



1. Bolzoni Group – Management report
2. Consolidated report – with explanatory notes
3. Statement ex art 154-bis, TUF
4. Draft of yearly financial statement of Bolzoni Spa
5. Subsidiaries' financial statements

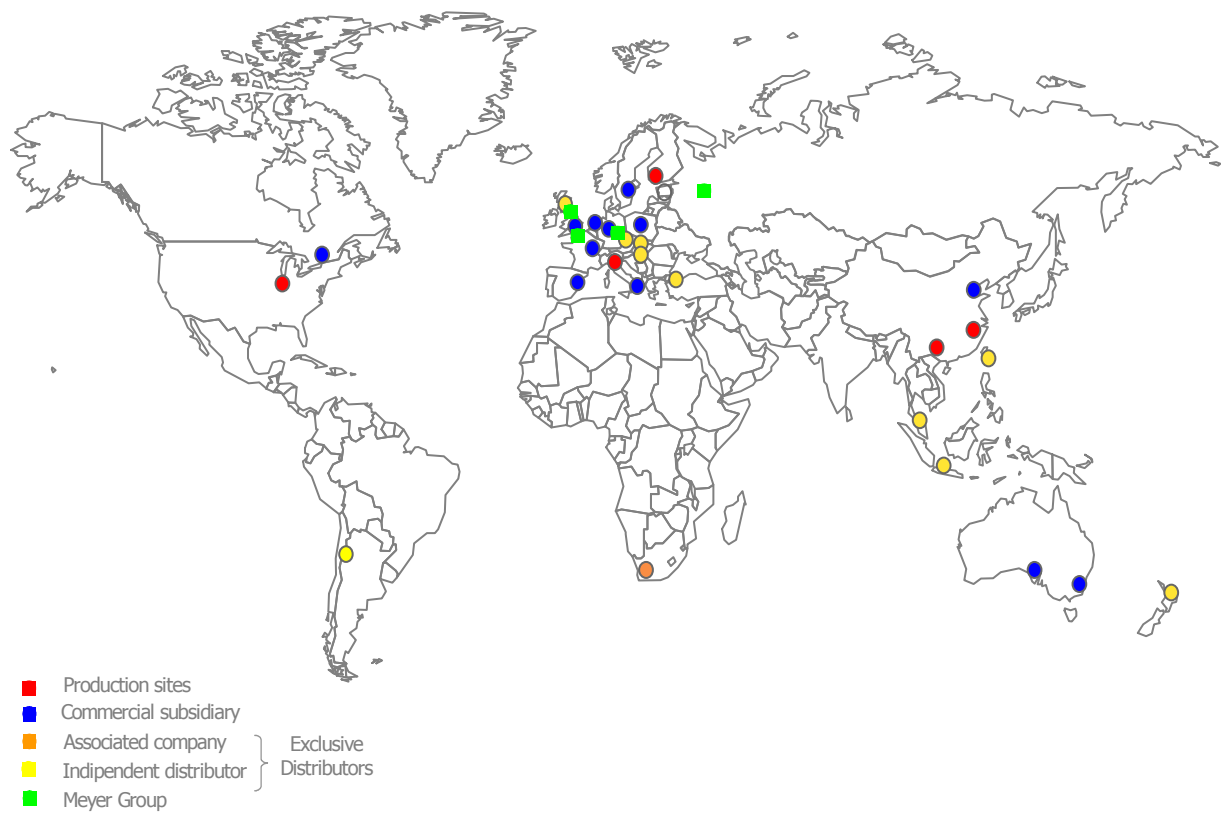


## Group's activity

Since the early 1950s the Company has been active in the design, production and distribution of lift truck attachments and industrial material handling equipment.

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

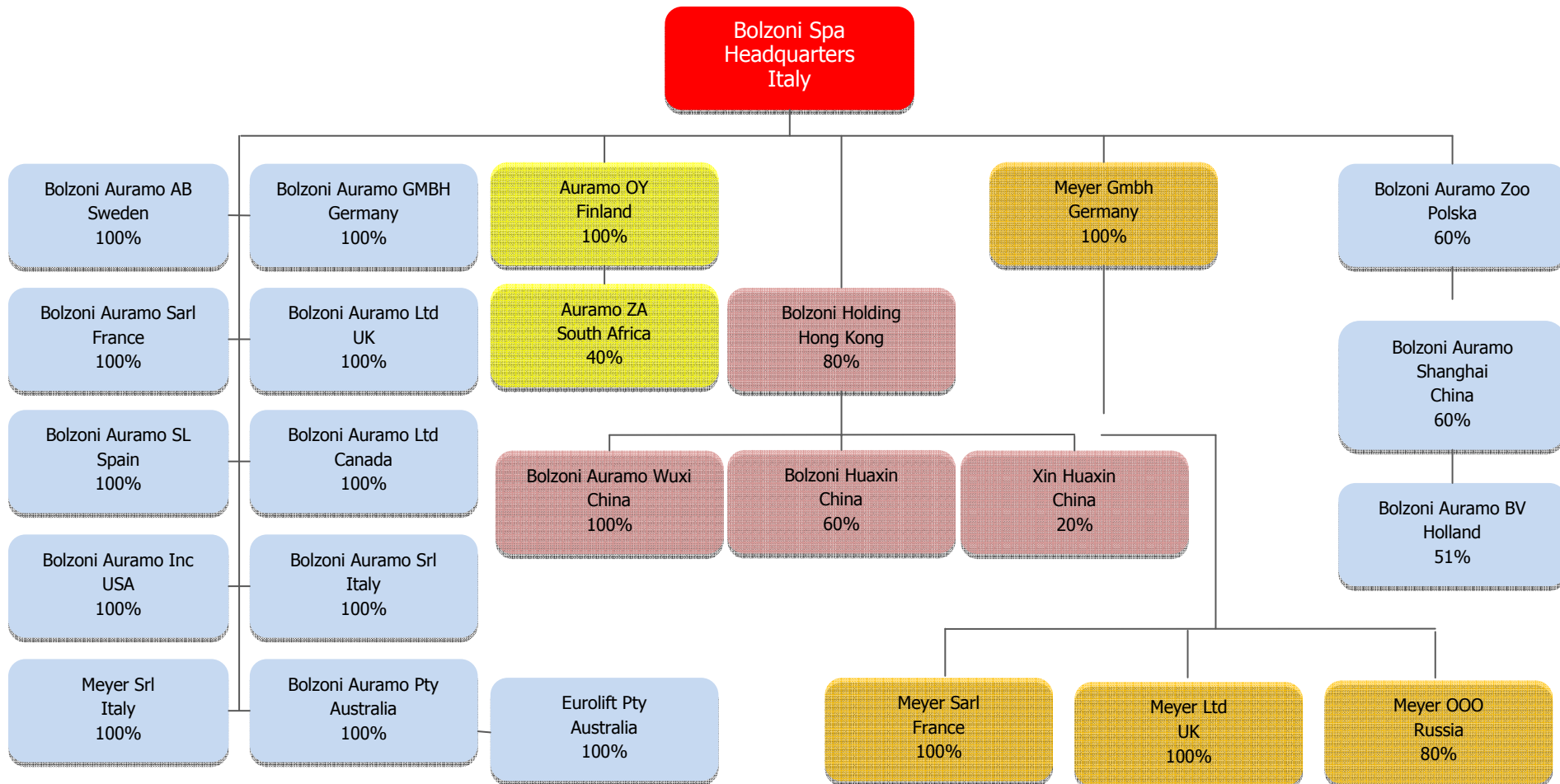
The Group offers a wide range of products utilized in industrial material handling and, in particular, lift truck attachments, lifting platforms, forks for lift trucks.





## Group Structure

Bolzoni S.p.A. directly or indirectly, controls twenty-two companies all included in the Group's consolidating area, and located in various countries worldwide. Eight of these companies (including the Parent) are production plants situated in Italy, Germany, Finland, U.S.A. and China whereas fifteen companies have exclusively commercial and distribution activities, with the purpose of directly serving the principal logistics and material handling markets all over the world. Thanks to its subsidiaries and associated companies, the Group is present in a number of countries representing all together 80% of the specific world market.





### The benchmark market and competitors

---

According to the research commissioned to Bain Company in 2006, the fork lift truck attachment is a highly concentrated market, 90% of it 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 also in Europe (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 leading 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%).

During the last 4 years there have been no significant facts that may have considerably modified the structure of the market described above.

### 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:
- Positive effects of globalisation in logistic markets (benchmark market);
- Ample and consolidated customer portfolio;
- Strongly defended sales and distribution network;
- Excellence and quality of products and production procedures.



## Human resources

### Number of employees

The following table shows the overall number of people employed in the Group companies on 31 December 2011, 2010 and 2009, divided according to the main categories and with a distinction between Italy and abroad.

Category	31.12.2011			31.12.2010			31.12.2009		
	Italy	Abroad	Total	Italy	Abroad	Total	Italy	Abroad	Total
Executives	5	23	28	6	29	35	6	28	34
First line managers	6	-	6	5	-	5	5	-	5
White collar	92	197	289	96	173	269	89	182	271
Blue collar	135	152	287	142	157	299	150	158	308
<b>Total</b>	<b>238</b>	<b>372</b>	<b>610</b>	<b>249</b>	<b>359</b>	<b>608</b>	<b>250</b>	<b>368</b>	<b>618</b>

## Report on the consolidated financial statement for the year ended 31.12.2011

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

### Comments to the Group's main results

Below are the main results regarding the situation at 31.12.2011 compared to the same period of 2010.

The difference between the two tables is due to the addition to the consolidation area of the entire Australian company Eurolift as of the second quarter 2011. The company was previously included as a group associated company.

The differences between the figures in the two tables are nonetheless marginal.

The following tables contain the management results.

Current Consolidation Area	31.12.2011	31.12.2010	Variation %
Revenue	115,834	93,526	23.85%
Ebitda	9,119	6,486	40.60%
Ebit	3,666	1,073	241.66%
Profit before tax	2,909	46	N.R.
Result for the period	1,637	(364)	N.R.

Unvaried Consolidation Area	31.12.2011	31.12.2010	Variation %
Revenue	115,658	93,526	23.66%
Ebitda	9,053	6,774	33.65%
Ebit	3,602	1,361	164.67%
Profit before tax	2,842	334	750.94%
Result for the period	1,598	(76)	N.R.

### Revenue

With the same consolidation area, revenue has increased by 23.66% for the year. An excellent result on the way to recovering the volumes prior to the crisis.

**Trends in the benchmark market**

According to statistics issued by the association of forklift truck manufacturers, the market we use as our benchmark recorded the following variations in 2011, compared to the previous year 2010 :

- Western Europe	+ 27.4%
- Eastern Europe	+ 50.8%
- North America	+ 28.5%
- China	+ 16.6%
- World	+ 23.0%

The figures indicate a solid growth on all markets; in particular, it should not be ignored that China has never stopped growing, becoming by far the principal world market.

The world market has therefore grown by 23%.

The total year's growth is made up of a first semester with a very strong growth rate and a second semester with a more limited growth despite positive results in Europe, USA and China.

**Market share**

On the basis of the figures illustrated it is evident that the company is consolidating the achieved market shares.

**Currency aspects**

The exact exchange rate of the US dollar against the Euro, which was 1.34 at 31.12.2010, reached 1.29 at 31.12.2011 with an average annual exchange rate of 1.39.

The pound sterling exchange rate which was 0.86 euros at 31.12.2010 reached 0.84 euros at 31.12.2011.

**EBITDA**

During the two periods under examination the trend in Ebitda was as follows:

	<b>31.12.</b>
% Ebitda on 2010 turnover	6.93%
% Ebitda on 2011 turnover	7.87%

Without the non-recurring costs, the same figure would increase to 7.24% in 2010.

The growth in margin levels continues even with a difficult and competitive market and the negative impact of the Euro-Dollar exchange rate.

**Result before tax and result for the period**

The Consolidated Financial Statement therefore closes with a profit before tax of 2,909,000 euros, and a net profit of 1,637,000 euros.

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

	<i>Net equity</i>	<i>Net result</i>
Parent's financial statement	39,796	1,463
Elimination of profits on intercompany inventory (net tax effect)	(1,361)	68
Net equity and Result of Consolidated Companies	(1,441)	233
Foreign currency exchange reserve	(851)	-
Deferred tax assets on fiscal losses carried forward by consolidated companies	1,272	442
Other adjustments	2,294	(569)
<b>CONSOLIDATED FINANCIAL STATEMENT</b>	<b>39,709</b>	<b>1,637</b>
Net Equity and Minority Result	(3,215)	(45)
<b>GROUP'S PORTION OF CONSOLIDATED FINANCIAL STATEMENT</b>	<b>36,494</b>	<b>1,592</b>



## Economic highlights of the group companies (in euros)

	Turnover		EBITDA		Net profit	
	2010	2011	2010	2011	2010	2011
Bolzoni S.p.A.	50,170	61,357	4,154	4,966	421	1,463
Auramo Finland	10,636	12,819	1,112	1,334	789	514
Bolzoni Auramo Sweden	2,859	4,380	254	388	117	248
Bolzoni Auramo Holland	1,763	2,761	56	140	45	114
Bolzoni Auramo Germany	5,731	6,311	(30)	97	(95)	22
Bolzoni UK	3,880	5,112	(133)	298	(199)	228
Bolzoni Auramo Australia	1,030	2,184	(269)	(200)	(96)	(183)
Bolzoni Auramo France	6,358	6,731	269	424	156	230
Bolzoni Auramo Spain	3,506	3,665	(371)	(270)	(452)	(464)
Bolzoni Auramo Italy (Bari)	1,027	1,349	(111)	(48)	(129)	(70)
Bolzoni Auramo USA	6,824	9,445	(696)	(180)	(989)	(457)
Bolzoni Auramo Canada	1,217	1,382	(11)	17	4	(11)
Bolzoni Auramo Poland	1,178	1,754	112	154	85	86
Bolzoni Auramo Shanghai China	2,138	2,566	85	-	44	(22)
Meyer Group	25,324	29,321	2,546	2,086	730	405
Meyer Italia S.r.l.	1,850	1,818	(197)	(99)	(378)	(258)
Bolzoni Holding Hong Kong	-	-	-	(141)	-	(149)
<b>CONSOLIDATED</b>	<b>93,526</b>	<b>115,834</b>	<b>6,486</b>	<b>9,119</b>	<b>(364)</b>	<b>1,637</b>

## Depreciation for the period 2011

The company financial report as at 31.12.2011 for Bolzoni S.p.A. includes depreciation for 2,566 thousand euros (2,648 thousand euros in 2010) whereas the consolidated financial report as at 31.12.2011 includes depreciation for 4,947 thousand euros (5,118 thousand euros in 2010).

## Investments during period 2010

Investments 2010	Tangible	Intangible	Total Euro
Bolzoni S.p.A.	671	454	1,125
Auramo Finland	245	63	308
Bolzoni Auramo Sweden	97	-	97
Bolzoni Auramo Holland	1	-	1
Bolzoni Auramo Germany	12	-	12
Bolzoni UK	96	-	96
Bolzoni Auramo Australia	94	-	94
Bolzoni Auramo France	38	-	38
Bolzoni Auramo Spain	168	2	170
Bolzoni Auramo Italy	-	-	-
Bolzoni Auramo USA	168	-	168
Bolzoni Auramo Canada	36	-	36
Bolzoni Auramo Poland	5	1	6
Bolzoni Auramo Shanghai China	-	-	-
Meyer Group	509	140	649
Meyer Italia S.r.l.	29	36	65
Bolzoni Holding Hong Kong	1,389	2,376	3,765
<b>TOTAL</b>	<b>3,558</b>	<b>3,072</b>	<b>6,630</b>



The investments in tangible fixed assets are mainly related to the purchase of machine tools and equipment.

The investments in intangible fixed assets made by Bolzoni S.p.A., by Auramo in Finland and by Meyer in Germany mainly refer to the development of the group ERP software and to capitalization of design costs and the development of new products.

