S.p.A., a company belonging to the Intesa Group, holds a mortgage right of the value of 10.85 million euros on the property situated in Podenzano as garantee for a loan.

32. Financial risk management: objectives and policies

The Company's principal financial instruments, other than derivatives, include bank loans, short term deposit and cash bank accounts. The main purpose of these financial instruments is to raise finance for the Company's operations. The Company has various other financial instruments, such as trade payables and receivables, which arise directly from its operations.

The Company has also entered into derivative transactions, including principally forward currency contracts. The purpose is to manage the interest rate and currency risks arising from the Company's operations and its sources of finance.

The Company's policy is, and has been throughout the year under review, that no trading in financial instruments shall be undertaken.

The main risks arising from the Company's financial instruments are those in connection with interest rates, liquidity, exchange rates and credits. The Board of Directors reviews and agrees on the policies for handling each of these risks and they are summarised below. The Company's accounting principles in relation to derivatives are set out in note 2.2.

Interest rate risk

With a part of its loans in euro with a floating interest rate, the Company believes it is exposed to the risk that a possible increase in rates could increase future financial charges.

As at 31.12.2006 the Company does not have any Interest Rate Swap contracts running which foresee the exchange of the difference between variable and one or more fixed rate interest amounts, calculated by reference to an agreed notional principal amount.

Foreign currency risk

The Company has identified its exposure to foreign currency risks mainly in connection with future collection of amounts in foreign currency (principally USD) as their subsequent translation could take place at potentially unfavourable conditions, with a negative impact on the year's results.

The Company has entered into derivative financial contracts which hedge against exchange rate risks produced by cash flow from sales in foreign currency transactions with its American subsidiary Bolzoni Auramo Inc: more specifically, the instruments used are essentially forward currency contracts and Put options.

Following the expansion of its activities towards Asian markets, the Company is also exposed to foreign currency risks related to purchases of raw materials settled in both Chinese Yuan (CNY) and US Dollars (USD); these operations are however minimal.

As these derivative contracts are usually drawn up after the invoicing of sales or of the purchases generating the related cash flows and as it is not possible to identify a close correlation between the maturity of the derivative contracts and the dates of the underlying financial cash flows, the contracts under examination can therefore be classified as net hedging operations on trade receivables/ payables in foreign currency. Consequently, they have been recognized as financial assets held for trading and are therefore accounted for and assessed at fair value. The fair value variations are charged to income statement under financial income and charges.

Risk of variations in price of raw material

The Company's exposure to the price risk is considered to be limited as the Company adopts a policy of partial hedging against the risk of fluctuations in the cost of raw materials thanks to supplier contracts at fixed prices for a period varying from three to six months and which mainly involve steel.

Credit risk

The Company only trades with known and creditworthy customers. The Company has also taken out insurance to protect itself from insolvency risks and which covers almost its entire exposure.

With respect to the credit risk arising from the other financial assets of the Company, which include cash and cash equivalents, available-for-sale financial assets and certain derivative instruments, the maximum risk is equivalent to the carrying amount of these assets in the event of default of the counterparty. These are normally primary national and international financial institutions.

Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, finance leases and hire purchase contracts with purchase option.

Fair value

Below is a comparison between the carrying amounts and the fair value of all the Company's financial instruments as indicated in the financial statement, divided according to category:

	Carrying amount		Fair value	
	2006	*2005*	*2006*	*2005*
Financial assets				
Cash in hand	2,108	1,831	2,108	1,831
Financial liabilities				
Bank overdrafts and advance on collectable bills subject to final payment	(1,558)	(1,003)	(1,558)	(1,003)
Loans:				
at variable rates	(10,122)	(13,004)	(10,122)	(13,004)
at fixed rates	(2,910)	(4,014)	(2,910)	(4,014)
Forward currency contracts*	128	6	128	6

* accounted for at fair value in financial statement.

Fair Value

Fair value of derivatives and loans has been calculated by discounting the expected future cash flows at the prevailing interest rates. The fair value of loans at fixed rates has been calculated using the market interest rates.

Interest rate risk

The following table shows the carrying amount, according to maturity date, of the Company's financial instruments exposed to interest rate risk:

Year ended 31st December 2006

Fixed rate	*<1 year*	*>1<2 yrs*	*>2<3 yrs*	*>3<4 yrs*	*>4<5 yrs*	*> 5 yrs*	*Total*
Bank loan of € 2,800,000	(2,000)	–	–	–	–	–	(2,000)
Government loan L. 394/81	(303)	(303)	(304)	–	–	–	(910)

Variable rate	<1 year	>1< yrs2	>2<3 yrs	>3<4 yrs	>4<5 yrs	> 5 yrs	Total
Liquid funds	2,108	-	-	-	-	-	2,108
Overdraft on bank accounts	-	-	-	-	-	-	-
Advance on collectable bills subject to final payment	(1,558)	-	-	-	-	-	(1,558)
Bank loan of Euro 7,000,000	(1,167)	-	-	-	-	-	(1,167)
Bank loan of Euro 7,750,000	(1,107)	(1,107)	(1,107)	(1.108)	-	-	(4,429)
Bank loan of Euro 2,000,000	(667)	(667)	(666)	-	-	-	(2,000)
Bank loan of Euro 2,000,000	(390)	(400)	(410)	(420)	-	-	(1,620)
Bank loan of Euro 1,000,000	(191)	(197)	(203)	(209)	(106)	-	(906)

Credit risk

There are no significant concentrations of credit risk within the Company.

33. Remuneration of Directors and Statutory Auditors

The following table indicates the remuneration of the directors and statutory auditors for the year 2006:

Name	Amount	Description
Emilio Bolzoni	193	Director's fee
Roberto Scotti	193	Director's fee
Luigi Pisani	28	Director's fee
Franco Bolzoni	28	Director's fee
Pierluigi Magnelli	28	Director's fee
Davide Turco	28	Director's fee
Karl Peter Otto Staack	28	Director's fee
Carlo Baldi	17	Director's fee
Raimondo Cinti	17	Director's fee
Giovanni Salsi	17	Director's fee
Total	**577**	
Benvenuto Girometti	20	Auditor's Fee
Fiorenzo Salvini	13	Auditor's Fee
Giorgio Picone	13	Auditor's Fee
Total	**46**	

34. Events after the balance sheet date

Since December 31st 2006 until today, no other important events have occurred having a significant impact on the figures contained in this document.

APPENDIX N° 1

Transition to the IAS/IFRS principles for the Bolzoni S.p.A. Financial Statement

TRANSITION TO IFRS PRINCIPLES FOR THE BOLZONI S.P.A. FINANCIAL STATEMENT

Following the enactment of the European Decree n. 1606 dated July 19 2002, as of the financial year 2006 companies issuing financial instruments and which have been admitted to trading on controlled markets must prepare the corporate financial report in accordance with the international accounting principles.

Consequently, as of the financial year 2006, Bolzoni s.p.a. , has adopted the international accounting principles (IAS/IFRS) and the date of transition is January 1 2005.

The last financial report of Bolzoni S.p.A. prepared according to the Italian accounting principles is for the financial year ended December 31 2005. As required by IFRS 1 this appendix supplies:

- ✓ a description of the accounting principles adopted by the parent company Bolzoni S.p.A. as of January 1 2006;
- ✓ reconciliation between net result and the Shareholders' equity according to the previous principles (Italian accounting principles) and between the net result and the Shareholders' equity according to IFRS for the previous periods presented for comparative purposes.

The balance sheet and the income statement have been prepared solely for the purpose of IFRS transition process for the preparation of the first complete and separate financial report of Bolzoni S.p.A. as at 31.12.2006 according to IFRS as approved by the European Community and are therefore without the comparative figures and the necessary explanatory notes which would be required for a complete representation of the financial situation, the balance sheet and the income statement of Bolzoni S.p.A. as established by the IFRS.

Accounting principles

Foreign currency translation

Monetary assets and liabilities, denominated in foreign currencies, are retranslated to the functional currency at the exchange rate ruling at the balance sheet date. All exchange rate differences are taken to profit or loss. Non monetary items in a foreign currency and measured in terms of historic cost, are translated using the exchange rates ruling at the dates of the initial transactions. Non monetary items in a foreign currency and measured at fair value are translated using the exchange rates at the date the fair value was determined.

Property, plant and equipment

Property, plant and equipment are stated at historic cost, excluding costs of ordinary maintenance, less accumulated depreciation and accumulated impairment in value. Such cost includes costs for replacing part of plant and equipment when that cost is incurred if the recognition criteria are met. Depreciation is calculated on a straight-line basis over the expected useful life of the assets.

Depreciation, which begins when the assets are available for use, is calculated on a straight-line basis over the expected useful life of the assets and taking into account their residual value. The depreciation rates used, which reflect the useful life generally attributed to the various categories of assets, and which have remained unvaried with respect to the previous financial year, are the following:

Buildings and light constructions	3 %
Plants and equipment	from 10% to 15.5%
Industrial and commercial equipment	25%
Other assets	from 10% to 25%

Land, which normally has an unlimited useful life, is not subject to depreciation.

The carrying value of property, plant and equipment is reviewed for possible impairment whenever events or changes in circumstance indicate that the carrying value may not be recoverable, according to the established depreciation plan. If an indication of this type exists and in the event that the carrying value exceeds the expected realizable value, the assets or the cash-generating units to which the assets have been allocated are revalued until they actually reflect their realizable value.

The residual value of the asset, the useful life and the methods applied are reviewed annually and adjusted if necessary at the end of each financial year.

A tangible asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) are included in the income statement in the year the asset is derecognized.

Leases

Finance leases, which transfer to the Company substantially all the risks and and benefits incidental to the ownership of the leased item, are capitalized among property, plant and equipment at the inception of the lease, at the fair value of the leased item or, if lower, at the present value of the minimum lease payments. A debt of the same amount is booked in liabilities and is progressively reduced according to the plan for refunding the portions of capital included in the instalments.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income. The assets are depreciated according to and at the rates indicated in the previous paragraph.

The lease contracts where the lessor substantially retains all the risks and benefits typical of ownership are classified as operating leases.

The initial negotiation costs incidental to the operating lease contracts are considered as increasing the cost of the leased asset and are measured over the lease term so that they balance the income generated by the same lease.

Operating lease payments are taken to income on a straight-line basis according to the length of the contract.

Goodwill

Goodwill acquired in a business combination is initially measured at cost, being the excess of the cost of the business combination over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities and is classified as an intangible asset. The possible negative difference ("negative goodwill") is recognized in the income statement at the moment of acquisition. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Company are assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated:

- represents the lowest level within the Company at which the goodwill is monitored for internal management purposes;
- is not larger than a segment based on either the Company's primary or secondary reporting format determined in accordance with IAS 14 Segment Information

Impairment is determined by assessing the recoverable amount of the cash-generating unit (or group of cash-generating units) to which the goodwill relates. When the recoverable amount of the cash-generating unit (or group of units) is less than the carrying amount, an impairment loss is recognized: the original value is not however recovered if the reasons behind the reduction in value no longer exist. Where goodwill forms a part of a cash-generating unit (or group of units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Intangible assets

Acquired intangible assets are recognized as assets, according to the contents of IAS 38 (Intangible Assets) when it is probable that the use of the asset will generate future economic benefits and when the cost of the asset can be reliably determined.