Investments in intangible fixed assets made by Bolzoni Holding Hong Kong refer to purchase of landlease in Wuxi (People's Republic of China) where the newly incorporated Bolzoni Auramo Wuxi is starting the construction of a production plant for fork lift truck attachments. The construction of the Bolzoni Huaxin plant in Longhua for the production of forks for lift trucks is however in an advanced phase.

### Research and development

During the year 2011, the Company continued its research activity and directed its efforts towards developing new products and renewing the range of existing products, in the three plants located in Piacenza Italy, Salzgitter Germany and Vantaa Finland.

In particular, in the Podenzano plant (Piacenza) the following projects have been developed:

- Redesign, production of prototype and the development of the new dual pallet clamp for the US market, the new standard carton clamp, the intelligent parallel clamp, the new tilting integral side shifter and the new project for extendable forks and new integral positioner;
- Study and design for the introduction of the following optimisations to the production process: manufacturing process in fork, steel work and attachment production areas, new SAP database to optimise data acquisition and the study of a new layout for machine tools for the addition of a new work centre.

For the development of the above projects the Company has incurred costs, partly capitalised, for an overall amount of 541,356.42 euros. On this amount the Company intends taking advantage of the tax reduction on IRAP (art. 11 of the Legislative Decree n°446 passed on 15 December 1997, modified by art. 17 paragraph 3 of the Legislative Decree n°247 passed 18 November 2005 implemented by Law 296/06 art. 1 paragraph 266).

### Inventory at 31.12.2011

Stock levels at 31.12.2011 have grown with respect to the figure at 31.12.2010 but the percentage of increase is decidedly lower than the growth in turnover.

This has helped reduce the inventory turnover days from 68 at 31.12.2010 to 60, a result in line with the 2007 figure when the order volumes had reached their peak.

	31.12.2011	31.12.2010
Bolzoni S.p.A.	6,714	5,642
Auramo Finland	1,619	1,530
Bolzoni Auramo Sweden	265	339
Bolzoni Auramo Holland	141	143
Bolzoni Auramo Germany	1,112	1,010
Bolzoni UK	400	590
Bolzoni Auramo Australia	1,397	911
Bolzoni Auramo France	257	175
Bolzoni Auramo Spain	351	359
Bolzoni Auramo Italy	48	57
Bolzoni Auramo USA	2,862	2,612
Bolzoni Auramo Canada	367	462
Bolzoni Auramo Poland	163	101
Bolzoni Auramo China	1,701	1,504
Meyer Group	3,887	4,047
Meyer Italia Srl	590	393
<b>CONSOLIDATED</b>	<b>19,999</b>	<b>18,086</b>



**Net Financial Position of Bolzoni S.p.A. and the Group**

Net financial position of the Parent	31.12.2011	31.12.2010	Variation
A. Cash on hand	7	9	(2)
B. Current bank accounts	1,355	698	657
- of which related to Intesa Sanpaolo	556	421	135
<b>D. LIQUIDITY</b>	<b>1,362</b>	<b>707</b>	<b>655</b>
F. Current bank debts	(1,815)	(1,043)	(772)
- of which related to Intesa Sanpaolo	(500)	-	(500)
G. Current part of non-current indebtedness	(4,673)	(4,832)	159
- of which related to Intesa Sanpaolo	(1,914)	(2,233)	319
<b>I. CURRENT FINANCIAL INDEBTEDNESS</b>	<b>(6,488)</b>	<b>(5,875)</b>	<b>(613)</b>
<b>J. CURRENT NET FINANCIAL POSITION</b>	<b>(5,126)</b>	<b>(5,168)</b>	<b>42</b>
<b>N. NON-CURRENT NET FINANCIAL POSITION</b>	<b>(13,479)</b>	<b>(10,191)</b>	<b>(3,288)</b>
- of which related to Intesa Sanpaolo	(2,344)	(4,094)	1,750
<b>O. NET FINANCIAL POSITION</b>	<b>(18,605)</b>	<b>(15,359)</b>	<b>(3,246)</b>
- of which related to Intesa Sanpaolo	(4,202)	(5,906)	1,704

Consolidated net financial position	31.12.2011	31.12.2010	Variation
A. Cash on hand	7	9	(2)
B. Liquid funds	6,709	3,808	2,901
- of which related to Intesa Sanpaolo	556	421	135
<b>D. LIQUIDITY</b>	<b>6,716</b>	<b>3,817</b>	<b>2,899</b>
E. Financial credits	284	261	23
F. Current bank debts	(8,720)	(8,196)	(524)
- of which related to Intesa Sanpaolo	(3,144)	(2,765)	(379)
G. Current part of non-current indebtedness	(4,699)	(4,845)	146
- of which related to Intesa Sanpaolo	(2,162)	(2,233)	71
<b>I. CURRENT FINANCIAL INDEBTEDNESS</b>	<b>(13,135)</b>	<b>(12,780)</b>	<b>(355)</b>
<b>J. CURRENT NET FINANCIAL POSITION</b>	<b>(6,419)</b>	<b>(8,963)</b>	<b>2,554</b>
Financial assets held until maturity	60	60	-
<b>K. NON-CURRENT FINANCIAL DEBTS</b>	<b>(16,113)</b>	<b>(13,288)</b>	<b>(2,825)</b>
- of which related to Intesa Sanpaolo	(2,344)	(4,094)	1,750
<b>N. NON-CURRENT NET FINANCIAL POSITION</b>	<b>(16,053)</b>	<b>(13,228)</b>	<b>(2,825)</b>
<b>NET FINANCIAL POSITION (NET FINANCIAL INDEBTEDNESS)</b>	<b>(22,472)</b>	<b>(22,191)</b>	<b>(281)</b>
- of which related to Intesa Sanpaolo	(7,094)	(8,671)	1,577

Consolidated net financial position has remained basically unchanged, from 22,191 thousand euros at 31.12.2010 to 22,472 thousand euros at 31.12.2011.

This is an important result particularly in the presence of a strong growth in turnover and in view of the investment running in the People's Republic of China which at 31.12. amounts to 5,029,000 euros (tangible assets, intangible assets and financial investments).

The cash produced during 2011 has therefore completely compensated the investments in China financed during the year.

For information on funding please refer to the specific explanatory notes of the company and consolidated financial reports.



**Net Equity of the group companies**

	<i>Net Equity</i>	
	<i>2011</i>	<i>2010</i>
Bolzoni S.p.A.	39,796	38,156
Auramo OY Finland	8,244	8,130
Bolzoni Auramo Sweden	1,381	1,234
Bolzoni Auramo Holland	378	264
Bolzoni Auramo Germany	581	559
Bolzoni UK	257	20
Bolzoni Auramo Australia	573	18
Bolzoni Auramo France	1,509	1,479
Bolzoni Auramo Spain	(137)	327
Bolzoni Auramo Italy	10	80
Bolzoni Auramo USA	1,081	1,521
Bolzoni Auramo Canada	465	472
Bolzoni Auramo Poland	227	241
Bolzoni Auramo Shanghai China	2,016	1,888
Meyer Group	6,472	6,067
Meyer Italia Srl	(152)	(241)
Bolzoni Holding Hong Kong (Group)	7,459	-
<b>CONSOLIDATED</b>	<b>39,709</b>	<b>35,511</b>

**Transactions with Group companies and other related parties**

The following tables contain figures on turnover between parent Bolzoni S.p.A. and the other Group companies:

<i>Bolzoni S.p.A. turnover to subsidiaries</i>	<i>Products</i>	<i>Interest</i>	<i>Total in euro</i>
Auramo OY Finland	284	-	284
Bolzoni Auramo Sweden	628	-	628
Bolzoni Auramo Holland	681	-	681
Bolzoni Auramo Germany	1,549	-	1,549
Bolzoni UK	1,646	-	1,646
Bolzoni Auramo Australia	372	-	372
Bolzoni Auramo France	3,333	-	3,333
Bolzoni Auramo Spain	1,779	4	1,784
Bolzoni Auramo Italy	737	-	737
Bolzoni Auramo USA	4,409	-	4,409
Bolzoni Auramo Canada	254	6	261
Bolzoni Auramo Poland	595	-	595
Bolzoni Auramo Shanghai China	801	-	801
Hans H Meyer GmbH	1,285	44	1,329
Bolzoni Holding Hong Kong	-	-	-
Meyer Italia S.r.l.	405	6	411
<b>TOTAL</b>	<b>18,758</b>	<b>60</b>	<b>18,818</b>

<i>Bolzoni S.p.A. turnover to associates</i>	<i>Products</i>	<i>Interest</i>	<i>Total in euro</i>
Auramo South Africa	466	-	466
Eurolift Pty Ltd Australia	85	-	85
<b>TOTAL</b>	<b>551</b>	<b>-</b>	<b>551</b>



Turnover with Eurolift PTY Ltd refers to the first quarter of 2011, before it was added to the consolidation area.

Consolidated turnover to associates	<i>Products</i>	<i>Interest</i>	<i>Total in euro</i>
Auramo South Africa	917	-	917
Eurolift Pty Ltd Australia	85	-	85
<b>TOTAL</b>	<b>1,002</b>	<b>-</b>	<b>1,002</b>

Turnover with Eurolift PTY Ltd refers to the first quarter of 2011, before it was added to the consolidation area.

Turnover of subsidiaries to Bolzoni S.p.A.:	<i>Products</i>	<i>Interest</i>	<i>Total in euro</i>
Auramo OY Finland	1,052	97	1,149
Bolzoni Auramo Sweden	15	19	34
Bolzoni Auramo Holland	30	2	32
Bolzoni Auramo Germany	20	-	20
Bolzoni UK	17	-	17
Bolzoni Auramo Australia	-	-	-
Bolzoni Auramo France	54	17	71
Bolzoni Auramo Spain	29	-	29
Bolzoni Auramo Italy	2	-	2
Bolzoni Auramo USA	-	-	-
Bolzoni Auramo Canada	-	-	-
Bolzoni Auramo Poland	-	-	-
Bolzoni Auramo Shanghai China	52	-	52
Hans H Meyer GmbH	1,259	-	1,259
Meyer Italia S.r.l.	148	-	148
<b>TOTAL</b>	<b>2,678</b>	<b>135</b>	<b>2,813</b>

The following tables provide information on the payables and receivables between parent Bolzoni S.p.A. and all the group companies:

Bolzoni S.p.A. receivables with subsidiaries:	<i>Trade</i>	<i>Financial</i>	<i>Total in euro</i>
Auramo OY Finland	36	-	37
Bolzoni Auramo Sweden	41	-	40
Bolzoni Auramo Holland	124	-	124
Bolzoni Auramo Germany	224	-	224
Bolzoni UK	523	-	523
Bolzoni Auramo Australia	658	-	658
Bolzoni Auramo France	748	-	748
Bolzoni Auramo Spain	596	150	746
Bolzoni Auramo Italy	333	-	333
Bolzoni Auramo USA	3,929	-	3,929
Bolzoni Auramo Canada	81	200	281
Bolzoni Auramo Poland	293	-	293
Bolzoni Auramo Shanghai China	418	-	418
Hans H. Meyer GmbH	388	1,450	1,838
Meyer OOO Russia	5	-	5
Meyer Italia S.r.l.	201	300	501
Bolzoni Holding Hong Kong	257	-	257
<b>TOTAL</b>	<b>8,855</b>	<b>2,100</b>	<b>10,955</b>



<b>Bolzoni S.p.A. payables with subsidiaries:</b>	<i>Trade</i>	<i>Financial</i>	<i>Total in euro</i>
Auramo OY Finland	308	3,500	3,808
Bolzoni Auramo Sweden	18	650	668
Bolzoni Auramo Holland	11	150	161
Bolzoni Auramo Germany	8	-	8
Bolzoni UK	15	-	15
Bolzoni Auramo Australia	6	-	6
Bolzoni Auramo France	21	800	821
Bolzoni Auramo Spain	40	-	40
Bolzoni Auramo Italy	2	-	2
Bolzoni Auramo USA	8	-	8
Bolzoni Auramo Canada	9	-	9
Bolzoni Auramo Poland	-	-	-
Bolzoni Auramo Shanghai China	5	-	5
Hans H Meyer GmbH	377	-	377
Meyer Italia S.r.l.	92	-	92
<b>TOTAL</b>	<b>920</b>	<b>5,100</b>	<b>6,020</b>

<b>Payables with shareholders – Intesa-Sanpaolo Group</b>	<i>Bolzoni S.p.A.</i>	<i>Consolidated</i>
Medium term	2,344	2,344
Short term	1,858	4,750
<b>TOTAL</b>	<b>4,202</b>	<b>7,094</b>

<b>Receivables with associated companies</b>	<i>Bolzoni S.p.A.</i>	<i>Consolidated</i>
Auramo South Africa	255	329
<b>TOTAL</b>	<b>255</b>	<b>329</b>

Transactions with Group companies and related parties (associated companies and Intesa-Sanpaolo) were performed at normal market conditions.

### **Definition of alternative performance indicators**

As per CONSOB's Release n° DEM/6064293 dated 28 July 2007, below we have defined the alternative performance indicators employed to illustrate the Group's equity, financial and economic trend.

Gross operating result (Ebitda): defined as the difference between sales revenue and costs related to consumption of materials, services, labour and to the net balance of operating income/charges. It represents the margin achieved before depreciation, financial results and tax.

Operating result (Ebit): defined as the difference between the gross operating result and the value of depreciation/write-downs. It represents the margin achieved before financial results and tax.



**Net invested capital:** represents the algebraic sum of fixed assets, current assets (net of cash in hand and equivalent) and current liabilities (net of financial payables) and long term funds.

**Net financial position:** represents the algebraic sum of cash in hand and equivalent, current and non current financial receivables and payables. It should be noted that the Net Financial Position is calculated as per Consob Resolution n. DEM/6064313 on 28 July 2006.

### Ebitda and Ebit

Ebitda corresponds to the Gross Operating Result as defined above.

Ebit coincides with the Operating Result.

### Performance indicators

To ensure a better understanding of the Group's results, below are the figures for some of the indicators usually employed in financial analysis:

Profitability indexes		
	31/12/2011	31/12/2010
<b>ROE</b> <i>Return on equity</i>	4.12%	- 1.03%
<b>ROI</b> <i>Return on investment</i>	5.90%	1.85%

**ROE (Return on Equity):** calculated as the ratio between net result and shareholder's equity. It expresses the profitability of the investment in the company's capital compared to investments of other nature, or rather whether or not the investment in the Group is convenient.

**ROI:** this is calculated as the ratio between the operating result (Ebit) and the invested capital (net of investments in non-characteristic activities which is not the case for the Bolzoni Group). It indicates the company's ability to generate profits through activities related to its business.

Liquidity indexes		
	31/12/2011	31/12/2010
<b>DI</b> <i>Availability index or quick ratio</i>	1.38	1.25
<b>LS</b> <i>Liquidity index or current ratio</i>	0.86	0.75

**DI:** calculated as the ratio between current assets and current liabilities and indicates the company's ability to use its quick assets to deal with current liabilities.

**LS:** calculated as the ratio between current assets without inventory and current liabilities; it is used to assess the security of a company from the financial standpoint.

Indexes of financial solidity		
	31/12/2011	31/12/2010
<b>CI</b> <i>Index of self-coverage of fixed assets</i>	0.85	0.79
<b>LEV</b> <i>Index of debt level</i>	1.57	1.63
<b>IN</b> <i>Indebtedness ratio</i>	0.57	0.63

**CI:** calculated as the ratio between shareholders' equity and fixed assets; it indicates the ability of a company's own capital to meet its investment requirements.



**LEV (Leverage):** calculated as the ratio between invested capital and net shareholders' equity and therefore indicates the company's level of debt. The higher the value of the index the greater the risk for the company.

**IN:** calculated as the ratio between net financial indebtedness (as defined above) and net shareholders' equity and indicates the relation between heavy borrowed capital and the company's net shareholders' equity.