Intangible assets acquired separately are measured on initial recognition at cost, whereas those acquired in a business combination are measured at fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is charged against profits in the year in which the expenditure is incurred. The useful lives of intangibles assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortization period and the amortization methods for an intangible asset with a finite useful life is reviewed at least at each financial year end or even more frequently if necessary. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates . The amortization expense on intangible assets with finite lives is recognized in the income statement in the expense category consistent with the function of the intangible asset.

The Company has not recognized any intangible assets with indefinite lives in the balance sheet.

Research and development costs

Research costs are expensed as incurred. Development costs arising from a particular project are capitalized only when the Company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of technical, financial or other types of resources to complete development and its capacity to realiably measure the expenditure during the development of the asset and the existence of a market for the products and services resulting from the activity or of their use for internal purposes. The capitalized research costs include only those expenses sustained that can be directly attributed to the development process. Following the initial recognition, the development costs are measured at the cost less any accumulated amortization or loss. Any capitalized costs are amortized over the period in which the project is expected to generate income for the Company.

The carrying value of development costs is reviewed for impairment annually, when the asset is not yet in use or more frequently when an indication of impairment arises during the reporting year.

Below is a summary of the policies applied by the Company to intangible assets:

	Licences and Patents	*Development costs*
Useful lives	Finite	Finite
Method used	Licenses amortized over 3 years; Patents amortized over 10 years	Amortized over 5 years, on a straight-line basis, corresponding to the period of expected future sales from the related project
Internally generated or acquired	Acquired	Internally generated
Impairment testing /tests on recoverable amounts	Annually and more frequently when an indication of impairment exists	Annually for assets not yet in use and more frequently when an indication of impairment exists. The amortization method is reviewed at each financial year end.

Gains or losses deriving from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the income statement when the asset is disposed of.

Impairment of assets

The Company annually assesses, at each reporting date, whether there is an indication that an asset (intangible assets, property, plant and equipment owned and finance leased assets) may be impaired. In making this assessment of the assets, both internal and external sources of information are considered. With regards to the former (internal sources) the following are considered: obsolescence or the physical deterioration of the asset; if, during the financial year there have been significant changes in the use of the asset; if the economic trend of the business appears to be worse than expected. With regards to external sources however the following are considered: if the market prices of the asset have significantly dropped; if there are particular technological, market or legislative issues capable of reducing the asset's value.

Regardless of whether there are internal or external indications of impairment loss, goodwill and the other possible intangible assets with indefinite useful life are subjected to impairment testing at least once a year.

In both cases (either the annual check of the carrying value of goodwill or the other tangible and intangible assets with a definite useful life with indications of possible impairment loss) the Company makes an assessment of the recoverable value. The recoverable value is the higher between the fair value of an asset or cash-flow generating unit, net of selling costs, and the value in use; it is determined for each asset, except when the asset does not generate cash flows which are largely independent from those generated by other assets or groups of assets, in which case the Company assesses the recoverable value of the cash-flow generating unit to which the asset belongs. In particular, as goodwill does not generate cash-flows independently from other assets or groups of assets, impairment testing involves the unit of the group of units to which goodwill has been allocated.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time-value of money and the risks specific to the asset.

For the assessment of value in use, the future financial flows are taken from the company business plans approved by Board of Directors, and which form the best assessment that the Company can make of the expected economic conditions during the period covered by the plan. Projections usually cover a period of three years; the long-term growth rate used for assessing the terminal value of the asset or the unit is normally lower than the average, long-term growth rate of the segment, of the Country or of the benchmark market and, if appropriate, may correspond to zero or can even be negative. The future financial flows are assessed by using the current conditions as benchmark: therefore the estimations do not consider either the benefits arising from future re-organisation in which the Company is not yet involved or future investments for improvement or optimization of the asset or unit.

Impairment loss to assets being used are taken to profit and loss in the cost categories consistent with the function of the asset showing the impairment loss.

At each reporting date the Company also assesses whether there are any indications that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously written-off impairment loss, excluding goodwill, may only be reversed if there have been changes in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. In that case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit and loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining life. In no way the goodwill amount previously written-down can return to the original value.

Investments

Investments in subsidiaries and associates are accounted for at the adjusted cost if there is any impairment. Should the Company's portion of the impairment loss exceed the carrying value of the investment, it is necessary to zero the value of the investment and the portion of further losses is accounted for as a provision in the liabilities in the event of the company being obliged to account for it.

Financial assets

Financial assets are initially recognized at the cost – plus the additional charges at acquisition – representing the fair value of equivalent paid. After the initial recognition, financial assets are assessed in relation to their operating destination on the basis of the following outline.

Financial assets held for trading

These are financial assets acquired for the scope of obtaining a profit from short term price fluctuations. After initial recognition, these assets are measured at the fair value and the related profit or loss is charged to the income statement. The derivative financial instruments (interest rate swap, options, forward etc…) are classified as held for trading, unless designated as effective hedging instruments.

Financial assets held to maturity

These are non-derivative financial assets with fixed or determinable payments, and a fixed maturity, for which the company has the firm intention and ability to hold until maturity. After initial recognition, these assets are measured at the amortized cost, using the real interest rate.

This cost is calculated as the amount initially recognized, less the repayments of capital, plus or minus the accumulated amortization, using the effective interest rate method of any difference between the initially recognized value and the maturity amount. This calculation includes all the fees and points paid or received between the parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortized cost, gains and losses are recognized in income when the investments are derecognized or impaired, as well as through the amortization process.

The financial assets that the Company decides to maintain in its portfolio for an indefinite period are not included in this category

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These assets are carried at amortized cost using the effective discount rate. Gains and losses are recognized in income when the loans and receivables are derecognized or impaired, as well as through the amortization process

Available-for-sale financial assets

Includes financial assets not classified in the previous categories. After initial recognition these assets are measured at fair value with gains or losses being recognized as a separate component of equity until they are derecognized or until they are determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in the income statement.

In the case of securities that are actively traded in organized financial markets, the fair value is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For those investments where there is no active market, the fair value is determined by using valuation techniques based on recent transaction prices between independent parties; the current market value of another substantially similar instrument; discounted cash flow analysis; option pricing models.

When the fair value cannot be reliably estimated, investments in other companies are left at cost value.

Inventories

Inventories are valued at the lower between purchase or production cost and expected net realisable value.

Costs incurred for bringing each product to its present location and stockage are accounted for as follows:

Raw material	– purchase cost based on average weighted cost;
Finished and semi-finished goods	– average cost for the financial period based on cost of direct materials and labour plus a portion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

The net realizable value is the estimated selling price less estimated costs of completion and the estimated costs necessary to make the sale.

If necessary, provisions have been allocated for write-down of materials, finished products, spare parts and other supplies considered obsolete or with a low turnover rate, considering their expected future use and their realizable value.

Trade and other receivables

Trade receivables, which generally have a 30-120 day payment term, are recognized at the original invoice amount less an allowance for any uncollectable amounts. This provision is made when there is objective evidence that the Company will not be able to collect the debts. Bad debts are written off when identified.

Cash and cash equivalent

Cash and short term deposits in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity of three months or less.

For the purpose of the cash flow statement, cash and cash equivalents are represented by cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Interest-bearing loans and borrowings

All loans and borrowings are initially recognized at the fair value of the consideration received less directly attributable transaction costs.

After the initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost, using the effective interest rate method.

Gains and losses are recognized in net profit or loss when the liabilities are derecognized, as well as through the amortization process.

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset but has assumed an obligation to pay them in full without material delay to a third party;
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and benefits of the ownership of the assets, or (b) has neither transferred nor retained substantially all the risks and benefits of the asset but has transferred the control of the asset.

Where the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and benefits of the asset nor transferred the control of the asset, the asset is recognized in the Company's balance sheet to the extent of the Company's continuing involvement in the asset itself. The continuing involvement which takes the form of a guarantee over the transferred asset, is measured at the lower between the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender, on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

Impairment of financial assets

The Company asseses at each balance sheet date whether a financial asset or group of financial assets is impaired.

Assets carried at amortized cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced either directly or through use of an allowance account. The amount of the loss shall be recognized in profit or loss.

The Company first assesses whether objective evidence of impairment exists individually, for financial assets that are individually significant, and individually or collectively for the financial assets that are not individually significant. In the absence of objective evidence of impairment for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in the income statement, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

Financial assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Available for sale financial assets

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortization) and its current fair value, less any impairment previously recognized in profit and loss, is transferred from equity to the income statement. Reversals in respect of equity instruments classified as available-for-sale are not recognized in profit. Reversals of impairment losses on debt instruments are reversed through profit and loss, if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognized in profit or loss.

Provision for contingencies and charges

Provisions for contingencies and charges are recognized when the Company has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a borrowing cost.

Pensions and other post-employment benefits

TFR retirement allowance, calculated in compliance with the laws and current labour contracts, is determined separately for each company at the end of each financial period using the projected unit credit actuarial valuation method. The actuarial gains and losses are recognized in the income statement, either as labour costs or financial charges depending on the case.

Assets available for sale and liabilities associated with these assets

The non-current assets (or group of assets and liabilities) are classified as held for sale if available for immediate sale in the present state, except for recurring transaction conditions for the sale of that type of asset and if the sale is highly probable.

These assets are carried at:

• the lesser between the carrying value and fair value net of sales costs, any impairment loss is taken to profit and loss, unless part of a business combination operation, otherwise

• at fair value net of sales costs (without the possibility of measuring write-downs during initial recognition) , if part of a business combination operation.

In any case the depreciation process is interrupted when the asset is classified as available for sale.

The assets and the liabilities directly connected to a group of assets to be sold must be distinctly classified in the income statement, as well as the pertinent reserves of accumulated profits or losses directly taken to equity. The net result of sale operations is indicated in a specific item of the profit and loss statement.

Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Sale of goods

Revenue is recognized when the significant risks and rewards linked to the ownership of the goods have passed from the company to the buyer.

Services rendered

Revenue from rental activity is recognized on the basis of the contracts in force at the balance sheet date.

Revenue from services rendered (technical servicing, repairs, other services rendered) is recognized with reference to the stage of completion, measured as a percentage of total labour hours, with respect to the hours estimated for each operation.

Interest income

Revenue is recognized as interest accrues (using the effective interest method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

Dividends

Revenue is recognized when the shareholders' right to receive the payment is established.

Government grants

Government grants are recognized where there is reasonable assurance that the grants will be received and all related conditions will be complied with. When the grants relate to expense items they are recognized as income over the period necessary to match the grants on a systematic basis to the costs that they are intended to compensate.

Financial charges

Financial charges are taken to income statement when they are incurred.

Income tax

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and the tax laws used to compute the amount are those that are enacted by the balance sheet date.

Deferred tax

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the same time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognized deferred income tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income tax related to items recognized directly in equity is recognized directly in equity and not in the income statement.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable rights exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Value added tax

Revenues, expenses and assets are recognized net of the amount of VAT except where the tax incurred on a purchase of assets or services is not recoverable from the taxation authority in which case VAT is recognized as part of the cost of acquisition of the asset or part of the expense item taken to the income statement. The net amount of VAT that can be recovered from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Derivative financial instruments

The Company uses derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its risks associated with interest rate and foreign currency fluctuations. These derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. They are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are taken directly to net profit or loss for the year.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of interest rate swap contracts is determined by reference to market values for similar instruments.

At June 30th 2006, as for the previous periods, none of the derivative contracts was considered as being subject to hedging, and no technical or financial match was found between the characteristics of the contracts drawn up and those of one or more specific financial instruments present at the balance sheet date.

2. EFFECTS ON THE BOLZONI S.P.A. BALANCE SHEET AS AT JANUARY 1 2005 FOLLOWING THE ADOPTION OF THE IFRS

BALANCE SHEET AS AT JAN 1 2005 (thousands of euro)	*Notes*	Reclassified Italian Accounting Principles	Effects of transition to IFRS	IFRS principles
ASSETS				
Non-current assets				
Property, plant and machinery	*1*	9,956	650	10,606
Goodwill		-	-	-
Intangible fixed assets	*2*	250	67	317
Investment in subsidiaries	*3*	18,811	21	18,832
Investment in associated companies		125	-	125
Credits and other financial assets		5,570	-	5,570
Financial assets held to maturity		-	-	-
Deferred tax assets	*4*	219	157	376
Total non-current assets		**34,931**	**895**	**35,805**
Current assets				
Inventory	*5*	8,416	32	8,448
Trade receivables		15,749	-	15,749
Tax receivables		81	-	81
Other receivables	*6*	402	- 69	333
Cash and cash equivalent		1,915	-	1,915
Total current assets		**26,563**	**- 37**	**26,526**
TOTAL ASSETS		**61,494**	**858**	**62,352**
NET EQUITY				
Share capital		5,319	-	5,319
Reserves		13,787	529	14,316
TOTAL NET EQUITY		**19,106**	**529**	**19,635**
LIABILITIES				
Non-current liabilities				
Long term loans	*7*	13,050	- 17	13,033
T.F.R. retirement allowance	*8*	2,843	- 41	2,802
Deferred tax liability	*9*	532	262	794
Contingency and charges provision	*3*	97	9	106
Total non-current liabilities		**16,522**	**213**	**16,735**
Current liabilities				
Trade payables		18,647	-	18,647
Payables to banks and current portion of long term loans	*7*	4,834	116	4,950
Other payables		1,701	-	1,701
Tax payables		429	-	429
Current portion of long term provisions		255	-	255
Total current liabilities		**25,866**	**116**	**25,982**
TOTAL LIABILITIES		**42,388**	**329**	**42,717**
TOTAL NET EQUITY AND LIABILITIES		**61,494**	**858**	**62,352**

Explanatory notes

1. Property, plant and machinery: this adjustment (650 thousand euro) is due to the carrying of the the lease contracts drawn up by the company, in accordance with IFRS principles.

   Being of a financial nature, these contracts must be accounted for in the Balance Sheet for the residual value of the goods

2. Intangible fixed assets: these adjustments (67 thousand euro) refer to the capitalization of development costs for 169 thousand euro and the derecognition of long-term charges (29 thousand euro), charges on loans (29 thousand euro), expenses incurred for share capital increase and costs for research, for the remaining amount. The derecognized costs do not possess the requirements for capitalization required by IAS 38.

3. Investments in subsidiary companies: the adjustments of 21 thousand euro and 9 thousand euro in the item Contingency and Charges provision derive from the adjustment of the book value of the investments in the subsidiary companies (Bolzoni Auramo Bv, Bolzoni Auramo GmbH, Bolzoni Auramo Rental and Bolzoni Auramo Sa) to the impairment value, with respect to the cost booked accounted for in the balance sheet according to the Italian accounting principles.

4. Deferred tax assets: the booking of deferred tax assets in line with IFRS, determines an increase in assets as at January 1 2005 corresponding to 157 thousand euro and is produced by the IFRS adjustments listed in these notes.

5. Inventory: the assessment of the company's inventory according to the average cost, compared to the method applied to the balance sheet according to the Italian accounting principles (L.I.F.O.) has produced an adjustment of 32 thousand euro.

6. Other receivables: the entry of goods which are the object of lease contracts according to the IFRS principles has produced an adjustment of 69 thousand euro for prepaid income recorded in the balance sheet according to Italian accounting principles.

7. Long term loans (including the current portion classified in Current Liabilities) : these adjustments (17 thousand euro as minor Non-current Liabilities and 116 thousand as major Current Liabilities) reflect the application of the amortized cost method to medium and long term loans and payables to suppliers for the lease contracts (130 thousand euro).

8. T.F.R. provision: the Italian principles require the recognition of the T.F.R. liability on the basis of the nominal debt matured at the balance sheet date. IAS 19 classifies the T.F.R. retirement allowance under "post-employment benefits" as it is considered a defined benefit scheme. This means that the matured liability must be assessed with actuarial methods using the "Projected unit credit method" which establishes the projection of future expenditures on the basis of statistical analysis of the past, and the demographic curve and the financial discounting of these flows on the basis of market interest rate. Thus, the current value of the Company's T.F.R. provision as at 1 January 2005 is 41 thousand euro less, compared to the corresponding value determined under Italian Accounting Principles.

9. Deferred tax liability: this adjustment (262 thousand euro) reflects the negative tax effect on the adjustments mentioned in the previous points.

3. EFFECTS ON THE BOLZONI S.P.A. INCOME STATEMENT AS AT 31.12.2005 FOLLOWING THE ADOPTION OF THE IFRS

INCOME STATEMENT (Thousands of Euro)	*Notes*	Reclassified Italian Accounting Principles	Effects of conversion to IFRS	IFRS principles
Turnover		63,462	-	63,462
Other operating revenue	***1***	249	116	365
Total revenue		**63,711**	**116**	**63,827**
Costs for raw material and consumables	***2***	- 31,713	44	- 31,669
Costs for services	***3***	- 14,743	169	- 14,574
Labour costs	***4***	- 10,602	51	- 10,551
Other operating costs		- 189	-	- 189
Investment value adjustments	***5***	12	- 12	0
Gross operating result		**6,476**	**368**	**6,844**
Amortization	***6***	- 1,362	- 273	- 1,635
Provisions and write-downs		- 107	-	- 107
Operating result		**5,007**	**95**	**5,102**
Financial income and charges	***7***	- 296	- 108	- 404
Exchange rate earnings and losses		823	-	823
Result before tax		**5,534**	**- 13**	**5,521**
Income tax	***8***	- 2,509	- 18	- 2,527
Result of the period		**3,025**	**- 31**	**2,994**

Explanatory notes

1. Other operating revenue: this adjustment amounting to 116 thousand euro, mainly refers to the capitalization of development costs incurred during the period, and recognized according to the IFRS principles. The development costs incurred with regards to a particular project are capitalized when all of the following conditions are observed:
   - ✓ costs can be reliably determined;
   - ✓ the technical feasibility of the product can be demonstrated;
   - ✓ the expected quantities and prices indicate that the costs incurred during the development phase can generate future economic benefits;
   - ✓ adequate technical and financial resources are available in order to complete the development of the project.

   The capitalized development costs are amortized on the straight line basis, from the start of production and along all the expected life of the product.

2. Costs for raw material and consumables: the adjustment amounting to 44 thousand euro refers to the evaluation of inventory according to the average cost method compared to the L.I.F.O. method applied by the Italian accounting principles.

3. Costs for services: the adjustment of 169 thousand euro refers to the write off of costs for use of third party assets recorded in the balance sheet according to the Italian accounting principles and related to existing lease contracts.

4. Labour cost : the different accounting procedure of benefits to employees, on the basis of the recalculation of the TFR using actuarial methods, results in a 51 thousand euro decrease in labour costs.

5. Investment value adjustments : the adjustment of 12 thousand euro is determined by the adjustment of the book value of the investments in subsidiary companies (Bolzoni Auramo Bv, Bolzoni Auramo GmbH, Bolzoni Auramo Rental and Bolzoni Auramo Sa) to the impairment value with respect to the cost recorded in the balance sheet according to Italian accounting principles.

6. Amortization: this adjustment amounts to 273 thousand euro and is mainly made up of the amortization deriving from the capitalization of development costs (65 thousand euro) and amortization calculated on goods which are the object of lease contracts (equivalent to 266 thousand euro) after the write-off of the intangible fixed assets, which do not possess the requisites for capitalization required by IAS 38.

7. Financial income and charges: this adjustment (108 thousand euro) mainly reflects the negative impact of 126 thousand euro following the discounting of the T.F.R. provision as at December 31 2005. The remaining part refers to the application of the amortized cost method to medium and long term loans.

8. Tax for the financial year: the adjustments which reflect the net tax effects on the operations previously illustrated on the whole do not have a significant impact.

4. EFFECTS ON THE BALANCE SHEET AS AT DECEMBER 31 2005 FOLLOWING THE ADOPTION OF IFRS

BALANCE SHEET AS AT DECEMBER 31 2005 (Thousands of Euro)	Notes	Reclassified Italian Accounting Principles	Effects of conversion to IAS/IFRS	IFRS principles
ASSETS				
Non-current assets				
Property, plant and machinery	*1*	9,814	384	10,198
Goodwill		-	-	-
Intangible fixed assets	*2*	167	158	325
Investments in subsidiary companies		19,145	-	19,145
Investments in associated companies		46	-	46
Credits and other financial assets		5,727	-	5,727
Financial assets held until maturity		-	-	-
Deferred tax assets	*3*	200	123	323
Total non-current assets		**35,099**	**665**	**35,764**
Current assets				
Inventory	*4*	6,955	75	7,030
Trade receivables		19,664	-	19,664
Tax receivables		150	-	150
Other receivables	*5*	214	6	220
Cash and cash equivalents		1,831	-	1,831
Total current assets		**28,814**	**81**	**28,895**
TOTAL ASSETS		**63,913**	**746**	**64,659**
NET EQUITY				
Share capital		5,319	-	5,319
Reserves		12,723	529	13,252
Result of the period		3,025	- 31	2,994
TOTAL NET EQUITY		**21,067**	**498**	**21,565**
LIABILITIES				
Non-current liabilities				
Long term loans	*6*	9,792	- 17	9,775
T.F.R. provision	*7*	3,041	34	3,075
Deferred tax liability	*8*	934	245	1,179
Contingency and charges provision		117	-	117
Total non-current liabilities		**13,884**	**262**	**14,146**
Current liabilities				
Trade liabilities		17,470	-	17,470
Payables to banks and current portion of long term loans	*6*	8,260	- 14	8,246
Other payables		1,812	-	1,812
Tax payables		1,216	-	1,216
Current portion of long term provisions		204	-	204
Total current liabilities		**28,962**	**- 14**	**28,948**
TOTAL LIABILITIES		**42,846**	**248**	**43,094**
TOTAL NET EQUITY AND LIABILITIES		**63,913**	**746**	**64,659**

Explanatory Notes

1. Property, plant and machinery: this adjustment (384 thousand euro) is due to the carrying of the lease contracts drawn up by the company, in accordance with IFRS principles

   Being of a financial nature, these contacts must be accounted for in the Balance Sheet for the residual value of the goods.