**Gross operating result (Ebitda)** and the **net Financial Position**, as described above, are measures taken by the Group Management to monitor and assess the operating trend of the group itself and are not identified as an accounting measure within the IAS/IFRS; therefore, they should not be considered an alternative measure for the assessment of the course of the Group's result.

As the composition of these measures is not regulated by the accounting standards of reference, the criteria for determination applied by the Group may not be in line with that adopted by others and therefore may not be comparable.

## Principal risks and uncertainties

### Risks and uncertainties

Risk management (internal and external, social, industrial, political, financial) is integrated in the Group's development strategy and represents an essential element in the continuing evolution process of the governance system. Through the improvement of the rules of behaviour, respect for the environment, safeguard of stakeholders (employees, customers, suppliers, shareholders) risk management aims to safeguard the company's wealth.

### Risks connected to general economic context and to that of the sector

The crisis which has progressively deteriorated the international financial and economic situation in 2008 and 2009 has represented an element of risk for the Group. The growth detected particularly in the first half of 2011 has further mitigated the effects of the 2008/2009 crisis. During the second half of 2011 the tendency of companies towards investments has slowed down due to the high tension on the financial markets. It should however be noted that, even in the second semester, there has been a growth in volumes.

### Financial risks

The second semester of 2011 has highlighted a new tension on the financial markets both from the point of view of liquidity and also due to the spreads applied by banks.

The Group's Financial Management attends to the procurement of sources of funding and to the management of interest rates, exchange rates and counterpart risks, for all the companies included in the consolidation area. The Group uses derivative financial instruments to reduce risks deriving from fluctuations in interest rates and exchange rates in relation to the nature of the debt and to the international activity. A detailed examination of this type of risk is to be found in the explanatory notes, point 32.

### Legal risks

An updated on the principal disputes in progress is contained in the specific sections of this report with further details in the explanatory notes. The estimates and the evaluations used derive from available information and are in any case subject to systematic revisions and any changes are immediately accounted for in the financial statement.

### Insurance contracts

In the interest of all the Group subsidiaries insurance policies have been taken out with primary insurance companies to cover possible risks on persons and property, in addition to risks of civil liability towards third parties. All policies have been negotiated as part of a framework agreement to ensure a balance between the probabilities of risk occurring and the resulting damage for each one of the subsidiaries.



**CONSOLIDATED INCOME STATEMENT AT 31 DECEMBER**

<b>STATEMENT OF INCOME</b> <i>(thousands of euros)</i>	<b>31.12.2011</b>	<b>31.12.2010</b>	<b>Variation % 2011 vs 2010</b>
Net sales	115,834	93,526	23.85%
Other income	1,268	1,147	10.55%
<b>Total revenues</b>	<b>117,102</b>	<b>94,673</b>	<b>23.69%</b>
Cost of raw material and purchased goods	(52,905)	(39,700)	33.26%
Cost of services	(22,274)	(19,086)	16.70%
Labour costs	(31,710)	(28,638)	11.85%
Other operating expenses	(1,090)	(939)	16.08%
Share of profit of associates accounted for under equity method	(4)	176	N.R.
<b>EBITDA</b>	<b>9,119</b>	<b>6,486</b>	<b>40.60%</b>
Depreciation and amortisation	(4,947)	(5,118)	(3.34%)
Accruals and impairment losses	(506)	(295)	71.53%
<b>EBIT</b>	<b>3,666</b>	<b>(1,073)</b>	<b>241.66%</b>
Financial expenses	(1,525)	(1,284)	18.80%
Financial income	243	331	(26.59%)
Gains or losses from foreign currency translation	525	(74)	N.R.
<b>Result before tax</b>	<b>2,909</b>	<b>46</b>	<b>6,223.91%</b>
Income tax	(1,272)	(410)	229.02%
<b>Result of the period</b>	<b>1,637</b>	<b>(364)</b>	<b>N.R.</b>

**Breakdown of revenue according to geographic areas**

The following tables provide figures on income and information on some of the activities related to the Group's geographic areas for the financial years ended 31 December 2011 and 2010.

<b>2011</b>	<b>Europe</b>	<b>North America</b>	<b>Others</b>	<b>Total</b>
Revenues	92,176	10,905	12,754	115,834
<b>2010</b>	<b>Europe</b>	<b>North America</b>	<b>Others</b>	<b>Total</b>
Revenues	75,452	8,151	9,923	93,526

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



### Events after 31 December 2011

---

During the first months of the year, on the one hand we have a domestic market in recession on the other an international market with, despite some exceptions, is showing results that are better than expected. The overall result is sales and production volumes higher than the forecasted.

The projects in China continue their development according to the established time-frame.

### Absence of control and coordination activity

---

Despite the fact that article 2497-sexies of the Civil Code states that 'unless proven to the contrary it is presumed that the management and coordination activity of companies is exercised by the company or the body bound in duty to consolidate the financial statements or in any case controlling them in accordance with article 2359', Bolzoni S.p.A. believes it operates in conditions of corporate and managerial autonomy with respect to its parent Penta Holding S.r.l. In particular and for illustrative yet incomplete purposes, the Issuer autonomously manages the treasury and business relations with its customers and suppliers and does not make use of any service given by its parent.

Relations with Bolzoni S.p.A. are limited to normal exercise of administrative and equity rights of the parent, typical of its shareholder status.

### Corporate Governance

---

#### Preliminary remarks

In compliance with mandatory requirements, each year a Report on Corporate Governance is drawn up which, in addition to providing a general description of the corporate governance system adopted by the Group, also gives information on the ownership and on the compliance to the corporate governance code and resulting obligations. The above-mentioned Report, available for consultation in the section 'Investor Relations - Corporate Governance' of the web-site [www.bolzoni-auramo.com](http://www.bolzoni-auramo.com), is made up of 6 sections.

Below is a brief description of the most important aspects for the purposes of the present Management report.

#### **Management and Coordination activity**

The Parent is not subject to management and coordination activity by companies or bodies and establishes its general and operational strategic orientations in full autonomy. Within the Group the Company's role is to coordinate and manage.

#### **Board of Directors**

In accordance with the company by-laws, the Board of Directors is made up of a number of members varying from a minimum of five to a maximum of ten. The Shareholders' Assembly held on 21 April 2009 established the number of Board members in ten and the terms of office of the Board expire on the date of the Shareholders' Assembly convening for the approval of the Financial Statement at 31.12.2011.

On 29 November 2010 the Board defined the procedure for operations performed with related parties by which it has reserved itself the right to a previous examination and approval of transactions having major economic and financial significance and of the most important transactions with related parties and has also decided to subject all operations with related parties to special measures of substantial and formal fairness. The powers therefore given to the executive directors do not include decisions regarding important operations, meaning those which, due to their very nature, subject the Company to the need to inform the market in accordance with the specific provisions established by the Supervisory Authorities. When it becomes necessary for the Company to perform significant transactions, reasonably ahead of time the delegated bodies must provide the Board of Directors with a description summarizing the performed analyses in terms of strategic coherence, economic feasibility and expected return for the Company. Decisions regarding the most important transactions with related parties are also excluded from the powers given to the executive directors as these are all subject to special measures of substantial and formal fairness and to disclosure to the Board.

In accordance with article 25-bis of the By-Laws and prior to the opinion of the Board of Statutory Auditors, the Board of Directors nominates the manager responsible for the preparation of the





company accounting documents, and grants the related functions even to more than one person as long as they perform jointly and in agreement; anyone with a long-term experience in administrative and financial matters in companies of a significant dimension can be nominated. To implement this statutory provision the Board of Directors, in the meeting held on 27 April 2007, nominated the manager responsible for the preparation of the company's accounting documents.

A suitable number of independent directors represents an essential element for protecting the interests of shareholders, in particular the minority shareholders, and third parties. With this in mind and convinced that the adoption of a high degree of security systems protecting against potential conflict of interest, is a priority interest for the Company, particularly in those areas less safeguarded by the Shareholders' Assembly, the Board of Directors proposed to the Shareholders' Assembly on 21 April 2009, three members of the Board of Directors with the necessary independency characteristics together with the selective criteria for their verification.

The independency requisites of the directors are verified each year and cover the non-existence or the irrelevance, extended to the last three year period, of economic relations, of interests or of other nature, held directly, indirectly or on behalf of third parties, with the Company, its managing directors and managers with strategic responsibilities, its parent companies or subsidiaries or with subjects in any case correlated with the Company. The result of these verifications is included in the Report on Corporate Governance.

### ***Committees created by the Board of Directors***

The Board of Directors has created the Internal Control Committee which, among other things, has the task of selecting and proposing candidates for the office of directors and appointing the Remuneration Committee.

### ***Internal Control System***

In view of the approval by the Company of the Organisation Model in accordance with Leg. Decree n° 231/2001 the elements forming the Internal Control System are given by the person responsible for the Internal Control system, appointed in accordance with TUF, as well as by the functioning of the Internal Control Committee described above, and by the Corporate Charter of Values existing since 2003. This document identifies the values in which the Company and the entire Group identify themselves, with particular focus on sustainable social development and protection of working conditions, with regards both to safety and to preventing exploitation of workers and child labour.

It should also be noted that in 2008 the Company completed the project for the preparation and the implementation of an Organisation Model in accordance with Leg. Decree 231/01, which was presented to the approval of the Board of Directors on 26 March 2008. Together with the Organisation Model the Board of Directors were also presented with the Ethical Code for approval which constitutes the evolution and the update of the Company's Charter of Values, with the explicit acknowledgement of ethical values already typical of the behaviour of both the Company and the entire Group.

Once implemented, the Organisation Model was accompanied by the appointment of a collegial Supervisory Body, which conducts its own activities in order to constantly verify that the Organisation Model is adequate and effective for the prevention of so called 'presumable crimes' as identified by the Legislator from time to time.

It should also be noted that a significant supervision of the internal control system is also provided by the running procedures and protocols prepared for obtaining the Social Accountability Certification given in accordance with SA800 regulations as well as by the administrative and accounting procedures applied by the manager responsible for the preparation of the company's accounting documents.

### ***Board of Statutory Auditors***

The Board is made up of three permanent auditors and two alternate auditors who, in accordance with art. 22 of the company by-laws, must all necessarily be registered as Certified Accounting Auditors and must have performed the activity of legal control of the accounts for a period of not less than three years. Furthermore, they can take on other administrative and control assignments within the limits established by the rules.

Following the resolutions passed on 29 April 2010 by the Shareholders' Assembly, the Board of Statutory Auditors is made up of the Chairman Giorgio Picone and the permanent auditors Carlo Baldi and Maria Gabriella Anelli. Their office expires on the date of the Shareholders Assembly convened for the approval of the Financial Statement for year 2012. The Board of Statutory Auditors does not hold any other office in other Group companies. A complete disclosure will be attached to the Report of the Statutory Board of Auditors on Bolzoni S.p.A.'s Financial Statement for 2011, in compliance with the current rules.



**Stakes held by the components of the administrative and control bodies, by the general directors and managers with strategic responsibilities (Art. 79 of Consob Ruling Resolution n° 11971 passed on 14.5.1999)**

<i>Surname and name</i>	<i>Company</i>	<i>Number of shares held at 31.12.2010</i>	<i>Number of shares purchased</i>	<i>Number of shares sold</i>	<i>Number of shares held at 31.12.2011</i>
Bolzoni Emilio	Bolzoni S.p.A.	21,873	-	-	21,873
Bolzoni Franco	Bolzoni S.p.A.	208,726	-	-	208,726
Pisani Luigi	Bolzoni S.p.A.	34,002	-	-	34,002
Scotti Roberto	Bolzoni S.p.A.	50,913	-	-	50,913
Magnelli Pierluigi	Bolzoni S.p.A.	4,167	-	-	4,167
Staack Karl Peter Otto	Bolzoni S.p.A.	912,282	-	-	912,282
Salsi Giovanni	Bolzoni S.p.A.	2,000	-	-	2,000
Mazzoni Paolo	Bolzoni S.p.A.	1,410,900	159,100	-	1,570,000
Managers	Bolzoni S.p.A.	141,195	-	6,375	134,820

### **The Board of Directors' proposal to the Shareholders**

---

Gentlemen,

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

We therefore propose:

- the approval of the financial statement at 31.12.2011;
- the allocation of the amount of 73,169.69 euros to legal reserve;
- the distribution of dividends for the amount of 1,039,756.60 euros;
- the allocation of the remaining profit of 350,467.51 euros to extraordinary reserve.

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

Podenzano, 14 March 2012

The Board of Directors

**CONSOLIDATED FINANCIAL STATEMENT at 31 December 2011**

<b>FINANCIAL STATEMENT</b>	<b>Notes</b>	<b>31/12/2011</b>	<b>31/12/2010</b>
€'000			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	25,138	26,033
Goodwill	5	10,618	10,618
Intangible fixed assets	6	6,169	4,551
Investments in associated companies assessed on N.E.	7	1,909	896
Credits and other financial assets	8	230	78
Financial assets held to maturity	9	60	60
Deferred tax assets	10	2,634	2,816
<b>Total non-current assets</b>		<b>46,758</b>	<b>45,052</b>
<b>Current assets</b>			
Inventory	11	19,999	18,077
Trade receivables	12	24,486	21,808
- of which related to associated companies	12	329	269
Tax receivables	13	127	352
Other receivables	14	1,907	545
Financial assets available for sale	15	284	261
Cash and cash equivalent	16	6,716	3,817
- of which towards related parties ( Intesa-Sanpaolo)	18	556	421
<b>Total current assets</b>		<b>53,519</b>	<b>44,860</b>
<b>TOTAL ASSETS</b>		<b>100,277</b>	<b>89,912</b>



## CONSOLIDATED FINANCIAL STATEMENT at 31 December 2011

FINANCIAL STATEMENT €/000	Notes	31/12/2011	31/12/2010
<b>GROUP NET EQUITY</b>			
Share capital	17	6,498	6,498
Reserves	17	28,404	28,472
Result of the period	17	1,592	(438)
<b>TOTAL NET GROUP EQUITY</b>		<b>36,494</b>	<b>34,532</b>
<b>NET THIRD PARTY EQUITY</b>			
Capital, reserves and retained earnings		3,170	905
Result of the period		45	74
<b>TOTAL NET GROUP AND THIRD PARTY EQUITY</b>		<b>39,709</b>	<b>35,511</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long term loans	18	16,113	13,288
- of which towards related parties (Intesa-Sanpaolo)	18	2,344	4,094
T.F.R. provision (retirement allowance)	19	2,953	3,033
Deferred tax liability	10	1,550	1,620
Contingency and expenses provisions	20	222	165
Liabilities for derivative instruments	21	183	-
Other long-term liabilities		732	546
<b>Total non-current liabilities</b>		<b>21,753</b>	<b>18,652</b>
<b>Current liabilities</b>			
Trade payables	22	17,575	16,222
Payables towards banks and current portion of long term loans	18	13,419	13,041
- of which towards related parties (Intesa-Sanpaolo)	18	5,306	4,998
Other payables	23	6,306	4,955
Tax payables	24	1,150	1,010
Current portion of contingency provision	20	365	521
<b>Total current liabilities</b>		<b>38,815</b>	<b>35,749</b>
<b>TOTAL LIABILITIES</b>		<b>60,568</b>	<b>54,401</b>
<b>TOTAL NET EQUITY AND LIABILITIES</b>		<b>100,277</b>	<b>89,912</b>

**CONSOLIDATED INCOME STATEMENT for fiscal year ended 31 December 2011**

<b>INCOME STATEMENT</b> €/000	<b>Notes</b>	<b>2011</b>	<b>2010</b>
Turnover	3	115,834	93,526
- of which related to associated companies	35	1,002	805
Other operating revenue	25	1,268	1,147
<b>Total revenue</b>		<b>117,102</b>	<b>94,673</b>
Costs for raw material and consumables	26	(52,905)	(39,700)
Costs for services	27	(22,274)	(19,086)
- of which towards related parties	35	(336)	(336)
Personnel expenses	28	(31,710)	(28,638)
- of which non recurring	28	-	(288)
Other operating expenses	29	(1,090)	(939)
Result of associated companies assessed at N.E.	7	(4)	176
<b>Gross operating result</b>		<b>9,119</b>	<b>6,486</b>
Amortization	4,6	(4,947)	(5,118)
Provisions and write-downs	12,20	(506)	(295)
<b>Operating result</b>		<b>3,666</b>	<b>1,073</b>
Financial expenses	30	(1,525)	(1,284)
- of which related to Intesa -Sanpaolo	35	(247)	(200)
Financial income	30	243	331
- of which related to Intesa -Sanpaolo	35	6	1
Exchange rate earnings and losses	30	525	(74)
<b>Result before tax</b>		<b>2,909</b>	<b>46</b>
Income tax	10	(1,272)	(410)
<b>Result of continuing activities</b>		<b>1,637</b>	<b>(364)</b>
<b>Result of the period</b>		<b>1,637</b>	<b>(364)</b>
Attributable to:			
- Group		1,592	(438)
- Third parties		45	74
<b>Earnings per share</b>	32		
- basic, for the year's profit attributable to ordinary shareholders of the parent		0.061	(0.017)
- diluted, for the year's profit attributable to ordinary shareholders of the parent		0.061	(0.017)



**STATEMENT OF COMPREHENSIVE INCOME for fiscal year ended 31 December 2011**

<b>STATEMENT OF COMPREHENSIVE INCOME €/000</b>	<b>Notes</b>	<b>31/12/2011</b>	<b>31/12/2010</b>
<b>Profit/Loss for the period (A)</b>		<b>1,637</b>	<b>(364)</b>
Part of profit/loss with effect on cash flow hedging instruments		(37)	-
Tax effect of cash flow hedge		10	<del>4</del>
Profit/loss from redetermination of financial activities available for sale		-	-
Profit/loss from translation of foreign companies' financial statements		(54)	7
Other profit/loss of companies calculated with the N.E. method		-	-
Actuarial profit/loss of fixed benefit plans		-	-
<b>Total Other profit/loss (B)</b>		<b>(81)</b>	<b>7</b>
<b>Total Overall Profit/loss (A + B)</b>		<b>1,556</b>	<b>(357)</b>
Attributable to:			
Group		1,520	(431)
Third parties		36	74



**STATEMENT OF CHANGES IN EQUITY**  
for years ended 31 December 2010 and 31 December 2011

	Capital	Share prem. reserve	Legal reserve	Cash flow hedge reserve	Retained earnings	Transl. differ.	Year result	Total NE for the Group	Minority interests	Min. result	Total Net Equity
<b>Balances as at 31.12.2009</b>	<b>6,498</b>	<b>17,544</b>	<b>1,284</b>	-	<b>18,942</b>	<b>(1,330)</b>	<b>(8,312)</b>	<b>34,625</b>	<b>906</b>	<b>(14)</b>	<b>35,517</b>
Year result							(438)	(438)	-	74	(364)
Other comprehensive profits/losses						(7)	7				-
Total comprehensive profits/losses						(7)	(431)	(438)		74	(364)
Profit allocation					(8,312)		8,312	-	(14)	14	-
Variation in consolidation area					(164)			(164)			(164)
Other items measured at N.E.					70			70			70
Other movements					(39)	485	(7)	439	13		452
<b>Balances as at 31.12.2010</b>	<b>6,498</b>	<b>17,544</b>	<b>1,284</b>	-	<b>10,497</b>	<b>(853)</b>	<b>(438)</b>	<b>34,532</b>	<b>905</b>	<b>74</b>	<b>35,511</b>
Year result							1,592	1,592		45	1,637
Other comprehensive profits/losses				(27)		(47)		(74)	(7)		(81)
Total comprehensive profits/losses				(27)		(47)	1,592	1,518	(7)	45	1,556
Profit allocation			21		(459)		438		74	(74)	-
Variation in consolidation area					396			396	2,185		2,581
Other movements						48		48	13		61
<b>Balances as at 31.12.2011</b>	<b>6,498</b>	<b>17,544</b>	<b>1,305</b>	<b>(27)</b>	<b>10,434</b>	<b>(852)</b>	<b>1,592</b>	<b>36,494</b>	<b>3,170</b>	<b>45</b>	<b>39,709</b>



**CONSOLIDATED CASH FLOW STATEMENT for fiscal year closed 31 December 2011**

The statement contains operations with related parties only when they are not directly inferable from other statements in this report. Items related to operations with related parties are described at note 35 of the Explanatory Notes.

€/000	Notes	2011	2010
<b>Net profit for the period</b>		<b>1,592</b>	<b>(438)</b>
<i>Adjustments to reconcile net profit with cash flow generated (absorbed) by operating activities:</i>			
Amortization		4,947	5,118
Accrual to TFR provision (retirement allowance) and financial charges		633	591
Services paid and actuarial differences		(713)	(790)
Accrual to contingency and charges provision		356	156
Use of contingency and charges provision		(498)	(1,322)
Net variation of other long term liabilities		186	(311)
Variation in derivative value		183	-
Net variation in deferred tax		112	(427)
Net variation in investments assessed at N.E.		(1,236)	(161)
<i>Variations in operating assets and liabilities:</i>			
(Increase) decrease in inventory		(1,398)	(2,545)
(Increase) decrease in trade receivables		(2,346)	(2,136)
(Increase) decrease in other receivables		(1,383)	(338)
Increase (decrease) in trade payables		1,291	4,822
Increase (decrease) in other payables		1,300	807
Increase (decrease) in tax payables		140	234
(Increase) decrease in tax receivables		226	441
<b>NET CASH FLOW GENERATED BY OPERATING ACTIVITIES:</b>	<b>a)</b>	<b>3,392</b>	<b>3,701</b>
<i>Cash flow absorbed by investment activity:</i>			
Gross investments in tangible activities		(3,753)	(1,782)
Net disinvestment in tangible activities		1,162	-
Net investments in intangible activities		(3,062)	(725)
Acquisition of subsidiaries net of acquired liquidity		(481)	-
<b>NET CASH FLOW ABSORBED BY INVESTMENT ACTIVITIES</b>	<b>b)</b>	<b>(6,134)</b>	<b>(2,507)</b>
<i>Cash flow generated/absorbed by funding activity:</i>			
New loans (repayment) and transfer of short term portions to current liabilities		3,518	(1,039)
Net variation of other non-current financial assets/liabilities		(152)	195
Dividends paid		-	-
Monetary flows from share capital increase and stock options		-	-
Other variations to equity and third party interests		2,606	432
<b>CASH FLOW GENERATED (ABSORBED) BY FUNDING ACTIVITIES</b>	<b>c)</b>	<b>5,972</b>	<b>(412)</b>
<b>EFFECT OF EXCHANGE RATES ON THE NET LIQUID FUNDS</b>		<b>-</b>	<b>-</b>
<b>NET INCREASE (DECREASE) IN NET LIQUID FUNDS</b>	<b>a)+b)+c)</b>	<b>3,230</b>	<b>782</b>
NET LIQUID FUNDS AT START OF THE YEAR		1,476	694
NET LIQUID FUNDS AT END OF THE YEAR		4,706	1,476
VARIATION		3,230	782
<b>ADDITIONAL INFORMATION:</b>			
Interest paid		1,272	985
Income tax paid		864	388





## 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 2011 were approved by the Board of Directors on 14th March 2012.

As at December 31 2011 the majority of Bolzoni S.p.A.'s share capital is owned by Penta Holding S.r.l. with registered offices in Podenzano, Località I Casoni (Piacenza).

The Parent Company is not subject to management and coordinating activities on behalf of companies or bodies and establishes in full autonomy its general and operational strategic orientations.

### 2.1 Preparation basis

The consolidated financial statement for 2011 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 accounting principles used in this financial statement are those formally approved by the European Union and in force at 31 December 2011. Unless otherwise indicated, figures contained in the statements and notes are in thousands of euros.

We have included all the specific disclosure requirements established in CONSOB's resolution n° 15519 passed on July 27 2006, CONSOB's resolution n° 15520 passed on July 27 2006 and in Release n° DEM/6064293 dated 28.07.2006.

The financial statement as at 31 December 2011 has been drawn up on the basis of the historic cost, modified as required by the accounting standards of reference for the evaluation of certain financial instruments, if necessary.

With reference to the Statements of the Consolidated Financial report, the following should be noted:

- Balance Sheet: the Group differentiates between non-current assets and liabilities and current assets and liabilities;
- Income Statement: the Group presents a classification of costs according to their nature, which is believed to be more representative of the Group's predominantly commercial and distribution activities;
- Cash Flow Statement: it has been drawn up using the indirect method to determine cash flows produced by the activity during the period;
- Variations to Net Equity: the Group includes all variations to net equity including those deriving from transactions with shareholders (distribution of dividends, share capital increases)

The consolidated financial statement at 31 December 2011 has been prepared with the prospect of a continuation in the company's activity. Indeed the Group has estimated that, despite a difficult economic and financial context, no significant uncertainties exist regarding its continuity, also considering the actions already identified to adjust to the altered levels of demand and the industrial and financial flexibility of the Group itself and also in view of the growth in turnover volumes during the financial year 2011 with respect to the previous year.

### Accounting standards and interpretations endorsed effective from 1 January 2011

- Amendments to IAS 32 "Financial instruments: Disclosure and Presentation – Classification of issue of rights"

These amendments refer to issue of rights such as, for example, options or warrants, in currencies other than the issuer's functional currency. Previously, such issue of rights were accounted for as derivative financial liabilities. Now, if certain conditions are met, it is possible to classify these issues of rights as net equity instruments regardless of the currency used to express the price.

The application of these amendments does not have any effect on the financial statement.



- Amendments to IFRS 1 reviewed “First-time adoption of IFRS – exemptions limited to comparative disclosure required by IFRS 7 in the event of first adoption”

This amendment exempts, for first-time adopters of the IFRS, from the need to provide comparative figures for the additional disclosures required by IFRS 7 regarding the calculation of fair value and liquidity risk. It does not affect the financial statement.

- IAS 24 reviewed “Related party disclosures”

The new version of IAS 24 simplifies the type of information required on transactions with related parties controlled by the State and provides a new simpler and clearer definition of related parties. The application of this principal does not have any significant effect on the disclosures provided.

- Amendments to IFRIC 14 “Prepayments of a minimum funding requirement”

The amendments apply to the rare case in which an entity, subject to minimum funding requirements related to defined benefit plans, makes prepayments to guarantee these limits. The benefits deriving from prepayments can be booked under assets.

These amendments are not applicable to the Company.

- IFRIC 19 “Extinguishing financial liabilities with Equity instruments”

This interpretation provides guidelines on the recognition of the extinction of a financial liability through the issue of equity instruments (debt for equity swap), that is to say, when an entity renegotiates with its creditor the terms of a debt and the creditor accepts the entity’s shares or other equity instruments to totally or partly extinguish the debt itself.

The application of this interpretation does not affect the financial statement.

- Improvements to the IFRSs (issued by IASB in May 2010)

Under the project begun in 2008, the IASB has issued a series of amendments to 8 standards in force. The following table summarizes the standards and the issues affected by these amendments:

<b>IFRS</b>	<b>Subject of the amendment</b>
IFRS 3 – Business combinations	Transition dispositions for contingent consideration from a business combination that occurred before 1/1/2010. Measurement of non-controlling interests. Un-replaced and voluntarily replaced share-based payment awards.
IFRS 7 – Financial instruments: Disclosures	Clarification of additional disclosures according to financial asset class
IAS 1 – Presentation of Financial Statements	Clarification of statement of changes in equity
IAS 27 – Consolidated and separate Financial Statements	Transition dispositions for amendments to certain standards following modifications to IAS 27 (2008); IAS 21 – Effects of changes in foreign exchange rates : recognition of conversion differences accumulated in net equity following a total or partial disposal of a foreign interest: IAS 28 – Interests in associated companies / IAS 31 – Interests in Joint Ventures: recognition when significant influence or joint control no longer exist
IAS 34 – Interim Financial Reporting	Addition disclosure requested by IFRS 7 “Financial Instruments: additional disclosures” and their applicability to Interim Reports.
IFRIC 13 – Customer loyalty programmes	Fair value of award credits

The application of the above amendments does not have any significant impact on the financial statement.



### International accounting standards and/or interpretations issued but not yet effective and/or not yet endorsed

As required by IAS 8 “*Accounting policies, changes in accounting estimates and errors*”, new Standards or Interpretations already issued, but not yet effective or not yet endorsed by the European Union and therefore not applicable, are indicated below with a brief description.

None of these Standards and Interpretations have been adopted in advance.

- Amendments to IFRS 7 – Financial Instruments; Additional Disclosures

These amendments are aimed at improving financial statement disclosure in order to increase transparency and comparability with regards to transactions for the transfer of financial assets (for example, securitisation operations) including the possible effects of risks remaining with the entity transferring the asset.

These amendments, endorsed by the European Union in November 2011 (EC Ruling 1205/2011) are applicable from 1 January 2012. No effects are expected on the financial statement.

- IFRS 9 – Financial instruments (issued November 2009 and October 2010) and subsequent amendments (issued December 2011)

IFRS 9 represents the first of three stages of the scheduled replacement of IAS 39 *Financial Instruments: Recognition and Measurement*, with the main aim of reducing its complexity. In the version issued by the IASB in November 2009 the application scope of the IFRS 9 was limited to only the financial assets. In October 2010 the IASB added to the IFRS 9 the requisites for classification and measurement of financial liabilities, thus completing the first stage of the project.

The second stage of the project, concerning the impairment of the financial instruments and the third stage, concerning hedge accounting, have resulted in the issue of two Exposure Drafts in November 2009 and December 2010 respectively. With regards to the impairment of financial instruments a new Exposure Draft is expected to be issued in the first half of 2012, whereas for hedge accounting the related new standard is also expected to be issued in the first semester of 2012.

The main changes introduced by IFRS 9 with regards to financial assets are summarised below:

- financial assets can be classified in only two categories: at fair value or at amortized costs. The categories of loans and receivables, available-for-sale financial assets and financial assets held to maturity therefore disappear. Classification within the two categories is based on the entity's business model and on the basis of the features of the cash flows generated by the assets themselves. Financial assets are measured at their amortized cost if both the following requisites are met: the entity's business model foresees that the financial assets are held to collect their cash flows (therefore, substantially, not for making trading profits) and the characteristics of the cash flows of the assets correspond only to the payment of principal and interest. Otherwise, financial assets must be measured at fair value;
- the accounting rules for embedded derivatives have been simplified: separate accounting for the embedded derivative and the financial asset 'hosting' it is no longer required;
- all equity instruments – both listed and unlisted – must be measured at fair value. IAS 39 stated instead that, if fair value could not be reliably determined, unlisted equity instruments had to be measured at cost;
- the entity has the option of presenting in net equity any changes in the fair value of equity instruments not held for trading, whereas this option is forbidden for those held for trading. This designation is permitted at the moment of initial recognition, may be adopted for a single security and is irrevocable. If this option is selected, the fair value changes of such instruments can never be reclassified from equity to the income statement. Dividends instead continue to be recognised in the income statement;
- IFRS 9 does not allow reclassifications between the two categories of financial assets except in rare cases in which there is a change in the entity's business model. In this case the effects of the reclassification are applied prospectively;
- the disclosure required in the notes has been adapted to the classification and to the measurement rules introduced by IFRS 9.

With regards to financial liabilities the IASB has essentially confirmed the provisions of IAS 39, except for the requisites related to the fair value option. If the fair value option is adopted for financial liabilities, the fair value variation that can be attributed to the variation in the issuer's credit risk must be recognised in the overall profit and loss statement and not in the income statement.