2. Intangible fixed assets: these adjustments (158 thousand euro) refer to the capitalization of developments costs for the amount of 220 thousand euro and the derecognition of long-term charges (25 thousand euro), charges on loans (37 thousand euro), expenses incurred for share capital increase and research costs, for the remaining amount. The derecognized costs do not possess the requirements for capitalization established by IAS 38.

3. Deferred tax assets : the booking of deferred tax assets in line with IFRS, determines an increase in assets as at December 31st 2005 corresponding to 123 thousand euro and is determined by the IFRS adjustments listed in these notes.

4. Inventory: the assessment of the company's inventory according to the average cost compared to the method applied in accordance with the Italian accounting principles (L.I.F.O.) has produced an adjustment of 75 thousand euro.

5. Other receivables: the net adjustment of 6 thousand euro is mainly due to the fair value evaluation of derived contracts.

6 Long term loans (including the current portion classified under Current Liabilities): these adjustments (17 thousand euro as minor non-current liabilities and 14 thousand euro as minor current liabilities) reflect the application of the amortized cost method to medium and long term loans.

7 T.F.R. provision: the Italian principles require the recognition of the TFR liability on the basis of the nominal debt matured at the balance sheet date. IAS 19 classifes the T.F.R. retirement allowance under "post-employment benefits" as it is considered a defined benefit scheme. This means that the matured liability must be assessed with actuarial methods using the "Projected unit credit method" which establishes the projection of future expenditures on the basis of statistical analysis of the past and the demographic curve and the financial discounting of these flows on the basis of market interest rate. Thus, the current value of the Company's T.F.R. provision as at December 31st 2005 is 34 thousand euro higher compared to the corresponding value determined under Italian Accounting Principles.

8 Deferred tax liability: this adjustment (245 thousand euro) reflects the negative tax effect on the adjustments mentioned in the previous points.

5. EFFECTS OF THE ADOPTION OF IFRS ON THE BALANCE SHEET OF BOLZONI S.P.A. AT JANUARY 1 AND DECEMBER 31 2005 AND ON THE INCOME STATEMENT OF BOLZONI S.P.A. ON THE FINANCIAL PERIOD 2005: summary

	Balance 01.01.2005	*Result 31.12.2005*	*Balance 31.12.2005*
Net equity ITA GAAP	**19,106**	**3,025**	**21,067**
Leases	450	- 98	352
Assessment of inventory according to average cost	32	43	75
Plant, extension and development costs	98	91	189
Benefits to employees	41	- 75	- 34
Evaluation of derivatives	0	38	38
Investment value adjustments	12	- 12	0
Tax effect	- 104	- 18	- 122
Net equity IAS GAAP	**19,635**	**2,994**	**21,565**

6. EFECTS OF THE ADOPTION OF IFRS ON THE NET FINANCIAL POSITIONS AT JANUARY 1ST AND DECEMBER 31ST 2005: summary

	01.01.05	31.12.05
Net financial position according to Italian Accounting Principles	**(15,968)**	**(16,221)**
Adjustment deriving from the application of amortized cost to loans	31	31
Adjustment deriving from the application of IAS 17 on lease contracts	130	0
Net financial position according to International Accounting Principles	**(16,067)**	**(16,190)**

Register of Companies 00113720338
Rea.87382

BOLZONI S.P.A.

Registered offices in CASONI DI GARIGA - 29027 PODENZANO (PC)

Share capital Euro 6,421,477.75 fully paid

Board of Statutory Auditors Report to Annual General Meeting in conformity with art. 2429 of the Civil Code

Gentlemen,

We are submitting to your approval the Financial Statement for the year 2006 consisting of Balance Sheet, Income Statement, Statement of the Variations to Net Equity, Cash Flow Statement and Notes to the Financial Statement; this documentation, together with the Management Report, was made available to us within the terms established by art. 2429 of the Civil Code.
The Board of Statutory Auditors has examined the Financial Statement at 31.12.2006 which, involving a listed company, was drawn up in compliance with the IAS/IFRS accounting principles, and has taken note of the conclusions formulated by the company Reconta Ernst & Young S.p.A. in their report dated September 26 2006 regarding the reconciliation between the accounts prepared according to the ITA GAAP principles and those prepared applying the IAS/IFRS principles, highlighting the effects of transition to the latter.
In examining the documentation, the Board of Statutory Auditors also acknowledges that the financial statement's figures at 31.12.2006 are compared to those of the previous year which have been re-displayed to take into account the variations deriving from the application of the IAS/IFRS principles.
After this necessary foreword, the Board of Statutory Auditors declares that:

1. Being a listed company and in compliance with article 2409-*bis* of the Civil Code and subsequent, the auditing activity on its accounts was performed by Reconta Ernst & Young S.p.A. , an Auditing company enrolled in the register established at the Ministry of Justice, following nomination by the Shareholders Assembly on 23.3.2006.

2. During the financial year ended on 31/12/2006 we the Board of Auditors carried out the supervision activity as established by the law. Through information acquired from the persons responsible for the respective functions, from the analysis of the documentation transmitted to us and the examination of the auditing book, we acquired the necessary information and, within the area of our responsibility, we supervised over the adequacy of the company's organizational structure, the internal control system, the administrative-accounting system and on its reliability to correctly represent the management facts, as well as the adequacy of the instructions given to

the subsidiary companies with regards to the observance of communication obligations.

3. During the year, we the Board of Auditors attended the meetings of the board of directors and, in observance of the statutory provisions, we were periodically informed by the directors regarding the state of the company management. In particular, the most important operations from the economic and financial point of view, performed by the company during the year, and in observance of the law and the articles of association, have been the following;

   a) On May 15 2006 your Company was admitted to listing on the Milan Stock Exchange in the STAR segment of the Italian screen-based market; the first day of trading was June 8 2006; during 2006 the Stock Market showed its appreciation of the Bolzoni shares. Following this operation your Company proceeded to a share capital increase of 1,063,829.75 euros with a share premium of 12,553,191.05 actually paid; this operation brought an amount of 13,617,020.80 euros to the company's finances. Subsequently, on 21.11.2006 following the stock option plan (as approved by the Board of Directors on 21.11.2006 in compliance with the resolution passed on 23.1.2006) the share capital increased further by 38,499 euros (equivalent to the first of the three tranches approved by the Assembly);

   b) As concerns the subsidiary Bolzoni Auramo Shanghai, whose activity began in October 2005, it was acknowledged that the result for the year 2006 be considered satisfactory. A turnover of around 1 million euros was reached which, despite being lower than budgeted, enabled the achievement of a positive result thanks to the optimization of costs;

   c) During year 2006 the entirety was acquired of the company Hans H. Meyer GmbH, with registered office in Salzgitter (Germany), in accordance with the resolution passed on 20.9.2006. This company is the fourth producer worldwide of lift truck attachments with subsidiaries in France, U.K. and Sweden. The turnover for year 2006 amounts to approximately 28 million euros and 13% of this comes from countries outside Europe.
   During the last two months of 2006 a project was set up to better exploit the synergies which must emerge from the integration of this company with Bolzoni Group. At 31.12.2006 the price paid was 7 million euros, in addition to approximately 400 thousand euros for ancillary costs related to the operation, all of which are included in the financial statement under the item "Investments". Up to this day the final purchase price has not yet been established and this depends on some variables still to be evaluated (which however will not invalidate in any way the actual acquisition) as explained in detail by your Directors in the Explanatory Notes;

   d) During the year 2006 the installation of a new production line for lift truck forks was made. The investment, amounting to approximately 8 million euros, will enable your Company to be present in a new market segment with a high level of production technology. The plant started its activity during the first quarter of 2007.

4. The Board of Statutory Auditors did not find any atypical and/or unusual operations, including those performed with related parties or within the group.

5. The Auditing Company issued its report on 10/4/2007, in accordance with art. 2409-*ter* of the Civil Code, in which it declares that the operating financial statement as at 31/12/2006 truly and correctly represents the financial situation and the economic result of your Company.

6. The Board of Statutory Auditors did not receive notifications according to article 2408 of the Civil Code and/or complaints in general.

7. During the financial period ended 31/12/2006 your Company did not grant the Auditing Firm Reconta Ernst & Young S.p.A. any other assignments other than those related to the auditing activity as established by the law.

8. During the financial period the Board of Statutory Auditors did not give administrative advice.

9. Through direct verification and information collected from the Auditing company, the Board of Statutory Auditors ascertained the observance of laws and rules with regards to the preparation of the Company's financial statement and the related management report. Moreover, the Board of Statutory Auditors examined the evaluation principles adopted in the preparation of the presented financial statement in order to verify its conformity to legal requirements and to the corporate-economic conditions.

   The Board of Statutory Auditors confirms that during the preparation of the financial statement the directors did not fail to observe the law rules as established in art. 2423, comma four, of the Civil Code.

10. The balance sheet shows a positive operating result for the period of € 3,280,146 and can be broken down as follows:

Assets	Euro	83,949,379
Liabilities	Euro	48,423,660
- Net equity (excluding the operating profit)	Euro	32,245,573
Operating profit	**Euro**	**3,280,146**

In brief, the income statement presents the following values:

Production income (non financial revenue)	Euro	68,267,117
Production costs (non financial costs)	Euro	61,896,023
Difference	**Euro**	**6,371,094**
Revenue and financial costs	Euro	-178,105
Earnings and losses on exchange rates	Euro	-493,020
Result before tax	Euro	5,699,969
Tax on earnings	Euro	-2,419,823
Operating profit	**Euro**	**3,280,146**

As established by the law, the Statutory Auditors agree with the recording in the financial report, under intangible fixed assets, of approximately 245 thousand euros for development costs incurred in relation to new technical solutions on Bolzoni products.

11. The Board of Statutory Auditors maintained close contacts with the Auditing company, with meetings held in the company offices, during which no important aspects emerged

requiring specific analysis; during the meetings and from the information mutually exchanged regarding the verifications made, we were not informed of the existence of reprehensible facts.

12. Further to our activity of supervision and control no significant facts emerged worthy of being highlighted or mentioned in this report.

13. With regards to the above, the Board of Statutory Auditors does not have any grounds for preventing the approval of the financial statement at 31/12/2006, and has no objections with regards to the proposed resolution presented by the Board of Directors with regards to the disposition of the result.

Casoni di Gariga, April 11 2007

The Board of Statutory Auditors

Dott. Benvenuto Girometti - Chairman

Dott. Giorgio Picone

Dott. Fiorenzo Salvini

Bolzoni S.p.A.

ANNUAL REPORT ON THE *CORPORATE GOVERNANCE* SYSTEM AND COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

according to article 142-bis of the Legislative Decree no. 58 of 24 February 1998 and to Section IA.2.6.of the Instructions accompanying the Rules for the Markets organised and managed by Borsa Italiana S.p.A.

Pursuant to the provisions of the Legislative Decree no. 58 of 24 February 1998 ("**Consolidated Financial Law**") and of the rules of the Borsa Italiana S.p.A. ("**Borsa**") applicable to the boards of directors of the companies listed on the *Mercato Telematico Azionario* ("**MTA**"), aimed at guaranteeing the correctness and transparency of the corporate information, this report intends to illustrate the corporate governance systems of Bolzoni S.p.A. ("**Bolzoni**" or "**Company**").

Bolzoni was admitted to listing on the MTA, STAR segment, organized and managed by Borsa on 15 May 2006.

The Company is convinced that the compliance of its corporate governance internal structures with those recommended by the Corporate Governance Code for listed companies, promoted by Borsa and published in March 2006, ("**Code**") represents a real and fundamental opportunity to increase its reliability as perceived by the market.

1. Structure of the Group

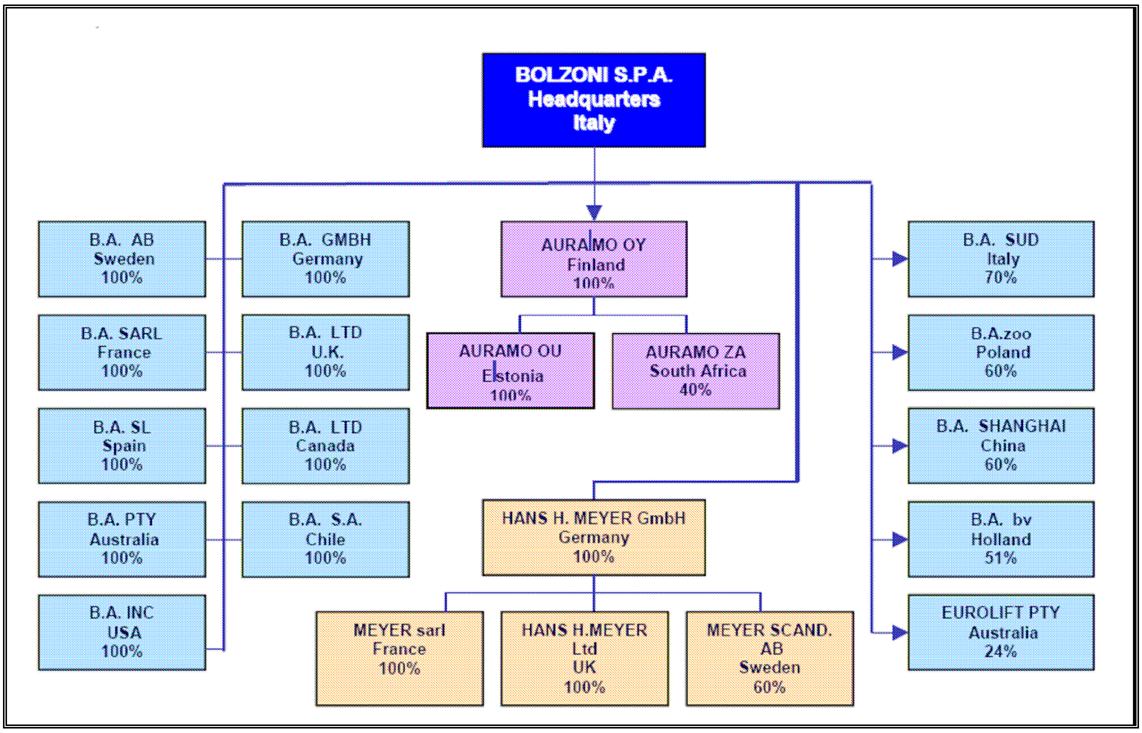
The control over the Company, according to article 93 of the Consolidated Financial Law, is exercised by Penta Holding S.r.l, an holding of participations pursuant to article 113 of the Legislative Decree no. 385 of 1 September 1993. Penta Holding S.r.l., as a mere holding of participations, does not exercise direction and coordination activities pursuant to article 2497 of the Italian Civil Code.

No person controls Penta Holding S.r.l. and, except for the provisions of the corporate by-laws, and there are no quotaholders' agreements, or other agreements for the discipline of the voting rights or circulation of the quotas, between the quotaholders.

The Company controls, directly or indirectly, nineteen companies, of which one limited liability company in Italy, which constitute the Bolzoni group ("**Group**") and within which, the Company itself has the right to appoint the majority of the members of the boards of directors and supervision bodies, where existent.

The Company, mother-company of the Group, carries out the management of the direct or indirect participations held in the subsidiaries. Further, the Company exercise direction and coordination activities over the companies of the Group, according to article 2497 of the Italian Civil Code. The provisions under Chapter IX, Title V, the Part V of the Italian Civil Code (article 2497 and following) set forth that (i) companies and other entities that, acting in their own interest or the interest of third parties, mismanage a company subject to their direction and coordination are directly liable to such company's shareholders and creditors for damages to the assets of the company or in connection with the capacity of such company to generate profits or create value for its shareholders and (ii) the directors of the company subject to control and coordination above are liable for the omission to communicate the information pursuant to article 2497-*bis* of the Italian Civil Code, should such omission originate damages to the shareholders or third parties.

The following diagram shows a general scheme of the Bolzoni Group structure as of the date of this report.



2. *Governance* structure of the Company

As of the date of this report, the Company is managed by a Board of Directors comprised of ten members, of which seven are non-executive. Within such board, three of the non-executive members are considered as independent.

The Board of Directors is vested with the widest powers for the ordinary and extraordinary administration of the Company, as well as any other duty reserved by the law or corporate by-laws to the same body. It also has the powers to discharge any activity for the disposal of assets as it deems necessary or opportune for the achievement of the corporate purpose, save for those which the law expressly reserves to the shareholders' meeting (see paragraph 3).

The Board of Directors has:

(i) established internally a Remuneration Committee (see paragraph 3.6) and an Internal Audit Committee (see paragraph 3.7). Each committee carries out its activities according to internal rules which disciplines the functioning of such committee;

(ii) adopted guidelines for transactions between related parties (see paragraph 3.3);

(iii) created the corporate functions of the internal audit and investor relations and consequently appointed the persons in charge of such functions (see paragraph 4.1 and 4.2);

(iv) adopted a procedure for processing confidential information (see paragraph 4.3); and

(v) approved an internal dealing code (see paragraph 4.4).

The Board of Statutory Auditors, comprised of three effective members and two deputy members, carries out the functions set forth by law. The corporate by-laws expressly provide for a slate voting for the appointment of the members of this board.

The corporate by-laws provide a minimum quarterly frequency for the Board of Directors' meetings. During the fiscal year 2006, the Board of Directors met eight times. For every board meeting, the members were given with reasonable advance, all documentation and information necessary for a decision with knowledge over the subjects submitted to them.

The calendar of the meetings of the Board of Directors is published on the Company's website at the URL www.bolzoni-auramo.com.

The Company will compare in the following paragraphs the corporate governance model it has adopted to that suggested by the Code.

Please note that the extraordinary shareholders' meeting of the Company has been called on 27 April 2007, in the first call, and on 2 May 2007, in the second call, in order to resolve upon the amendments to the corporate by-laws to comply with the Consolidated Financial Law, amended by the Law no. 262 of 28 December 2005 and Legislative Decree no. 303 of 29 December 2006. In this regard, please see the summary report prepared by the Board of Directors, also pursuant to article 3 of Ministerial Decree no. 437/98 and article 72 of Consob Regulation no. 11971/99 as subsequently amended, in connection with such proposals of resolution.

3 Composition and role of the Board of Directors

3.1 Appointment and composition

According to article 14 of the corporate by-laws, the Company is managed by a Board of Directors comprised of a valuable number of members from three to fifteen.

As of the date of this report by virtue of the resolution by the shareholders' meeting of the Company, dated 23 of March 2006 and the determination dated 15 May 2006 through which Borsa has admitted to listing on the MTA the ordinary shares of the Company, the Company is managed by a Board of Directors of ten members, mainly non-executive, until the approval of the financial statements for the year ending on 31 December 2008.

Currently, three of the ten members of the Board of Directors are executive members and seven non-executive members.

Pursuant to the provisions contained in the Rules of the Markets organized and managed by Borsa (resolved by the shareholders' meeting of Borsa dated 21 December 2006 and approved by Consob with resolution no. 15786 dated 27 February 2007), in the relevant Instructions and in the Code, with reference to companies listed on the STAR segment of the MTA, the same shareholders' meeting of the Company has appointed three independent members out of a total of ten members and namely Mr. Carlo Baldi, Mr. Raimondo Cinti and Mr. Giovanni Salsi (in compliance also with article 147-*ter*, paragraph 3, of the Consolidated Financial Law).

The composition of the Board of Directors of the Company, as of the date of this report, is the following:

Office	Name and surname	Date of Appointment
President (Executive)	Emilio Bolzoni	23 March 2006

C.E.O.	Roberto Scotti	23 March 2006
Managing Director	Pier Luigi Magnelli	23 March 2006
Non Executive Director	Luigi Pisani	23 March 2006
Non Executive Director	Franco Bolzoni	23 March 2006
Non Executive Director	Davide Turco	23 March 2006
Non Executive Director	Karl-Peter Staack	23 March 2006
Non Executive and independent Director	Carlo Baldi	23 March 2006
Non Executive and independent Director	Raimondo Cinti	23 March 2006
Non Executive and independent Director	Giovanni Salsi	23 March 2006

The following are the offices held by the members of the Board of Directors in other companies listed on regulated markets, including foreign markets, in financial companies, banks, insurance companies or companies of significant large size:

Name and Surname	Company	Office
Davide Turco*	Atos S.p.A.	Statutory Auditor
	Novamont S.p.A.	Member of the Board of Directors
	ABAC Group S.p.A.	Member of the Board of Directors
	Intervalv S.p.A.	Member of the Board of Directors
	Valvitalia S.p.A.	Member of the Board of Directors
Carlo Baldi	Brevini Group S.p.A.	Effective Statutory Auditor
	C.S.F. Inox S.p.A.	Effective Statutory Auditor
	Fingam S.p.A.	President of the board of Statutory Auditors
	Prefin S.p.A.	President of the board of Statutory Auditors
	Predieri Metalli S.p.A.	President of the board of Statutory Auditors
	Emak S.p.A.	Member of the Board of Directors
	Brevini Riduttori S.p.A.	Effective Statutory Auditor
Raimondo Cinti	Smalticeram Unicer S.p.A.	Effective Statutory Auditor
	Cesab S.p.A. (Toyota Material Handling)	Member of the Board of Directors
	Bianchini Ing. (Barcellona - Spagna)	Vice-President
	Officine Maccaferri S.p.A.	Member of the Board of Directors
	Seci Energia S.r.l.	Member of the Board of Directors
	Powercrop S.r.l.	President of the Board of Directors
	Jesi Energia S.p.A.	Member of the Board of Directors
	Enerray S.r.l.	President of the Board of Directors
	Nimax S.p.A.	Member of the Board of Directors
Giovanni Salsi	Banca di Piacenza	Member of the Board of Directors
	Istituto Centrale delle Banche Popolari Italiane	President of the board of Statutory Auditors
	SECETI S.p.A.	President of the board of Statutory Auditors

3.2 *Independent and non-executive directors*

The judgment of the non-executive directors by virtue of the reputation and competence they have, carries a significant weight in making the decisions of the Board.