This standard which should come in to effect on 1 January 2015 has not yet been endorsed by the European Union. At the moment the effects deriving from the future application of the standard with regards to the classification and the measurement of financial assets cannot be quantified; the amendments regarding financial liabilities are not applicable to the financial statement.

- Amendments to IAS 12 – Income tax – recovery of underlying assets

IAS 12 requires an entity to measure deferred tax relating to an asset or a liability depending on whether the entity expects to recover the carrying amount of the asset through use or sale. In the case of assets measured at fair value according to IAS 40 *Investment Property* it could be difficult and subjective to assess whether recovery will be through use or through sale. These amendments provide a practical solution to the problem by introducing a presumption that recovery of the property investments will be entirely through sale. As a consequence, the SIC-21 “*Income taxes – recovery of revalued non-depreciable Assets*” no longer applies to investment properties carried at fair value. The remaining guidance previously provided in SIC 21 is incorporated into the amended IAS 12 and therefore SIC 21 will be withdrawn.

These amendments, expected to be effective from 1 January 2012, have not yet been endorsed by the European Union and are not applicable to the financial statement.

- Amendments to IFRS 1 – First-time adoption of the IFRS – Severe hyperinflation and removal of fixed dates for first-time adoption

The amendments introduced are:

- guidelines for preparing the financial statement according to the IFRS following a period during which the application of the IFRSs has been suspended due to hyperinflation;
- elimination of the fixed dates for first-time adoption of the IFRS. Entities adopting the IFRS apply the requisites regarding the prospective elimination in accounting of financial assets and liabilities, namely they are no longer obliged to reconstruct transactions which occurred before the date of transition to the IFRS and which have resulted in the elimination in accounting of the financial assets and liabilities.

These amendments, which came into effect on 1 July 2011, have not yet been endorsed by the European Union and are not applicable to the financial statement.

- IFRS 11 – Joint Arrangements

The new standard, which replaces IAS 31 “Interests in Joint Ventures” distinguishes two type of joint arrangements each one with a different accounting method:

- *joint operations*: arrangements giving the parties jointly in control of the operation rights on the single activities rights to the assets and obligations for the liabilities relating to the arrangement. For joint operations assets, liabilities and corresponding revenues and expenses arising from the arrangement must be accounted for according to the related accounting principles;
- *joint ventures*: this occurs when the parties jointly in control of the operation do not have rights/obligations on the single assets/liabilities relating to the arrangement but only on the net assets or the net result of the arrangement. In this case, it is necessary to consolidate using the net equity method, whereas the previous IAS 31 contained the option between proportionate consolidation and consolidation according to net equity.

This standard, which should come into effect on 1 January 2013, has not yet been endorsed by the European Union and is not expected to affect the financial statement.

- IFRS 12 – Additional disclosure of interests in other entities

The standard includes, and develops, all the requirements in terms of additional disclosure to be provided on subsidiaries, associates, joint arrangements and unconsolidated structured entities. Many of the disclosures required under IFRS 12 were previously included in IAS 27 “Consolidated and separate Financial Statements, IAS 28 “Investments in Associates” and IAS 31 “Investments in Joint Ventures” whereas others are new.

This standard, which will come into effect on 1 January 2013, has not yet been endorsed by the European Union. The impact on disclosures in the financial statement, as a consequence of the future application of this standard, is being examined.



- IFRS 13 – Fair value measurement

The standard includes guidelines for measuring fair value and the disclosures to be provided. The standard does not extend the use of fair value but provides the criteria for its measurement and application whereas other standard allow or impose its use.

This standard, which will come into effect on 1 January 2013, has not yet been endorsed by the European Union and is not expected to have a significant effect on the financial statement.

- Amendments to IAS 1 – Presentation of financial statements – presentation of other items taken to net equity

The main amendments to IAS 1 regard a new way of presenting other items taken to net equity in the comprehensive income statement; these items must be grouped together depending on whether or not they can be reclassified (or recycled) in the future to profit and loss.

Examples of components that can be reclassified in the income statement are: foreign exchange gains and losses arising from translations, adjustment of derivatives to fair value in cash flow hedge, fair value adjustment of interests available for sale. An example of items that cannot be reclassified into profit and loss are actuarial gains and losses on defined benefit pension plans.

These amendments, which will take effect from 1 July 2012 have not yet been endorsed by the European Union. Their future application will not have any significant effect on the financial statement.

- IAS 19 – Employee benefits

The amendment of IAS 19 focuses on the accounting method for defined benefit plans, other long term benefits and termination benefits. Compared to the current standard the main variations refer to:

- defined benefit plans: the actuarial gains/losses (renamed re-measurements) must be immediately and totally recognised in the comprehensive income statement. There is no longer the option to de-recognise actuarial gains/losses falling within a certain 'corridor' or to defer them if they do not fall within the corridor (corridor approach);
- other long-term benefits (for example, long-service bonus): the actuarial gains/losses (renamed re-measurements) must be recognised under net equity in the comprehensive income statement. The immediate recognition in income statement is no longer allowed;
- elimination of 'expected return on plan assets' and 'interest cost' which will be replaced by 'net interest' calculated by applying to net liabilities (i.e. gross liabilities less plan assets) the discount rate used today only for gross liabilities;
- request for further disclosures to be include in the notes to the financial statement to better highlight the risks deriving from defined benefit plans;
- termination benefits: according to the new standard the factor which determines the timing for recognition in the financial statement is the fact that the benefit offer cannot be withdrawn by the entity and is therefore irrevocable. To this purpose, termination benefits are substantially of two types:
  - o benefits in connection to a more ample reorganisation plan where the entity cannot withdraw the offer and the employee has other alternative but to accept; in this case the offer is considered irrevocable when the lay-off plan is disclosed to the employees;
  - o individual benefits that the entity can theoretically withdraw to its discretion until accepted by the employee; in this case the offer becomes irrevocable when the employee accepts.

This standard, which takes effect from 1 January 2013, has not yet been endorsed by the European Union. With regards to the foreseeable impact on the consolidated financial statement it should be noted that the elimination of the corridor approach will not produce any effects as the Company does not utilize this method.

- IFRS 10 – Consolidated financial statements

The new standard replaces IAS 27 'Consolidated and separate financial statements' – for the part related to the consolidated financial statement – and SIC 12 'Consolidation – Special purpose entities. IAS 27 – renamed 'Separate Financial Statement' – contains only the standards and guidelines for the preparation of the separate financial statement.

The new IFRS 10 defines a single control model to be applied to all the investees and represents the factor to determine whether an investee must be consolidated. The accounting method and consolidation procedures remain the same as those established under IAS 27. The new control method introduces a greater degree of subjectivity and requires a high level of judgement from the management in order to establish whether an entity is under its control and must therefore be consolidated. The new standard also explicitly includes the possibility of controlling an entity even without a voting majority (de facto control) a concept which was not explicitly present in IAS 27.



This standard, which will take effect from 1 January 2013, has not yet been endorsed by the European Union. At the moment no impact is expected on the consolidation area resulting from the introduction of the new standard in its first application.

- IAS 27 – Separate Financial Statement

Following the new standards IFRS 10 and IFRS 12, what remains of IAS 27 is limited to the accounting of the subsidiaries, jointly controlled companies and associates, in the separate financial statement. The amendments become effective for financial years starting 1 January 2013 or after. The future application of these amendments will not affect the financial statement.

- IAS 28 – Interests in associated companies

Following the new standards IFRS 11 and IFRS 12, IAS 28 has been renamed Investments in associates and Joint Ventures, and describes the application of the net equity method for investments in joint venture companies, in addition to associated companies. The amendments are effective for financial years starting 1 January 2013 or after. The future application of these amendments will not affect the financial statement.

- Amendments to IFRS 7 – Financial Instruments – Additional disclosure – offsetting financial assets and liabilities

These amendments introduce the obligation to provide ample disclosure in the notes when financial assets and liabilities are offset on the basis of a legal offsetting right (for example, net and gross amounts, warranties given and owned). These amendments, which will take effect from 1 January 2013, have not yet been endorsed by the European Union. No impact is expected on the financial statement as a result of the future application of these amendments.

- Amendments to IFRS 7 – Financial Instruments – Additional disclosure – first time adoption of IFRS 9

These amendments introduce the obligation to provide additional disclosure during transition to IFRS 9 to clarify the effects of first time adoption of IFRS 9 on the classification and the measurement of financial instruments.

These amendments, which take effect from 1 January 2015, have not yet been endorsed by the European Union. At the moment the possible effects resulting from the future application of these amendments cannot be quantified.

- Amendments to IAS 32 – Financial Instruments: presentation – offsetting financial assets and liabilities

These amendments better clarify the meaning of the necessary requirements for offsetting financial assets and liabilities, already present in the current standard, i.e.

- what it means to actually have the legal right to offset financial assets and liabilities;
- the fact that in some cases the realisation of the asset at the same time the liability is extinguished can in actual fact be considered the extinction of a net amount.

These amendments, which will take effect from 1 January 2014, have not yet been endorsed by the European Union. Impacts on the financial statement following their future application are not expected.

## 2.2 Consolidation principles and consolidation area

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. This consolidation method (integral consolidation) is only valid for the subsidiary companies whereas for the associated companies the net equity method is used. There are however no Joint Ventures.

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. Investments in associated companies are assessed using the N.E. method.



Below is the list of the group companies at 31 December 2011:

<i>Name</i>	<i>Location</i>	<i>Share capital (thousands of currency)</i>	<i>% of direct ownership</i>	<i>% of indirect ownership</i>
Bolzoni Auramo Incorporated	Homewood – Illinois - USA	US \$ 500	100 %	
Bolzoni Limited	Warrington - UK	GBP 980	100 %	
Bolzoni Auramo Polska Sp Zoo	Lublin - Poland	PLN 350	60 %	
Bolzoni Auramo S.L.	Barcelona - Spain	€ 200	100 %	
Bolzoni Auramo Sud S.r.l.	Bisceglie - Bari Italy	€ 50	100 %	
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 \$ 3,264	100 %	
Bolzoni Auramo Ltd.	Dollard des Ormeaux - Canada	CAD \$ 856	100 %	
Bolzoni Auramo GmbH	Korschenbroich – Germany	€ 1,000	100 %	
Meyer Italia S.r.l.	Prato - Italy	€ 50	100 %	
Bolzoni Auramo AB	Gavle - Sweden	SEK 100	100 %	
Bolzoni Auramo Shanghai	Minhang District - China	RMB 11,576	60 %	
Bolzoni Holding Hong Kong	Hong Kong	HK\$ 68,060	80%	
Xin Huaxin China (*)	Longhua - China	RMB 43,750		20% (**)
Bolzoni Huaxin China	Longhua - China	RMB 16,500		60%**)
Bolzoni Auramo Wuxi	Wuxi - China	RMB 24,144		100%**)
Auramo South Africa (*)	Benoni – South Africa	ZAR 100		40 %
Hans H. Meyer GmbH	Salzgitter – Germany	€ 1,023	100 %	
LLC “Hans H. Meyer OOO”	Moscow - Russia	RUB 1,025		80%
Hans H. Meyer Ltd	Stockport - UK	£ 200		100 %
Meyer S.a.r.l.	France	€ 155		100 %

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

(\*\*) = Percentage owned by Bolzoni Holding Hong Kong

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.

During the financial year 2011 the following companies were incorporated: Bolzoni Holding Hong Kong, Bolzoni Huaxin, Bolzoni Auramo Wuxi and LLC ‘Hans H Meyer OOO2 and a 20% stake in XinHuaxin was acquired.

## 2.3 Significant accounting judgements and estimations

### 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.

### **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 investments and inventory, benefits to employees, taxes and accrual to provisions for contingencies and risks.

Estimations of the Provision for Doubtful Debt and the Inventory Depreciation Provision are based on the losses expected by the Group. If the current economic and financial crisis were to protract or worsen this could possibly deteriorate the financial conditions of the Group's debtors more than has been estimated in this financial statement.

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.

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 31 December 2011 was 10.618 thousand euro (2010: 10.618 thousand euros). More details are given in Note 5.

### **Depreciation (for assets with definite useful life)**

In order to calculate depreciation the remaining useful life is periodically reviewed.

### **Impairment test on tangible and intangible fixed assets and goodwill**

For information on the impairment test please refer to the comments included in Note 5 of this report describing methods and assumptions.

## **2.4 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 an operating currency other than the euro are as follows:

Bolzoni Auramo Inc.	US Dollar
Bolzoni Auramo Canada Ltd	Canadian Dollar
Bolzoni Ltd	Pound Sterling
Bolzoni Auramo AB	Swedish Crown
Bolzoni Auramo Pty Ltd	Australian Dollar
Bolzoni Auramo Sp Zoo	Polish Zloty
Bolzoni Auramo Shanghai	Chinese Renminbi (Yuan)
Bolzoni Holding Hong Kong	Hong Kong Dollar
LLC "Hans H: Meyer OOO"	Russian Ruble





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 de-recognition (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 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.

### 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 liabilities (including potential liabilities and excluding future restructuring) of the acquired company.

Goodwill accounted for in a business combination is represented by 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 decreased by 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. The impairment procedure is approved by the Directors independently and prior to the approval of the financial reports. For further details regarding the criteria applied for impairment testing see note on Impairment of assets.

**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 definite or indefinite. Intangible assets with definite 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 definite 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 definite 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 an overview of the policies applied by the Group to intangibles assets :

	<i>Licences, Trademarks &amp; Patents</i>	<i>Development costs</i>
Useful lives	Definite	Definite
Method used	Licences amortized over 3 /5 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	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



amounts

each financial year end.

Gains or losses deriving from de-recognition 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.

**Investments in associates**

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 investment is assessed on the basis of a pro-forma situation at 31 December. The 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 independently and prior to the date of approval of the financial reports, 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 Group 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 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. The Group does not own any available-for-sale financial assets.

### **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 storage are accounted for as follows:

Raw material	– purchase cost based on average weighted cost;
Finished and	– cost of direct materials and labour plus a portion of manufacturing



semi-finished goods

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 in order to reflect their presumable realization value. 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.

### **De-recognition 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 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 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 taken 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, as it is considered a plan with defined benefits in accordance with IAS 19, 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 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 intended 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 are 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**

Derivatives are recognized at fair value and variations in fair value are taken to profit and loss when they do not qualify as hedge accounting due to the type of instrument or because the Company chooses not to perform the hedge effectiveness test. Derivative instruments may be classified as hedging instruments when the relation between the derivative and hedged object is formally documented and hedge effectiveness, periodically verified, is measured in accordance to IAS 39. When the hedging derivatives cover the risk of variations in cash flow of the hedged elements (Cash Flow Hedge) the derivatives' effective portion of variations in fair value is directly taken to net equity, whereas the ineffective portion is directly taken to profit and loss. The amounts recognised directly in net equity are reflected in profit and loss coherently with the economic effects produced by the hedged element. On the other hand, when the derivatives hedge against the risk of variation in fair value of the hedged objects (Fair Value Hedge) the fair value variations of the derivatives are directly recognised in profit and loss; coherently, the hedged instruments are suitable for reflecting variations in fair value associated with the hedged risk.

## **2.5 Business combinations and acquisition of minority interests**

On May 15 the Group purchased 75.5% of the share capital of Eurolift Pty Ltd, which at 31.12.2010 was an 24.5% associated company through the Parent. The acquisition was accounted for using the method for acquisitions made in various steps, as established by IFRS 3. The Group has recalculated to its fair value the previous investment at net equity and has not noted any significant differences between the booked values and the fair value of Eurolift's assets and liabilities and has





therefore not recognised any value in income statement. The following table shows the fair value of assets and liabilities identified at the acquisition date:

	<i>Fair value at acquisition</i>	<i>Booked value</i>
Non-current assets	50	50
Current assets	859	859
Cash	208	208
<b>Total Assets</b>	<b>1,117</b>	<b>1,117</b>
Non-current liabilities	(43)	(43)
Current liabilities	(162)	(162)
<b>Total Liabilities</b>	<b>(205)</b>	<b>(205)</b>
<b>Net Assets</b>	<b>912</b>	<b>912</b>
Total net purchased assets 75.5%	689	689
Difference between price and net assets	-	-
<b>Price paid</b>	<b>689</b>	<b>689</b>
<u>Analysis of cash flows on acquisition:</u>		
Net cash acquired with subsidiary	208	
Amount paid	(689)	
Net cash flow on acquisition	(481)	

The subsidiary's positive contribution to the Group's net result is approximately 35 thousand euros for the period between the acquisition date and 31 December 2011 and approximately 380 thousand euros to consolidated revenue. If the business combination had taken place at the start of the financial year, the Group profit for the entire year 2011 would have been 63 thousand euros higher and revenue from assets in function would have been 384 thousand euros higher. No goodwill was generated by the above-mentioned business combination.

### 3. Segment information

Below is information on the Group's operating segment, which corresponds to the following geographic areas: Europe, North America and Rest of the World. Sales to external customers disclosed in geographic segments are based on their geographic location. With regards to the gross operating result and the operating result the costs are allocated according to their origin as the Group's business model and the reporting system used by management identify the origin as the management system used for costs.

The following tables provide figures for the financial years ended 31 December 2011 and 2010 according to geographic areas:

31 Dec 2011	<i>Revenue</i>	<i>Group sales</i>	<i>Revenue in contr.</i>	<i>Gross Oper. Result</i>	<i>Oper. Result</i>	<i>Finan. Income/ Charges</i>	<i>Value adjust. on financ. assets</i>	<i>Comp. results at NE</i>	<i>Result before tax</i>	<i>Tax for the period</i>
Europe	121,141	(28,909)	92,232	9,472	4,421	-	-	(4)	-	-
North America	17,148	(6,243)	10,905	(54)	(380)	-	-	-	-	-
Rest of World	14,666	(1,969)	12,697	(299)	(375)	-	-	-	-	-
Items not allocated or adjusted	-	-	-	-	-	(757)	-	-	2,909	(1,272)
<b>Total</b>	<b>152,955</b>	<b>(37,121)</b>	<b>115,834</b>	<b>9,119</b>	<b>3,666</b>	<b>(757)</b>	<b>-</b>	<b>(4)</b>	<b>2,909</b>	<b>(1,272)</b>



31 Dec 2010	Revenue	Group sales	Revenue in contr.	Gross Oper. Result	Oper. Result	Finan. Income/ Costs	Value adjust. on financ. assets	Comp. results at NE	Result before tax	Tax for the period
Europe	100,166	(24,714)	75,452	7,653	2,630	-	-	176	-	-
North America	13,605	(5,454)	8,151	(873)	(1,188)	-	-	-	-	-
Rest of World	11,720	(1,797)	9,923	(294)	(369)	-	-	-	-	-
Items not allocated or adjusted	-	-	-	-	-	(1,027)	-	-	46	(410)
<b>Total</b>	<b>125,491</b>	<b>31,965</b>	<b>93,526</b>	<b>6,486</b>	<b>1,073</b>	<b>(1,027)</b>	<b>-</b>	<b>176</b>	<b>46</b>	<b>(410)</b>

31 December 2011	Segment Assets	Invest. in Assoc.	Total assets	Amortiz.	Invest. tang. assets	Invest. Intang. assets
Europe	75,656	-	75,656	4,573	1,870	696
North America	6,675	-	6,675	296	205	-
Rest of the World	16,037	1,909	17,946	78	1,483	2,374
<b>Total</b>	<b>98,368</b>	<b>1,909</b>	<b>100,277</b>	<b>4,947</b>	<b>3,558</b>	<b>3,070</b>

31 December 2010	Segment assets	Invest. in Assoc.	Total assets	Amortiz.	Invest. tang. assets	Invest. Intang. assets
Europe	80,487	-	80,487	4,750	1,280	576
North America	6,172	-	6,172	297	141	-
Rest of the World	2,357	896	3,253	71	2	-
<b>Total</b>	<b>89,016</b>	<b>896</b>	<b>89,912</b>	<b>5,118</b>	<b>1,423</b>	<b>576</b>

#### 4. Tangible fixed assets

	01.01.11	Addit.	Deprec.	Decr. (1)	Other var. (2)	31.12.11
Land	721	-	-	-	-	721
Buildings	16,519	1,444	-	(285)	(38)	17,640
Plant and machinery	35,383	530	-	(1,211)	(199)	34,503
Equipment	5,844	313	-	(30)	176	6,303
Other assets	13,251	1,271	-	(867)	(324)	13,331
<b>Historic cost Property, plant and machinery</b>	<b>71,718</b>	<b>3,558</b>	<b>-</b>	<b>(2,393)</b>	<b>(385)</b>	<b>72,498</b>
Land	-	-	-	-	-	-
Buildings	(6,429)	-	(392)	10	77	(6,734)
Plant and machinery	(24,273)	-	(2,004)	824	463	(24,990)
Equipment	(5,380)	-	(249)	31	(142)	(5,740)
Other assets	(9,603)	-	(858)	366	199	(9,896)
<b>Accumulated Depreciation for property, plant and equipment</b>	<b>(45,685)</b>	<b>-</b>	<b>(3,503)</b>	<b>1,231</b>	<b>597</b>	<b>(47,360)</b>
Land	721	-	-	-	-	721
Buildings	10,090	1,444	(392)	(275)	39	10,906
Plant and machinery	11,110	530	(2,004)	(387)	264	9,513
Equipment	464	313	(249)	1	34	563



Other assets	3,648	1,271	(858)	(501)	(125)	3,435
<b>Net Value of property, plant and machinery</b>	<b>26,033</b>	<b>3,558</b>	<b>(3,503)</b>	<b>(1,162)</b>	<b>212</b>	<b>25,138</b>

(1): for sales or variation in consolidation area

(2): exchange rate differences, reclassification or others

Investments in Buildings refer to the construction of the production plant in Longhua (China). Investments in plant, machinery and other assets, made in 2011 refer to the purchase of goods necessary to maintain a continuing level of modernization as required for increasing productivity and efficiency.

Below is an overview of the gross and net carrying values of the fixed assets acquired through lease contracts which are still in life. Such assets belong to the Parent and the French subsidiary.

	31.12.2011		31.12.2010	
	Gross value	Net value	Gross value	Net value
Buildings	204	111	204	117
Plants and machinery	3,422	-	3,422	-
Equipment	45	-	45	-
Other goods	677	-	677	4
<b>Total</b>	<b>4,348</b>	<b>111</b>	<b>4,348</b>	<b>121</b>

### 5. Goodwill

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

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

	31.12.2010	Addition	Sale	Exchange rate diff.	31.12.2011
Auramo OY	8,150	-	-	-	8,150
Bolzoni Auramo GmbH	181	-	-	-	181
Hans H. Meyer GmbH	2,287	-	-	-	2,287
<b>Total</b>	<b>10,618</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,618</b>

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

The estimated recoverable value of goodwill recorded in the financial statement has been calculated by means of three year business plan and related discounted cash flows model approved by the Board of Directors, 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.

With reference to the impairment tests it should be noted that to determine the value in use the following assumptions have been considered:

- growth rate used to extrapolate projections of the cash flows beyond the three year period covered by budget plans has been prudentially determined as 0%;
- discount rates applied to projections of cash flows range from 7.8% and 9.1%. These rates, from which tax effects have been deducted, have been determined, in line with those used in the previous financial year.

The impairment tests performed on goodwill have not highlighted permanent impairments requiring a write-down.



A sensitivity analysis was performed on the possible recoverable value of goodwill; assuming a variation in WACC of one percentage point and no critical points emerged.

## 6. Intangible fixed assets

	01.01.11	Addition	Amorti- zation	Decr. (1)	Other variations (2)	31.12.11
Development costs	3,955	389	-	-	-	4,344
Trademarks and patent rights	3,464	3	-	(1)	26	3,492
Licences	5,602	304	-	(11)	5	5,900
Sundry	266	2,374	-	5	(2)	2,643
<b>Gross value of Intangible Fixed Assets</b>	<b>13,287</b>	<b>3,070</b>	<b>-</b>	<b>(7)</b>	<b>29</b>	<b>16,379</b>
Development costs	(2,496)	-	(542)	-	-	(3,038)
Trademarks and patent rights	(1,873)	-	(341)	(29)	-	(2,243)
Licences	(4,200)	-	(530)	11	(3)	(4,722)
Sundry	(167)	-	(31)	-	(9)	(207)
<b>Accumulated amortization for Intangible Fixed Assets</b>	<b>(8,736)</b>	<b>-</b>	<b>(1,444)</b>	<b>(18)</b>	<b>(12)</b>	<b>(10,210)</b>
Development costs	1,459	389	(542)	-	-	1,306
Trademarks and patent rights	1,591	3	(341)	(30)	26	1,249
Licences	1,402	304	(530)	-	2	1,178
Sundry	99	2,374	(31)	5	(11)	2,436
<b>Net Value of Intangible Fixed Assets</b>	<b>4,551</b>	<b>3,070</b>	<b>(1,444)</b>	<b>(25)</b>	<b>17</b>	<b>6,169</b>

(1): for sales or variation in consolidation area

(2): exchange rate differences, reclassification or others

The value of the intangible fixed assets generated internally and capitalized in 2011, entirely attributed to item "Development costs" amounts to 389 thousand euros (2010: 310 thousand euros) and consists of personnel costs. The projects refer in particular to the development of new technical solutions for existing products. At 31 December 2011 development costs included 259 thousand euros related to running projects but whose amortization has not yet begun.

## 7. Investment in associates

The Group has the following investments in associated companies assessed at net equity:

	2011	2010
Eurolift Pty Ltd	-	241
Auramo South Africa	616	655
Xin Huaxin China	1,293	-
<b>Total</b>	<b>1,909</b>	<b>896</b>

In 2011 following the business combination described in Note 2.5, Eurolift PTY is 100% owned by the Bolzoni Group. In the second half of the year the company Xin Huaxin was incorporated, where Bolzoni Holding Hong Kong holds a 20% stake.

The following table provides the main financial information on the investment in Auramo South Africa:

	2011	2010
<b>Portion of the associate's equity:</b>		
Current assets	312	549



Non-current assets	297	209
Current liabilities	(48)	(140)
Non-current liabilities	(19)	(38)
Net asset	542	581
<b>Portion of the associate's revenue and result:</b>		
Revenue	364	1,370
Earnings	51	44

The following table provides the main financial information on the investment in Xin Huaxin:

	2011	2010
<b>Portion of the associate's equity:</b>		
Current assets	346	-
Non-current assets	691	-
Current liabilities	(41)	-
Non-current liabilities	-	-
Net asset	996	-
<b>Portion of the associate's revenue and result:</b>		
Revenue	163	-
Earnings	20	-

## 8. Credits and other financial assets (non-current)

Credits and other financial assets mainly refer to loans given by the parent to associated companies and other minor credits related to various subsidiaries.

## 9. Financial assets held to maturity

The balance refers to the financial assets held by the Finnish subsidiary.

## 10. Taxation

### 10.1 Deferred tax

The situation at 31 December 2011 and 2010 was the following:

	Consolidated balance sheet		Consolidated income statement	
	2011	2010	2011	2010
<b>Deferred tax liability</b>				
Capitalization of internal costs	(54)	(81)	27	29
Lease evaluations	-	-	-	1
Pensions	(64)	(87)	23	15
Variation in evaluation parent's inventory	(63)	(39)	(24)	(9)
Gains on sale of fixed assets split over 5 years	(4)	(5)	1	1
Bad debt provision for tax purposes	-	(5)	5	-
Meyer Group	(1,114)	(1,170)	56	77
Minor balances from subsidiaries	(154)	(233)	79	80
Sundry	(97)	-	(97)	-
	<b>(1,550)</b>	<b>(1,620)</b>		
<b>Deferred tax assets</b>				
Fiscal losses carried forward on foreign subsidiaries	1,672	1,819	(147)	169
Obsolescence provision on parent's inventory	81	92	(11)	9
Offsetting infra-group's profit in stock	568	542	26	106
Non tax deductible provisions	71	65	6	(5)
IPO costs	-	-	-	(145)
Minor balances on subsidiaries	198	215	(17)	116
Exchange rate fluctuations	-	26	(26)	26
Sundry	44	57	(13)	(43)
	<b>2,634</b>	<b>2,816</b>		
<b>Deferred tax income(expense)</b>			<b>(112)</b>	<b>427</b>



Deferred tax liabilities referring to the Meyer Group and amounting to 1.114 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 13.173 thousand euros (2010: 12.251 thousand euros) that are available indefinitely to offset future taxable profits of those same companies where the losses have 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 1.672 thousand euros (2010: 1.735 thousand euros). The amount of available fiscal losses for which no deferred tax asset has been allocated at 31 December 2011 amounts to 9,223 thousand euros, corresponding to deferred tax not accounted for and amounting to approximately 3.0 million euros.

As for the previous year, at 31 December 2011 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.

### 10.2 Income tax

The main components of Income tax for the years ended 31 December 2011 and 2010 are the following:

Consolidated income statement	2011	2010
<i>Current income tax</i>		
Current income tax charge	1,160	837
<i>Deferred income tax</i>		
Related to origination and reversal of temporary differences	112	(427)
<b>Income tax expense reported in the consolidated income statement</b>	<b>1,272</b>	<b>410</b>

Reconciliation between tax expenses and the product of accounting profit multiplied by domestic tax rate for the years ended 31 December 2011 and 2010 gives the following:

IRES/Income tax	2011		2010	
	Amount	Rate	Amount	Rate
		27.50%		
Applicable ordinary tax rate				27.50%
Result before tax	2,909		46	
<b>Theoretical tax charge</b>	<b>800</b>		<b>13</b>	
<i>Plus variations</i>				
Tax free or non-taxable income	10		10	
Tax losses carried forward	1,139		241	
Non deductible costs	646		2,053	
<i>Minus variations</i>				
IPO costs	-		(461)	
Other minus variations	(1,994)		-	
<b>Taxable income</b>	<b>2,710</b>		<b>1,889</b>	
<b>CURRENT INCOME TAX</b>	<b>745</b>	<b>25.60%</b>	<b>520</b>	<b>N.R.</b>

IRAP	2011		2010	
	Amount	Rate	Amount	Rate
Applicable ordinary tax rate		3.90%		3.90%
Difference between production values and costs	2,909		46	
<b>Theoretical tax charge</b>	<b>113</b>		<b>2</b>	
<i>Plus variations</i>				
Personnel costs	11,539		10,293	
Other plus variations	1,230		272	
<i>Minus variations</i>				



Other minus variations	(5,040)	(2,470)
<b>Taxable amount</b>	<b>10,638</b>	<b>8,141</b>

<b>CURRENT IRAP</b>	<b>415</b>	<b>14.30%</b>	<b>317</b>	<b>N.R.</b>
---------------------	------------	---------------	------------	-------------

## 11. Inventory

	2011	2010
Raw material	6,317	5,478
Obsolescence provision for raw material	(298)	(280)
<b>Net raw materials</b>	<b>6,019</b>	<b>5,198</b>
Semi-finished products	5,308	4,730
Obsolescence provision for semi-finished products	(306)	(288)
<b>Net semi-finished products</b>	<b>5,002</b>	<b>4,442</b>
Finished products	9,786	9,108
Obsolescence provision for finished products	(808)	(671)
<b>Net finished products</b>	<b>8,978</b>	<b>8,437</b>
<b>Total inventory at lesser between cost and net realizable value</b>	<b>19,999</b>	<b>18,077</b>

The higher inventory value is essentially connected to the increase in turnover. The careful policy in the management of stock levels has limited the increase compared to the growth rate in income.