On 26 March 2007, the Board of Directors has assessed that amongst the non-executive directors, Mr. Raimondo Cinti, Mr. Carlo Baldi and Mr. Giovanni Salsi, in accordance with their assertions and with the information at disposal of the Company, can be defined as independent, according to the provisions and the principles contained in the Instructions to the Rules of the Markets organized and managed by Borsa, in force as of the date of this report or in the Code or in the Consolidated Financial Law.

It is provided that the Board of Directors shall annually assess the independence of the directors, taking into account the information given by each of them, and with the same frequency shall monitor the offices of director or Statutory Auditors, held by the members in other companies listed on regulated markets, including foreign markets, in banks, financial or insurance companies or companies of significant size.

The presence of independent and non-executive directors within the administrative body of the Company, is aimed at the widest protection of the good governance of the Company and ensures the debate and dialectics amongst all directors. The contribution of the independent directors allows the Board of Directors, *inter alia,* to discuss, with sufficient independence, sensitive subjects which potentially could create conflicts of interest.

According to the letter of the Code, the Company has decided, with the general consent of the independent directors, not to appoint the lead independent director due to the fact that (i) the President is not the main person in charge of the corporate management, being this function shared with the Managing Director, Mr. Roberto Scotti, and (ii) the President is not the person who controls the Company, provided that he only holds the relative majority of Penta Holding S.r.l (company exercising the control of Bolzoni of which the President holds 38.05%).

3.3 *Role of the Board of Directors and allocation of competences and delegations*

As per the functions of the Board of Directors, the latter, as provided by article 19 of the corporate by-laws, is vested of the widest powers for the ordinary and extraordinary administration of the Company, as well as any other competence reserved by law or the corporate by-laws to the same Board. Therefore, it has the power to discharge all activities, including the disposal of assets, which it deems necessary or opportune for the achievement of the corporate purpose with the exclusion of those which the law expressly reserves for the shareholders meeting.

In particular, the Board of Directors, as by well-established tradition, (i) examines and approves the strategic, industrial and financial plans of the Company and Group, the corporate governance system of the Company and the Group structure; (ii) assesses the adequacy of the organizational, administrative and accounting system of the Company and subsidiaries having strategic significance prepared by the Managing Director, with particular reference to the internal audit system and the conflict of interest management; and (iii) examines and approves in advance the transactions between the Company and its subsidiaries when such transactions are strategically, economically and financially significant for the Company itself.

With regard to the same article 19 of the corporate by-laws, the Board of Directors may delegate, within the limit set by Law, some of its functions to one of more of its members, save for the limits set by law and by the corporate by-laws.

The Board of Directors, and each Managing Director, has the power to appoint attorneys *de facto* for specific acts within its functions.

Pursuant to the article 20 of the corporate by-laws, the President, Vice-Presidents (if appointed) and Managing Directors have jointly and severally the legal representation of the Company for the execution of resolutions of the Board within the powers attributed by the Board. The Board of Directors may grant the representation and corporate signature to other directors determining their powers.

In accordance with the above, the Board of Directors, on 19 May, 2006, has resolved upon the following:

a) the appointment as Managing Director of the Company, Mr. Roberto Scotti,

b) to grant the President of the Board, Mr. Emilio Bolzoni, and the Managing Director, Mr. Roberto Scotti, jointly and severally all widest powers for the ordinary and extra-ordinary administration of the Company, of which the Board of Directors is vested according to article 19 of the corporate by-laws and therefore, with no limitation save for those expressly reserved by the law or the corporate by-laws to the competence of the Board of Directors or the shareholders' meeting of the Company, as well as the subject listed as follows which are reserved for the exclusive competence of the Board of Directors, as a body: (i) approval of the strategic, industrial, economic and financial plans of the Company and Group; (ii) approval of the annual budget of the Company and the Group; (iii) transactions of investment or divestitures, endorsements or grants of borrowings or guarantees which individually exceed the amount of Euro 2,000,000; and (iv) transactions with related parties, as provided by article 71-*bis* of the Consob Rules no.11971 dated 14 May 1999 as amended in execution of the Consolidated Financial Law; and

c) to grant the director Mr. Pier Luigi Magnelli with single signature all the widest powers for the ordinary administration of the Company, save for those expressly reserved by the law, the corporate by-laws, the competence of the Board of Directors or the shareholders meeting of the Company, as well as the subject listed as follows which are reserved for the exclusive competence of the Board of Directors, as a body: (i) approval of the strategic, industrial, economic and financial plans of the Company and Group; (ii) approval of the annual budget of the Company and the Group; (iii) transactions of investment or divestitures, endorsements or grants of borrowings or guarantees which individually exceed the amount of Euro 2,000,000; and (iv) transactions with related parties, as provided by article 71-*bis* of the Consob Rules no.11971 dated 14 May 1999 as amended in execution of the Consolidated Financial Law.

The Board of Directors is granted the power to determine, once examined the proposals of the remuneration committee and having heard the opinion of the Statutory Auditors, the remuneration of the Managing Directors, and those having specific offices, as well as the allocation of the overall compensation resolved by the shareholders meeting due to each member of the Board of Directors.

According to article 19 of the corporate by-laws, during the meetings and at least quarterly, the Board of Directors and the Board of Statutory Auditors are informed, also by the delegated persons, and also with regard to the controlling company on the activities discharged, general trend, predictable development, including the transactions having major economic and financial significance, as well as, if any, on the transactions in which the directors are bearer of an interest on their behalf or on behalf of third parties..

In the discharge of transactions with related parties, the Company follows guidelines resolved by the Board of Directors, on 19 May 2006, which according to article 2391-*bis* of the Italian Civil Code, insures transparency, formal and substantial fairness in the transactions with related parties and set an obligation to disclose them in the Management Report. Such principles apply to the transactions completed directly or through subsidiaries and discipline the same transactions in terms of decisional competence, reasoning and documentation. The supervising body is in charge of the surveillance of the compliance with the rules adopted, in connection with related parties, reporting to the shareholders meeting.

According to the above-mentioned guide-lines on the transactions with related parties, please note that: (i) related parties are as defined by the international accounting principle IAS 24; (ii) transactions are any transfer of resources, services or obligations between related parties, regardless of the compensation; (iii) the transactions with related parties must comply with criteria of transparency and substantial and procedural fairness (i.e., for example, the transfer price conforms with the price market); (iv) the documents about the transactions with related parties are retained to allow spotting the main features of the transaction, the nature of the correlation, the interest of the Company within the transaction, the possible untypical and unusual features and the modality to determine the economic conditions; (v) based on the nature, the importance and the features of the transaction, the Board of Directors and/or the managing directors, if the transaction is included in their functions according to these behavioral principles, takes care of concluding the transaction based upon legal and fairness opinions of independent experts; and (vi) infra-group transactions concluded between two companies, controlled or related, or between the controlling company and these companies, are subject, within the criteria on the guide-lines, to a timely communication to Bolzoni.

The Board of Directors is in charge of approving in advance the transactions with related parties including the transactions within the Group, save for ordinary or usual transactions, or those at standard conditions.

As the date of this report, neither Vice-presidents nor executive committee are appointed.

3.4 Appointment of the directors

The corporate by-laws in force as of the date of this report does not provide for special formalities for the appointment of the directors or the presentation of the candidatures, nor does it set honorability, professional or independence requisites for the directors in additions to those by law.

Please note that the extraordinary shareholders' meeting of the Company has been called on 27 April 2007, in the first call, and on 2 May 2007, in the second call, in order to resolve upon the amendments to the corporate by laws necessary to comply with the provisions of the Consolidated Financial Law, amended by the Law no. 262 of 28 December 2005, and the Legislative Decree no. 303 of 29 December 2006. Please see the summary report prepared by the Board of Directors, also pursuant to article 3 of Ministerial Decree no. 437/98 and article 72 of Consob Regulation no. 11971/99 as subsequently amended, in connection with such proposal of resolution.

According to the Code, the appointment of the directors is discharged through a transparent procedure, aimed at ensuring, amongst others, timely and adequate information on the personal and professional characteristics of the candidates for the office. The lists of candidates, together with exhaustive information on the professional and personal characteristics of the candidates, are deposited at the corporate office at least fifteen days before the shareholders' meeting. Such lists, together with the information on the characteristics of the candidates, are timely published through the internet website of the Company.

The Board of Directors has thus far not considered the establishment of a nomination committee necessary, as it has not been deemed consistent with the current shareholding proprietary structure and the existing modalities of the relationship between such ownership and the administrative body.

3.5 The President of the Board of Directors

According to article 20 of the corporate by-laws, the President is granted, with single signature, with the Vice-Presidents (if appointed) and the Managing Directors, the legal representation of the Company, for the execution of the resolutions by the Board of Directors, within and for the exercise of the powers attributed to them by the same board.

The President of the Board of Directors is appointed by the same board, in case the shareholders' meeting does not resolve upon such appointment. The office of President is not incompatible with that of Managing Director. The current President of the Board of Director, Mr. Emilio Bolzoni, was appointed with resolution by the shareholders' meeting dated 23 March 2006, which has become effective after the admission to listing on the MTA of the ordinary shares of the Company, by Borsa, on 15 May 2006.

The President of the Board of Directors, by virtue of the resolution of same board on 19th May 2006, is granted all the widest powers for the ordinary and extra-ordinary administration of the Company, of which the Board of Directors is vested according to article 19 of the corporate by-laws and therefore, with no limitation save for those expressly reserved by the law or the corporate by-laws to the competence of the Board of Directors or the shareholders' meeting of the Company, as well as the subject listed as follows which are reserved for the exclusive competence of the Board of Directors, as a body: (i) approval of the strategic, industrial, economic and financial plans of the Company and Group; (ii) approval of the annual budget of the Company and the Group; (iii) transactions of investment or divestitures, endorsements or grants of borrowings or guarantees which individually exceed the amount of Euro 2,000,000; and (iv) transactions with related parties, as provided by article 71-*bis* of the Consob Rules no.11971 dated 14 May 1999 as amended in execution of the Consolidated Financial Law.