Below are the variations in the obsolescence provision during the periods under examination:

	31.12.2010	Increase	Decrease	31.12.2011
Obsolesc.prov. for raw material	280	18	-	298
Obsolesc.prov. for semi-finished prod.	288	18	-	306
Obsolesc.prov.for finished products	671	137	-	808
<b>Total</b>	<b>1,239</b>	<b>173</b>	<b>-</b>	<b>1,412</b>

The increase in the obsolescence provision is due to the increase in value of inventory.

## 12. Trade receivables (current)

	2011	2010
Trade receivables	20,622	16,932
Bills subject to collection	3,895	4,834
Bad debt provision	(360)	(227)
<b>Total minority receivables</b>	<b>24,157</b>	<b>21,539</b>
Eurolift Pty Ltd	-	108
Auramo South Africa	329	161
<b>Total associate receivables</b>	<b>329</b>	<b>269</b>
<b>Total trade receivables</b>	<b>24,486</b>	<b>21,808</b>

The increase in trade receivables is the result of the higher Group turnover during the financial year.

Below the trade receivables are divided according to due date:

	2011	2010
Receivables not yet due	18,245	17,185
Receivables 30 days overdue	3,712	2,304
Receivables 60 days overdue	838	734
Receivables 90 days overdue	444	235
Receivables more than 90 days overdue	1,247	1,350



**Total trade receivables** **24,486** **21,808**

Below are variations to the bad debt provision:

	2011	2010
Initial balance	227	176
Amount used	17	39
Provisions	150	90
<b>Final balance</b>	<b>360</b>	<b>227</b>

For the terms and the conditions covering related party receivables, refer to note 35.

Trade receivables are non-interest bearing and generally have a due date of 30-120 days. We would like to point out that these amounts are covered by a credit insurance on 90% of the nominal value.

### 13. Tax receivables

	2011	2010
Meyer refunds	65	155
Sundry	62	197
<b>Total</b>	<b>127</b>	<b>352</b>

This item mainly includes the balance of tax paid in advance by some group companies and which is greater than tax income liabilities pertaining to the financial year.

### 14. Other receivables

	2011	2010
VAT receivables	425	517
Receivable for capital contribution Bolzoni land	1,467	-
Sundry	15	28
<b>Total</b>	<b>1,907</b>	<b>545</b>

The amount of 1.467 million euros refers to the capital grant which will be given by the Chinese Government in 2012 for the leaseholder rights on the land on which the Bolzoni Wuxi plant will be built. The amount has been entirely deferred (see note 23) for a correct matching between costs and income, indeed it should be noted that the amortization of the asset will start in 2012 and will last 50 years.

### 15. Financial Assets available for sale

	2011	2010
Sundry	284	261
<b>Total</b>	<b>284</b>	<b>261</b>





The amount of 284 thousand euros includes investments in government bonds made by the subsidiaries Meyer France and Bolzoni Auramo Canada.

### 16. Cash and cash equivalents

	2011	2010
Cash in hand and bank accounts	6,716	3,817
<b>Total</b>	<b>6,716</b>	<b>3,817</b>

Bank accounts have a variable interest rate.

Increase in availability is due to the demands arranged in China for the scheduled investments

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

	2011	2010
Cash in hand and bank accounts	6,716	3,817
Bank overdrafts and advance on collectable bills subject to final payment (note 18)	(2,010)	(2,341)
<b>Total</b>	<b>4,706</b>	<b>1,476</b>

### 17. Share capital and reserves

	2011	2010
Ordinary shares at 0.25 euros each	25,993,915	25,993,915

During year 2011 there have been no variations to share capital.

#### Details of other reserves:

	Other reserves (of parent)	Curr. Transl. Diff.	IFRS transl. reserve	Consolid. reserve	Total
<b>Balance at 31.12.2010</b>	<b>20,962</b>	<b>(853)</b>	<b>1,344</b>	<b>7,019</b>	<b>28,472</b>
Share capital increase	-	-	-	-	-
Profit allocation	(438)	-	-	-	(438)
Variation in consolidation area	396	-	-	-	396
Other movements	(27)	1	-	-	(26)
<b>Balance at 31.12.2011</b>	<b>20,893</b>	<b>(852)</b>	<b>1,344</b>	<b>7,019</b>	<b>28,404</b>

#### 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 effects on net equity following the first-time adoption of the IAS/IFRS principles on 1 January 2004.

**Consolidation reserve**

The consolidation reserve highlights the effects 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 infra-group non-realizable profits and from the off-setting of investments against their net equity.

**18. Interest bearing loans and borrowings**

		Actual interest rate %	Maturity	2011	2010
<b>Short term</b>					
Bank overdrafts			On request	57	95
Trade advances			30-90 days	1,953	2,246
Advance on foreign business				1,000	-
Subsidiary loans				5,736	5,855
2,500,000 euro unsecured bank loan	(1)	Euribor +0.40	2012	-	978
7,000,000 euro unsecured bank loan	(2)	Euribor +0.30	2012	954	1,839
4,500,000 euro unsecured bank loan	(3)	Euribor +0.25	2012	750	1,125
10,000,000 euro unsecured bank loan	(4)	Euribor +1.30	2012	1,710	500
6,000,000 euro mortgage loan	(5)	Euribor +1.50	2012	622	403
2,000,000 euro unsecured bank loan	(6)	Euribor + 2.30	2012	637	-
				<b>13,419</b>	<b>13,041</b>
<b>Medium/short term</b>					
3,000,000 euro unsecured bank loan	(3)	Euribor +0.25	2012	-	375
7,000,000 euro unsecured bank loan	(2)	Euribor +0.30	2012	-	954
1,500,000 euro unsecured bank loan	(3)	Euribor +0.25	2013	94	469
2,000,000 euro unsecured bank loan	(4)	Euribor +1.30	2014	999	1,500
2,000,000 euro unsecured bank loan	(4)	Euribor +1.30	2015	1,250	1,750
6,000,000 euro unsecured bank loan	(4)	Euribor +1.30	2019	5,257	-
6,000,000 euro mortgage loan	(5)	Euribor +1.50	2019	4,526	5,174
2,000,000 euro unsecured loan	(6)	Euribor +2.30	2014	1,353	-
Other minor loans				2,634	3,066
				<b>16,113</b>	<b>13,288</b>

**Bank overdrafts and advances on collectable bills subject to final payment and advance on foreign business**

These mainly refer to the parent, the Spanish subsidiary and the two Italian subsidiaries.

**Subsidiary loans**

The short term loans to the foreign subsidiaries consist of the following:

- 0.5 million \$ loan obtained by the subsidiary Bolzoni Auramo Inc.;
- 0.4 million € loan obtained by the subsidiary Bolzoni Auramo GmbH;
- 2.2 million € loan obtained by the subsidiary Auramo OY;
- 2.7 million € loan obtained by the subsidiary Hans H Meyer GmbH,

**2,500,000 euro unsecured bank loan (1)**

The loan is unsecured and has been repaid in 2011 in half yearly instalments.

**7,000,000 euro unsecured bank loans (2)**

The loans are unsecured and repayable in half yearly instalments

**4,500,000 euro unsecured bank loans (3)**

The loans are unsecured and repayable in half yearly instalments

**10,000,000 euro unsecured bank loans (4)**

These loans are repayable in half yearly instalments.

**6,000,000 euro mortgage loans (5)**



These loans, secured by a mortgage on the property in Podenzano, are repayable in half yearly instalments.

### **2,000,000 euro unsecured bank loan (6)**

The loan is unsecured and is repayable in quarterly instalments.

#### **Other loans**

Other loans consist of:

- 2.5 million € loan obtained by the subsidiary Hans H Meyer GmbH,
- 0.1 million € loans obtained by other Group companies.

All loans obtained by subsidiary companies are secured by comfort letters given by the parent.

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

Loan	Covenants	2011	Limit
10.500 €/000	Net financial debts/Net equity	0.62	1.50
10.500 €/000	Net financial debts/Gross operating margin	2.46	3.50

As indicated in the above table the covenants have all been observed. The non-observance of both covenants would give the other party the right to forfeit the company's benefit to the term and would therefore result in the possible early repayment of the loan (residual debt of 6.1 million of which 2.4 million due in 2012 and therefore already included in the short term loans).

Net financial position	31.12.2011	31.12.2010	Variation
A. Cash on hand	7	9	(2)
B. Current bank accounts	6,709	3,808	2,901
- of which related to Intesa Sanpaolo	556	421	135
<b>D. LIQUIDITY</b>	<b>6,716</b>	<b>3,817</b>	<b>2,899</b>
E. Financial credits	284	261	23
F. Current bank debts	(8,720)	(8,196)	(524)
- of which related to Intesa Sanpaolo	(3,144)	(2,765)	(379)
G. Current part of non-current indebtedness	(4,699)	(4,845)	146
- of which related to Intesa Sanpaolo	(2,162)	(2,233)	71
<b>I. CURRENT FINANCIAL INDEBTEDNESS</b>	<b>(13,135)</b>	<b>(12,780)</b>	<b>(355)</b>
<b>J. CURRENT NET FINANCIAL POSITION</b>	<b>(6,419)</b>	<b>(8,963)</b>	<b>2,544</b>
Financial Assets held until maturity	60	60	-
<b>K. NON-CURRENT FINANCIAL DEBTS</b>	<b>(16,113)</b>	<b>(13,288)</b>	<b>(2,825)</b>
- of which related to Intesa Sanpaolo	(2,344)	(4,094)	1,750
<b>N. NON-CURRENT NET FINANCIAL POSITION</b>	<b>(16,053)</b>	<b>(13,228)</b>	<b>(2,825)</b>
<b>NET FINANCIAL POSITION (NET FINANCIAL INDEBTEDNESS)</b>	<b>(22,472)</b>	<b>(22,191)</b>	<b>(281)</b>
- of which related to Intesa Sanpaolo	(7,094)	(8,671)	1,577

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

Below are shown the variations to this fund:

	2011	2010
<b>T.F.R. fund at 01.01</b>	<b>3,033</b>	<b>3,365</b>
Current cost of the service	544	483
Financial charges	89	108
Actuarial earnings/losses	83	(4)



(benefit paid)	(796)	(919)
<b>T.F.R. fund at 31.12</b>	<b>2,953</b>	<b>3,033</b>

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 assumptions	Executives	Non Executives
Probability of death	Mortality rate tables (named RG 48) for the Italian population as measured by General State Accounting Office	Mortality rate tables (named RG48) for the Italian population as measured by General State Accounting Office.
Probability of disablement	Tables, divided according to sex, adopted in the INPS model for projections up to 2011	Tables, divided according to sex, adopted in the INPS model for projections up to 2011
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 assumptions	Executives	Non Executives
Increase in the cost of life	2.00% per annum	2.00% per annum
Discounting rate	4.00% per annum	4.00% per annum
Increase in TFR retirement allowance	3.00% per annum	3.00% per annum

## 20. Provision for contingencies and charges

	31.12.10	Incr.	Decr.	31.12.11	Within 12 mths	After 12 mths
Agents' termination benefit provision	165	15	-	180	-	180
Product warranty provision	367	190	(367)	190	190	-
Other provisions	154	151	(88)	217	175	42



**Total** **686** **356** **(455)** **587** **365** **222**

**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.

**21. Liabilities related to derivate instruments**

This item represents the fair value of the two derivative contracts on Group's interest rates. Of these only one contract has all the characteristics for classification as hedging according to the related standards. For this contract recognition is directly to net equity (cash flow hedge reserve, see variations to net equity) whereas for the other contract the fair value is accounted for in the income statement.

Below are the main figures of the above-mentioned contracts:

	31.12.2011			31.12.2010		
	Notional	Positive Fair value	Negative Fair value	Notional	Positive Fair value	Negative Fair value
IRS accounted for according to cash flow hedging	3,599	-	38	-	-	-
IRS which do not reflect the requirements established by IAS 39 to be qualified as hedging	8,000	-	145	-	-	-
<b>Total derivatives for hedging against interest rate risk</b>	<b>11,599</b>	<b>-</b>	<b>183</b>	<b>-</b>	<b>-</b>	<b>-</b>

**22. Trade payables**

	2011	2010
Advance from customers	50	27
Domestic suppliers	13,363	11,042
Foreign suppliers	4,162	5,153
	<b>17,575</b>	<b>16,222</b>

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 35.

Domestic supplier payables at 31 December 2011 include 228 thousand euros for investments in tangible fixed assets made during the second half of the period (Note 4). The variation is likewise affected by the parent's increased inventory.

**23. Other payables**

	2011	2010
Payables to employees for wages	1,075	1,515
Payables to employees for matured but unused holidays	721	664
Other accrued expenses	565	399
VAT	458	406
Other liabilities	2,396	932
Social security payables	1,091	1,039



6,306

4,955

The item 'Other Liabilities' contains the amount of 1.467 million euros as deferred for the capital contribution which will be paid by the Chinese State in 2012 for the landlease right on the land on which the Wuxi production plant will be built. The amount of the credit indicated in note 14 has been entirely deferred for a correct matching between costs and revenue. Indeed, it should be noted that the amortization of the asset will start in 2012 and will last 50 years.

#### 24. Payables to taxation authorities

	2011	2010
For wages and salaries	385	362
For income tax	406	313
Sundry	359	335
	<u>1,150</u>	<u>1,010</u>
<i>Within the financial period</i>	1,150	1,010
<i>After the financial period</i>	-	-

### INCOME STATEMENT

#### Revenue

For the break-down of revenue, please read note 3 regarding Segment Information.

#### 25. Other revenue

	2011	2010
Sundry income	784	906
Gains on equity	484	241
	<u>1,268</u>	<u>1,147</u>

Gains on equity refer mainly to the disposal of divested industrial equipment.

#### 26. Costs for raw material and consumable supplies

	2011	2010
Raw material	22,902	20,928
Commercial goods	2,381	2,197
Semi-finished products	18,603	11,510
Other purchases for production	2,074	1,855
Sundry purchases	2,087	1,443
Additional expenses	473	345
Finished products	<u>4,385</u>	<u>1,422</u>
	<u>52,905</u>	<u>39,700</u>

The higher costs for raw materials and consumable supplies is due to the increase in turnover and higher prices for raw material during 2011.

#### 27. Service costs

	2011	2010
--	------	------



Industrial services	10,390	9,217
Commercial services	3,587	2,793
General services	6,178	5,117
Costs related to use of third party assets	2,119	1,959
	<b><u>22,274</u></b>	<b><u>19,086</u></b>

Increase in service costs is due to the expenses incurred for the Hannover Exhibition (every three years) and to the increased turnover.

## 28. Personnel costs

	2011	2010
Wages and salaries	24,492	21,577
Social security	5,209	4,832
TFR retirement allowance (note 19)	575	599
Reorganisation costs	-	288
Sundry costs	1,434	1,342
	<b><u>31,710</u></b>	<b><u>28,638</u></b>

Reorganisation costs in 2010 were incurred by Bolzoni S.p.A. and involved one-off compensation for surplus staff. In 2011 no costs of this nature were incurred.

Average number of Group employees at 31 December:

	31.12.2011	31.12.2010	Variation
Top Managers	28	35	(7)
First-line managers	6	5	1
White collar	289	269	20
Blue collar	287	299	(12)
<b>Total</b>	<b>610</b>	<b>608</b>	<b>2</b>

## 29. Other operating costs

	2011	2010
Tax and duty	371	381
Bad debt	102	55
Losses on sale of fixed assets	210	84
Sundry	407	419
	<b><u>1,090</u></b>	<b><u>939</u></b>

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

## 30. Financial income and charges

	2011	2010
Financial charges	(1,525)	(1,284)
Financial income	243	331
<b>Net financial income (charges)</b>	<b><u>(1,282)</u></b>	<b><u>(953)</u></b>

Compared to the previous year, net financial charges have increased mainly due to higher interest rates applied by banks.