The reasons for the attribution to the President of the Board of Directors of executive delegations lay upon the fact that Mr. Emilio Bolzoni is one of the key persons who has greatly contributed to the development of the Group. Having gained a sound and long experience in the efficiency sector of the Group itself, Mr. Emilio Bolzoni has a significant role in the management of the Company and the Group and represents an important resource for the Group itself.

Article 16, of the corporate by-laws, provides that the meetings of the Board of Directors are, among others, called by its President. The notice of call must be sent at least three days before the date of the meeting. In urgent circumstances, the term may be shortened to one day and the agenda of the meeting communicated via telephone.

In order to ensure an efficient management, the meetings of the Board of Directors of the Company are chaired and coordinated by the President himself, or, in case of its absence, the board is chaired by a member designated by the board itself.

The President of the Board of Directors chairs the shareholders' meeting. According to article 10 of the corporate by-laws, the Chairman of the shareholders' meeting, also through appointees, shall be responsible for verifying the validity of the meeting's establishment, the identity and legitimacy of those present, and for regulating the meeting's progress, establishing the methods of discussion and voting, and announcing the results of votes.

3.6 Remuneration Committee

With regard to the remuneration of the members of the Board of Directors, the board has established a committee charged, in compliance with the Code, with (i) submit to the Board proposals for the remuneration of the Managing Directors and other directors having special offices, monitoring the execution of the resolutions adopted by the same Board and (ii) periodically assess the criteria adopted for the remuneration of the top managers with strategic responsibilities, supervise on their execution on the basis of the information given by the Managing Directors and propose to the Board of Directors general recommendations in this regard ("**Remuneration Committee**").

As of the date of this report, the Remuneration Committee is comprised of, in accordance with the provisions of the Code, three non-executive directors, namely Mr. Carlo Baldi, Mr. Raimondo Cinti and Mr. Giovanni Salsi, who are also independent directors.

Moreover, the Company has also approved the rules for the functioning of this committee, by virtue of which the Remuneration Committee is called at least once a year and, in any case, always before the meetings of the Board of Directors when called to resolve upon the remuneration of the Managing Directors or those having special delegations and /or the top management of the Company, as well as upon stock option plans or stock granting.

The establishment of this Committee ensures wider information and transparency on the compensation of the Managing Directors, as well as the relevant determination modalities. It is however understood that, according to article 2389, third paragraph, of the Italian Civil Code, the Remuneration Committee is exclusively vested with proposing functions, while the power to determine the remuneration of the directors having special offices remains a power of the Board of Directors, having heard the opinion of the board of Statutory Auditors.

As of the date of this report, the Company has not required that the economic results of the Company, or the tasks assigned by the Board of Directors, be a parameter to determine a portion of the overall compensation of the Managing Directors. As a matter of fact, five out of ten members of the Board of Directors, namely Mr. Emilio Bolzoni – the President, Mr. Roberto Scotti – the Managing Director, Mr. Pier Luigi Magnelli – an executive director, Mr. Luigi Pisani – a non-executive director, and Mr. Franco Bolzoni – a non-executive director, hold all the quotas of the Penta Holding S.r.l., the company controlling Bolzoni as of the date of this report. In light of this, their participation in the controlling company is the incentive to improve the economic results of the Company and create the shareholders' value on middle-long term perspective.

Save for that above, considering the new provisions to the Rules resolved by the shareholders' meeting of Borsa on 21 December 2006 (approved by CONSOB with resolution no. 15786 dated 27 February, 2007) the Company and particularly the Remuneration Committee are evaluating the implementation of principle 7 of the Code and, thus, the introduction of a variable remuneration system for the management, linked to the economic results achieved by the Company and/or the achievement of specific objectives previously indicated by the Board of Directors.

The shareholders' meeting on 23 March 2006 has determined the gross fee of the Board of Directors in Euro 607.042 *per annum*, for the triennium 2006-2008. This fee was shared between the Directors as follows in reference to the fiscal year 2006:

Office	Name and Surname	Fee (euro)
President	Emilio Bolzoni	193,000
Managing Director	Roberto Scotti	193,000

Executive Director	Pier Luigi Magnelli	28,000
Non Executive Director	Luigi Pisani	28,000
Non Executive Director	Franco Bolzoni	28,000
Non Executive Director	Davide Turco	28,000
Non Executive Director	Karl-Peter Staack	28,000
Independent Director	Carlo Baldi	17,000
Independent Director	Raimondo Cinti	17,000
Independent Director	Giovanni Salsi	17,000
	Total	**577,000**

As far as the main Directors of the Company are beneficiaries of a stock-option plan approved with the Board of Directors' resolution dated 30 May 2001 and 7 March 2006, and with the shareholders' meeting resolution on 23 March 2006, according to article 114-*bis* of the Consolidated Financial Law.

3.7 Internal Audit Committee

The Board of Directors of Bolzoni has established an internal audit committee charged with the analysis of the issues and discharge the activities regarding the control of the business functions ("**Internal Audit Committee**").

As of the date of this report, the Internal Audit Committee is composed of all the independent directors and namely Mr. Carlo Baldi, Mr. Raimondo Cinti and Mr. Giovanni Salsi.

The Internal Audit Committee has consulting and proposing functions in order to assisting the Board of Directors (i) to define the guide-lines of the internal control system, (ii) to identify an executive director for the supervising the functionality of the internal control system, (iii) to evaluate, at least on annual basis, the adequacy, effectiveness and actual functioning of the internal control system and (iv) to describe, in the report of corporate governance, the essential elements of the internal control system.

The Internal Audit Committee reports to the Board of Directors on the activity discharged and the adequacy of the internal control. The committee discharges its duties autonomously and independently, both *vis-à-vis* (i) the Managing Directors, as per the issues of protection of the corporate integrity, and (ii) the auditing firm, as per the evaluation of the results which it includes in the report and the letter of suggestion.

More specifically, the Internal Audit Committee is in charge of: (i) evaluating, together with the executive responsible for the preparation of the company's accounting documents and the auditors, the correct utilization of the accounting principles and, in case of groups, their consistency for the purpose of the preparation of the consolidated balance sheet; (ii) upon request of the executive director, expressing opinions on specific aspects relating to the identification of the principal risks for the Company as well as on the design, implementation and management of the internal control system; (iii) reviewing the work plan prepared by the officer in charge of internal control as well as the periodic reports prepared by himself; and (iv) performing any additional duties that are assigned to it by the Board of Directors.

On the contrary, the functions set out in the criterion 8.C.3, letters d) and e), of the Code, are reserved to the Board of Directors, that, as a consequence, is in charge of (i) evaluation the proposals submitted by the auditing firm for obtaining the relevant appointment, as well as the work plan prepared for the audit and the results described in the report and the letter of suggestions, if any; (ii) supervising the validity of the accounting audit process.

The Company has approved the rules for the functioning of the Internal Audit Committee, by virtue of which said committee meets at least twice a year during the approval of the balance sheet and the half-yearly report by the Board of Directors.

4. Functions and corporate procedures

As provided by applicable laws and by the Corporate Governance Code, the Company has implemented some corporate functions (such as the audit control system and the investor relations) and has adopted some procedures (such as the procedure for the internal management and the external communication of the documents and information regarding the Company, as well as the code of internal dealing). As per the procedures governing the appointment of the board of Statutory Auditors and the functioning of the several committees please see what illustrated in the relevant paragraphs above.

4.1 Internal control

The internal audit system is the set of procedures directed at monitoring the efficiency of business transactions, the reliability of the financial information, the compliance with the laws and regulations and the protection of the corporate assets.

The Board of Directors is ultimately responsible for the internal audit system, of which it determines the directions for the internal control and the management of the corporate risks, periodically verifying, with the assistance of the Internal Audit Committee and the person in charge of the internal audit, the functioning of such system. The appointment of an internal audit committee does not exonerate the Board from the responsibility regarding the duty of supervision over the general trend of the management.

The Company has appointed, as the person in charge of the internal audit, Mr. Marco Rossi and has taken all the useful actions in order to cause that such person will not be hierarchically subject to any manager of operational areas, will report on its activities to the Managing Director, the Internal Audit Committee and the board of Statutory Auditors and will have access to all the resources useful in the performing of his auditing function. Mr. Marco Rossi is not in charge of any operational area of the Company.

The internal audit system answers to the needs of protection of an healthy and efficient management, and of detecting, forestall and manage, within reasonable limits, the financial and operational risks and frauds damaging the Company.

As of the date of this report, the Company has not yet adopted a model for the organization, management and control as set forth by article 6 of the Legislative Decree 231/2001. The intention of the Company is to be in line with such provisions by 31 March, 2008, as required by the applicable provisions of the regulations.

For such a purpose, the Board of Directors has given to the Internal Audit Committee the task to analyze an organizational, management and audit model consistent with the provisions of article 6 of the Legislative Decree no. 231/2001, submitting a proposal to the Board of Directors within 31 December 2007.

4.2 Investor Relations

The Company has charged Mr. Marco Rossi with the responsibility of maintaining relationships with institutional investors and other shareholders (the so-called Investor Relator), as a reference point for the dialogue with the shareholders and institutional investors. The Investor Relator may not release communication on relevant events prior to communicating such events to the market. Being the Investor Relator subject to the procedure for the management of the confidential information set forth in the following paragraph 4.3.

4.3 The procedure for the management of the confidential information

Bolzoni has adopted a procedure for the internal management and external communication of price sensitive documents and information regarding the Company.

The management of the sensitive information is discharged by the Managing Director and the President of the Board of Directors, jointly and severally. The duty of communicating such information is discharged by the Investor Relator. The above procedure ensures the avoidance of external disclosure of information regarding the Company in a selective, non-timely, incomplete or inadequate mode.

Particular attention is paid to the disclosure to the public of price sensitive information which, due to their significance, may have repercussions on the normal formation of trading quotes on the regulated markets where the shares of the Company are traded.

Furthermore, it should be noted that the Company has expressly forbidden the members of the bodies in charge for the management and the control, and the persons with management functions and the managers pursuant to the CONSOB Regulation no. 11971/99 (so-called internal dealing) to perform, directly or indirectly, sale, purchase, subscription or exchange transactions concerning the shares or other financial instruments related to the shares during the fifteen days preceding the Board of Directors meeting called to approve the accounting data of the period, in accordance with the provisions of the article 2.2.3 of the Regulations of the Markets organized and managed by Borsa, such a prohibition shall not be applied to the exercise of possible stock option or option rights related to the financial instruments and, with the limit of the shares deriving the stock option plans, to the subsequent transfers of such shares, provided that the transactions are made at the same time of the exercise of the right. Furthermore, the limitations will not be applicable in case of extraordinary situations of subjective necessity, properly justified by the interested party to the company.

4.4 Internal Dealing Code

The Company has approved the adoption of an internal dealing code compliant with the requirement set forth by article 114, paragraph 7, of the Consolidated Financial Law, and relevant provisions contained in articles 152-*sexies* and following of the CONSOB Regulation no. 11971/1999. The Company has established a register for the persons having access to privileged information according to article 115-*bis* of the Consolidated Financial Law.

5. Shareholders' meetings

On an ordinary basis, all the members of the Board of Directors attend the shareholders' meetings.

The Company has approved, with resolution of the shareholders' meeting dated 23 January 2006, the rules for the functioning of the extraordinary and ordinary shareholders' meeting of Bolzoni. Such rules are available and can be downloaded from the Company's website at the URL www.bolzoni-auramo.com.

6. Statutory Auditors

According to article 22 of the corporate by-laws, the Board of Statutory Auditors is comprised of three effective Statutory Auditors and two alternate Statutory Auditors, who may be re-elected, and functions according to the provisions of law.

Any individual who is incompatible as determined by the law and any individual who holds the office of Statutory Auditor in more than five Italian companies listed on Italian regulated markets and do not possess the qualifications required by applicable law, may not be elected as Statutory Auditors and, if elected, shall forfeit the office.

According to same article 22 of the corporate by-laws, the appointment of the Statutory Auditor is carried out through lists which ensure that the minority shareholders may appoint an effective Statutory Auditor and an alternate Statutory Auditor. Shareholders registered in the shareholders' register at least thirty days prior to that arranged for the meeting in first call and who alone, or together with other shareholders, represent at least 2.5% of the share capital entitled to vote in the ordinary meeting, are entitled to submit a list. Lists, to be underwritten by all those that intend to support them, must be lodged at the registered offices of the Company at least ten days prior to the date established for the meeting in first call, together with the declarations of acceptance and non-existence of ineligibility motives by the nominees.

The Statutory Auditors perform their duties autonomously and independently and thus do not represent the majority or the minority which has appointed them.

The Statutory Auditors keep the strictest confidentiality in connection with the documents and information acquired in the discharge of their duties and respect the procedure adopted for the external communication of information regarding the Company.

The board of Statutory Auditors, in office as of the date of this report, was appointed by the shareholders' meeting on 14 June 2004 and will cease the office upon the approval of the financial statements for the year ending on 31 December 2006. It is comprised of the following:

Office	**Name and Surname**	**Place and date of birth**	**Date of appointment**
President	Benvenuto Girometti	Ziano Piacentino, 26/03/1923	14^{th} June, 2004
Effective Statutory Auditor	Fiorenzo Salvini	Fiorenzuola d'Arda, 22/10/1951	14^{th} June, 2004
Effective Statutory Auditor	Giorgio Picone	Eboli, 29/04/1945	14^{th} June, 2004
Alternate Statutory Auditor	Maria Gabriella Anelli	Piacenza, 29/09/1956	14^{th} June, 2004
Alternate Statutory Auditor	Stefano Gruppi	Pontenure, 29/09/1963	14^{th} June, 2004

The following table shows the offices held by the current members of the board of the Statutory Auditors in other companies.

Name and Surname	**Company**	**Office**
Benvenuto Girometti	Banca di Piacenza S.C.p.A.	President of the board of Statutory Auditors
	MO.TRI.DAL S.p.A.	President of the board of Statutory Auditors
	CDS Lavorazione Materie Plastiche S.r.l.	President of the board of Statutory Auditors
	I.S.E.A. S.p.A.	President of the board of Statutory Auditors
	Home Vision Soc. Coop.	President of the board of Statutory Auditors
	Centro Elettrico Elaborazione Dati S.r.l.	Judicial Liquidator

Name and Surname	Company	Office
	Immobiliare Belluria S.s.	Managing shareholder
	Penta Holding S.r.l.	President of the board of Statutory Auditors
Fiorenzo Salvini	RDB Centro S.p.A.	President of the board of Statutory Auditors
	SCRIBA S.r.l.	President of the board of Statutory Auditors
	O.M:B.M. S.p.A.	Trustee in bankruptcy
	Penta Holding S.r.l.	Effective Statutory Auditor
Giorgio Picone	Intesa Mediocredito S.p.A.	Effective Statutory Auditor
	S.A.C.I. S.r.l.	Effective Statutory Auditor
	Goccia di Carnia S.p.A.	Effective Statutory Auditor
	Mineralbirra S.r.l.	Effective Statutory Auditor
	Salumi Boschi F.lli S.r.l.	Effective Statutory Auditor
	Meverin S.r.l.	Effective Statutory Auditor
	Società Agricola Santa Teresa S.r.l.	Effective Statutory Auditor
	Italiana Parcheggi S.p.A.	Effective Statutory Auditor
	Impresa Edile Casino di Marore S.r.l.	Effective Statutory Auditor
	Opem S.r.l.	Effective Statutory Auditor
	SACIFIN S.r.l.	Effective Statutory Auditor
	Penta Holding S.r.l.	Effective Statutory Auditor

Please note that the ordinary shareholders' meeting of the Company has been called on 27 April 2007, in the first call, and on 2 May 2007, in the second call, to resolve upon the appointment of a new board of Statutory Auditors given that the termination of the office of current Statutory Auditors.

Moreover, the extraordinary shareholders' meeting, in the same day, is called to resolve upon the conformation of the Corporate by-laws according to the Consolidated Financial Law as amended by the Law no. 262 of 28 December 2005, and the Legislative Decree no. 303 of 29 December 2006. Please see the summary report prepared by the Board of Directors according to the article 3 of the Ministerial Decree no. 437/98 and of the article 72 of the CONSOB Regulation taken with the resolution no. 11971/99, as subsequently amended, with regard to such proposals of resolution.

*   *   *

In light of the above, the Company, considering the resolutions and decisions adopted as of the date of this report and all it intends to implement in the future, considers its corporate governance system in line with the provisions of law and rules applicable and with the recommendations of the Code.

CHART 1: STRUCTURE OF THE BOARD OF DIRECTORS AND INTERNAL COMMITEE

Board of Directors							**Internal Audit Committee**		**Remuneration Committee**	
Role	Members	executive	non executive	independent	****	Number of other appointment **	***	****	***	****
President	Bolzoni Emilio	X			100%	0				
C.E.O.	Scotti Roberto	X			100%	0				
Director	Magnelli Pier Luigi	X			100%	0				
Director	Pisani Luigi		X		100%	0				
Director	Bolzoni Franco		X		75%	0				
Director	Turco Davide		X		75%	5				
Director	Staack Karl-Peter		X		88%	0				
Director	Baldi Carlo		X	X	50%	8	X	100%	X	100%
Director	Cinti Raimondo		X	X	63%	8	X	100%	X	100%
Director	Salsi Giovanni		X	X	75%	3	X	100%	X	100%
Numbers of meetings held during the referred fiscal year		Board of Directors: 8					Internal audit Committee: 1		Remuneration Committee 0	

NOTES

* Presence of asterisk give the evidence of a director been appointed by a list presented by minority.

** In this column is shown the number of appointments as a director or as a statutory auditor held by the interested person in other listed companies quoted in a regulated market, also abroad, in finance corporations, banks, insurance or corporation with relevant dimension. In the corporate governance report appointments are fully listed.

*** In this column is indicated with a “X” the inclusion of the member of the Board of Directors in the Committee.

**** In this column is shown the percentage of directors’ participation to the meetings of the Board of Directors or in a Committee.

CHART 2: STATUTORY AUDITORS

Role	Members	Percentage of directors' participation to the meetings	Number of others appointments**
President	Girometti Benvenuto	100%	8
Effective Statutory Auditor	Salvini Fiorenzo	100%	4
Effective Statutory Auditor	Picone Giorgio	100%	12
Alternate Statutory Auditor	Anelli Maria Gabriella	N.A.	4
Alternate Statutory Auditor	Gruppi Stefano	N.A.	14
Numbers of meetings held during the referred corporate year: 5			
***Quorum* requested for the presentation of a list by a minority shareholder for the election of one or more effective members (ex art. 148 TUF):** 2,5%			

NOTES

* Presence of asterisk give the evidence of a director been appointed by a list presented by minority.

** In this column is shown the number of appointments as a director or as a statutory auditor held by the interested person in other companies. In the corporate governance report appointments are fully listed.

<u>CHART 3: FURTHER CORPORATE GOERNANCE CODE PROVISIONS</u>

	YES	NO	Summary about the reasons of the gap from the Code provisions
Delegated powers system and transactions with related parties			
The Board of Directors has assigned the delegated powers defining:			
a) limits	X		
b) manner of exercising	X		
c) and the periodicity of the informative report	X		
Did the Board of Directors examine and approve transactions having a significant impact on the company's profitability, liabilities or financial position (included transactions involving related parties)?	X		
Did the Board of Directors define the guide-lines and the criteria for identifying the transactions which have a "significant impact"?	X		
Did it define the guide-lines and the criteria in the above-mentioned corporate governance relation?	X		
Did the Board of Directors define appropriate procedures for examining and approving the transactions with related parties?	X		
Have the procedures for examining and approving the transactions with related parties been described in the above-mentioned corporate governance relation ?	X		
Procedures of the most recent appointment of directors and auditors			
Have the lists of candidates to the office of director been deposited at least ten days in advanced?	N.A.		The Company has been listed on 15 May 2006. The appointment of director has been before such day.

	YES	NO	Summary about the reasons of the gap from the Code provisions
Have the lists of candidates to the office of director accompanied by exhaustive information?	N.A.		The Company has been listed on 15 May 2006. The appointment of director has been before such day.
Have the lists of candidates to the office of director accompanied by exhaustive indication where appropriate of their eligibility to qualify as independent directors?	N.A.		The Company has been listed on 15 May 2006. The appointment of director has been before such day.
Have the lists of candidates to the office of auditor been deposited at least ten days in advanced?	N.A.		The Company has been listed on 15 May 2006. The appointment of auditors has been before such day.
Have the lists of candidates to the office of auditor accompanied by exhaustive information?	N.A.		The Company has been listed on 15 May 2006. The appointment of auditors has been before such day.
Shareholders' meetings			
Did the Company approve the Shareholders' meeting regulation?	X		
Has the Shareholders' meeting regulation been attached to the corporate governance relation?	X		
Internal control			
Did the company appoint the persons in charge of internal control?	X		
Are the persons in charge of internal control not report hierarchically to any manager of operational divisions?	X		
Unit in charge of the internal audit			Bolzoni appointed Mr. Marco Rossi. The internal audit system answers to the needs of protection of an healthy and efficient management, and of detecting, forestall and manage, within reasonable limits, the financial and operational risks and frauds damaging the Company.
Investor relations			

	YES	NO	Summary about the reasons of the gap from the Code provisions
Did the company appoint the person in charge of investor relations?	X		
Unity of organization and references (address/phone number /facsimile/e-mail) of the person in charge of investor relations	Marco Rossi Bolzoni S.p.A., Podenzano (Piacenza), Località I Casoni, Tel. +39.0523.555511, Fax. +39.0523.555535, e-mail investor.relator@bolzoni-auramo.com		