### 30.1 Financial charges



	2011	2010
Interest on short term payables (overdrafts and credit disinvestments)	335	291
Interest on medium/long term loan payables	803	659
Charges other than above (lease contracts and sundry)	387	334
	<b>1,525</b>	<b>1,284</b>

### 30.2 Financial income

	2011	2010
Interest income from customers	223	238
Income other than above	20	93
	<b>243</b>	<b>331</b>

### 30.3 Exchange rate gains and losses

	2011	2010
Exchange rate gains	871	347
Exchange rate differences following translation	392	26
Exchange rate losses	(738)	(447)
	<b>525</b>	<b>(74)</b>

### 31. Stock option plan

At the date of the consolidated financial statement the Group does not have any stock option plans running.

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

### 32. 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.

Below are details on earnings and information on the shares used to calculate basic and diluted earnings per share:

<i>Earnings/ (losses) per share</i>	2011	2010
Net group profit attributable to ordinary shareholders	1,592	(438)
Average number of ordinary shares (n°000)	25,994	25,994
Basic earnings per ordinary share	0,061	(0.017)

### 33. Dividends

During the financial year 2011 no dividends were approved nor paid. The proposal to the Shareholders' meeting regarding dividends (not recognised as liabilities at 31 December) amounts to €1,039,756.60 (2010: €0). The proposed resolution regarding profits, if approved, will result in the payment of 0.04 euros per share (2010: 0).

### 34. Commitments and contingencies

#### Capital commitments

At December 31 2011 and at December 31 2010 the value of the Group's commitments was not material.





**Legal litigations**

During the financial year 2008 the Tax Police made an inspection on financial years 2006 and subsequent. The notification report dated July 3, 2008 does not evidence any irregularities of a certain importance. On December 14, 2010 the Inland Revenue of Piacenza prepared the assessment notice n° 97036 concerning the observations by the Tax Police regarding financial year 2005. The Company has prepared an appeal to the Province’s Tax Commission on February 11, 2011 requesting the cancellation of the observation. On June 9, 2011 the Inland Revenue of Piacenza prepared the assessment notice n° 46881 regarding the observations by the Tax Police on year 2006 and the assessment notice n° 44746 regarding the observations by the Tax Police on year 2007. The Company has prepared two appeals to the Province’s Tax Commission on September 20, 2011 requesting the cancellation of the majority of the observations. As the tax risk of the above observations is considered remote, no provision has been made in the financial statement.

**Guarantees granted**

At 31 December 2011 the Bolzoni Group has granted the following guarantees:

- it has destined some land and buildings as guarantee against two mortgage loans (see note 18);
- 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 (2010: US \$ 500,000);
- it has granted a surety to a bank for the amount of € 2,000,000 (2010: € 2,000,000) in favour of the subsidiary Auramo OY;
- it has granted a surety to a bank for the amount of € 630,000 (2010: € 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 € 304,898 (2010: € 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 € 800,000 (2010: € 750,000) in favour of the subsidiary Bolzoni Auramo GmbH;
- it has granted a surety to a bank for the amount of € 750,000 (2010: € 750,000) in favour of the subsidiary Bolzoni Auramo S.l.;
- it has granted a surety to a bank for the amount of € 1,600,000 (2010: € 850,000) in favour of the subsidiary Bolzoni Auramo S.l.;
- it has granted a surety to a bank for the amount of € 950,000 (2010: € 450,000) in favour of the subsidiary Hans H. Meyer GmbH.;
- it has granted a surety to a bank for the amount of € 1,250,000 (2010: € 1,250,000) in favour of the subsidiary Hans H. Meyer GmbH.;
- it has granted a surety to a bank for the amount of € 1,800,000 (2010: € 2,300,000) in favour of the subsidiary Hans H. Meyer GmbH.;
- it has granted a surety to a bank for the amount of € 500,000 (2010: € 500,000) in favour of the subsidiary Hans H. Meyer GmbH.;
- it has granted a surety to a supplier for the amount of € 100,000 (2010: 100,000) in favour of the subsidiary Bolzoni Auramo Shanghai;
- it has granted a surety to a bank for the amount of € 650,000 (2010: 650,000) in favour of the subsidiary Meyer Italia Srl;
- It has granted a surety to a bank for the amount of € 425,000 (2010: 0) in favour of the subsidiary Meyer Italia Srl;
- it has granted a surety to a supplier for the amount of € 500,000 (2010: € 500,000) in favour of another supplier; and
- it has granted a surety to a supplier for the amount of € 300,000 (2010: € 300,000) in favour of another supplier.

**35. 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 12 and 22).

<i>Related parties</i>	<i>Revenue with related parties</i>	<i>Costs with related parties</i>	<i>Related parties receivables</i>	<i>Related parties payables</i>
------------------------	-------------------------------------	-----------------------------------	------------------------------------	---------------------------------

Associates:



Eurolift Pty	2011	85	–	-	–
	2010	280	–	108	–
Auramo South Africa	2011	917	–	329	–
	2010	525	–	161	–
Other related companies : Intesa-Sanpaolo Group	2011	6	247	556	7,650
	2010	1	200	421	9,092
Other related companies:	2011	–	336	-	-
	2010	–	336	–	–

### **Associated companies**

In May 2011, through the subsidiary Bolzoni Auramo Pty, the Group acquired 75.5% of Eurolift Pty previously owned for 24.5% through the Parent. As of April 1<sup>st</sup>, 2011 the company has become part of the Group. The amount of 85 thousand euros (Revenue with related parties) refers to the turnover in Q1.

At 31 December 2011 the Group owns the following investments:

- 40% interest in Auramo South Africa (2010: 40%) owned through Auramo Oy
- 20% interest in XinHuaxin (2010: 0%) owned through Bolzoni Holding Hong Kong

### **Transactions with other related parties**

#### **Other related parties**

At 31 December 2011 Intesa-Sanpaolo Group owns less than 5% of share capital of Bolzoni S.p.A. (2010: less than 5%) and a manager of Intesa-Sanpaolo Group (Davide Turco) is a member of the parent's Board of Directors. The Bolzoni Group has business relations of a financial nature with the Intesa-Sanpaolo Group and, as a consequence, at 31 December 2011, the total value of debts towards the Intesa-Sanpaolo Group amounted to approximately 7.1 million euros (2010: € 8.7 million).

Auramo OY, entirely controlled group company, rents the property situated in Vantaa (Finland) where its offices and production plant are located, from Kiinteisko 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 336 thousand euros (2010: approx. 336 thousand euros).

#### **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 2011 the Group, as in previous years, has not made any provision for doubtful debts referring to amounts owed by related parties.

## **36. 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 main risks arising from the Group's financial instruments are those in connection with interest rates, liquidity, exchange rates and receivables. 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 2.4.

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. At 31.12.2011 there are no forward contracts open on foreign currencies.

The Group's policy is that no trading in financial instruments shall be undertaken for speculative purposes. For the financial year under examination only one IRS contract (see Note 21) appears not to follow the hedging parameters established by IFRS.

#### **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. Below are shown the effects that could derive from a 0.25 BPS variation in interest rates.

	<i>Variations in presumptions</i>	<i>Effect on gross profit before tax</i>
2011	0.25 BPS	(48)
	-0.25 BPS	48
2010	0.25 BPS	(66)
	-0.25 BPS	66

As at 31 December 2011 loans hedged against interest rate risk amounted to 3.6 million euros.

The Group has two 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 (see note 21).

### **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.

As described in the section dedicated to the consolidation principles the financial reports of the subsidiaries prepared in currencies other than Euro, are translated using the exchange rates published in the web site of the Italian Exchange Rate Office. Below is a table showing the effects of possible variations to exchange rates on the main items of financial reports for the subsidiaries operating outside the Euro zone.

	<i>Currency</i>	<i>Increase/ Decrease</i>	<i>Effect on Net Equity*</i>	<i>Variation on Turnover</i>	<i>Variation on profit before tax</i>
2011	<i>USD</i>	+ 5% / -5%	+ 21 / - 24	- 450 / + 497	+ 21 / - 24
	<i>SEK</i>	+ 5% / -5%	- 8 / + 8	- 209 / + 231	- 16 / + 18
	<i>GBP</i>	+ 5% / -5%	- 10 / + 12	- 243 / + 269	- 11 / + 12
	<i>\$ AUS</i>	+ 5% / -5%	+ 9 / - 10	- 104 / + 115	+ 7 / - 8
	<i>RMB</i>	+ 5% / -5%	+ 1 / - 1	- 122 / + 135	+ 1 / - 1
	<i>SLOTY</i>	+ 5% / -5%	- 3 / + 4	- 84 / + 92	- 5 / + 6
	<i>\$ CAN</i>	+ 5% / -5%	= / =	- 66 / + 73	+ 1 / - 1
2010	<i>USD</i>	+ 5% / -5%	+ 47 / - 52	- 325 / + 359	+ 47 / - 52
	<i>SEK</i>	+ 5% / -5%	- 8 / + 8	- 136 / + 150	- 4 / + 4
	<i>GBP</i>	+ 5% / -5%	+ 9 / - 10	- 185 / + 204	+ 9 / - 10
	<i>\$ AUS</i>	+ 5% / -5%	- 5 / + 5	- 49 / + 54	- 5 / + 5
	<i>RMB</i>	+ 5% / -5%	- 2 / + 2	- 102 / + 113	- 2 / + 2
	<i>SLOTY</i>	+ 5% / -5%	- 5 / + 5	- 56 / + 62	- 4 / + 4
	<i>\$ CAN</i>	+ 5% / -5%	= / =	- 58 / + 64	= / =

\* net of the theoretical tax effect. The theoretical tax effect in the single countries home to the various subsidiaries has been considered. Furthermore for those subsidiaries presenting negative results no tax effects have been considered.

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

As these derivative contracts are generally drawn up after the invoicing of sales or of the purchases generating the related cash flows and so 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. At 31 December 2011 there are no derivative contracts running of this nature.

Following the expansion of its activities ton 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); the volume of these operations is however minimal.

### ***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 and available-for-sale financial assets, 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.

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

### ***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:

	<i>Carrying amount</i>		<i>Fair value</i>	
	<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>
<i>Financial assets</i>				
Cash in hand	6,716	3,817	6,716	3,817
Other financial assets (long term)	60	60	60	60
Financial assets available for sale	284	261	284	261
<i>Financial liabilities</i>				
Bank overdrafts and advance on collectable bills subject to final payment	(3,010)	(2,341)	(3,010)	(2,341)
Loans:				
At variable rates	(26,522)	(23,988)	(26,522)	(23,988)
At fixed rates	-	-	-	-
Forward currency contracts *	-	-	-	-
Swap Interest Rates *	-	-	-	-

\* 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 risk.

Variable rate	<1 year	>1<2 yrs	>2<3 yrs	>3<4 yrs	>4<5 yrs	> 5 Yrs	Total
Liquid funds	6,716	-	-	-	-	-	6,716
Financial receivables	284	-	-	-	-	-	284
Assets held to maturity	60	-	-	-	-	-	60
Overdrafts on bank accounts	(57)	-	-	-	-	-	(57)
Advance on collectable bills subject to final payment	(1,953)	-	-	-	-	-	(1,953)
Advance on foreign business	(1,000)	-	-	-	-	-	(1,000)
Subsidiary loans	(5,736)	-	-	-	-	-	(5,736)
Carisbo Bank loan	(375)	-	-	-	-	-	(375)
Carisbo Bank loan	(375)	(94)	-	-	-	-	(469)
Carisbo Bank loan	(500)	(499)	(500)	-	-	-	(1,499)
Carisbo Bank loan	(500)	(499)	(500)	(250)	-	-	(1,749)
Banca di Piacenza Bank loan	(117)	(240)	(250)	(257)	(131)	-	(995)
Banca di Piacenza Bank loan	(548)	-	-	-	-	-	(548)
Banca di Piacenza mortgage loan	(223)	(219)	(223)	(223)	(223)	(662)	(1,773)
Unicredit Bank loan	(82)	-	-	-	-	-	(82)
Unicredit Bank loan	(349)	(714)	(754)	(774)	(391)	-	(2,982)
Banca Monte Parma Bank loan	(164)	-	-	-	-	-	(164)
Cariparma Bank loan	(160)	-	-	-	-	-	(160)
Cariparma Bank loan	(637)	(662)	(692)	-	-	-	(1,991)
Cariparma mortgage loan	(399)	(406)	(435)	(449)	(463)	(1,223)	(3,375)
GE Capital loan	(244)	(490)	(510)	(497)	(249)	-	(1,990)
Loans to subsidiaries	-	(2,634)	-	-	-	-	(2,634)
Interests	557	(414)	(246)	(145)	(85)	(49)	(1,496)

**37. Remuneration of Directors and Statutory Auditors**

The following table shows the remuneration during year 2011 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	230	28	Director
Roberto Scotti	230	28	Director
Luigi Pisani	28	-	Director
Franco Bolzoni	28	-	Director
Pierluigi Magnelli	28	-	Director
Davide Turco	28	-	Director
Karl Peter Otto Staack	28	-	Director
Raimondo Cinti	28	-	Director
Giovanni Salsi	28	-	Director



Paolo Mazzone	28	-	Director
<b>Total</b>	<b>684</b>	<b>56</b>	
Giorgio Picone	25	-	Auditor
Carlo Baldi	14	-	Auditor
Maria Gabriella Anelli	14	-	Auditor
<b>Total</b>	<b>53</b>	<b>-</b>	

### 38. Other information

The Parent has not carried out any operations to favour the purchase or the subscription of shares in accordance with article 2358, paragraph 3 of the Civil Code

The Group appointed its auditors in March 2006. Below is a summary of fees paid during the financial period in exchange for services rendered to the Group by the following:

- by the auditing company for auditing services
- by the auditing company, for services other than above, divided between verification services necessary for the issue of certifications and other services, separated according to type;
- by companies belonging to the auditing company's network, for services divided according to type.

		<i>Partial consideration</i>	<i>Total consideration</i>	
Accounting audit	Parent's Auditor	155		
	Other companies of Ernst & Young network	66	221	96.93%
Certification services	Parent's Auditor	-		
	Other companies of Ernst & Young network	-	-	
Tax assistance services	Parent's Auditor	7		
	Other companies of Ernst & Young network	-	7	3.07%
Services other than audit	Parent's Auditor	-		
	Other companies of Ernst & Young network	-	-	
<b>Total</b>			<b>228</b>	<b>100.00%</b>

### 39. Events after the balance sheet date

During the first months of the year the domestic market in recession is in contrast with the international market which, with some exceptions, is giving better than expected results. As a consequence sales and production volumes are higher than forecasted. Our projects in China proceed according to the established time-frame.

Apart from the above, from 31 December 2011 to this day, no other important facts have occurred which could have a significant effect on the figures included in this report.

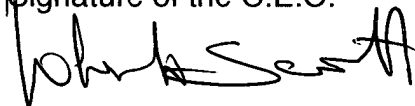
## STATEMENT ON THE COMPANY AND CONSOLIDATED FINANCIAL REPORT

ACCORDING TO ART. 81-TER OF CONSOB RULING n° 11971  
OF MAY 14 1999 AND SUBSEQUENT MODIFICATIONS AND INTEGRATIONS

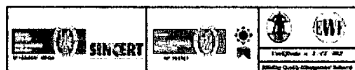
1. The undersigned Roberto Scotti, C.E.O., and Marco Bisagni, manager responsible for the preparation of the corporate accounting documents of Bolzoni S.p.A., also taking into account the provisions contained in art. 154-bis, paragraphs 3 and 4 of the legislative decree n° 58 of February 24 1998, do hereby certify:
  - the appropriateness in relation to the company's characteristics and
  - the actual application of the administrative and accounting procedures behind the preparation of the company and consolidated financial statement for the period 1 January – 31 December 2011.
2. In this respect, the C.E.O. and the manager responsible for the preparation of the corporate accounting documents highlight that
  - the accounting figures for the financial period 2011 have been subjected to specific and adequate controls which have not highlighted any significant deficiencies.
3. We also certify that:
  - 3.1 the Company and Consolidated financial statements at 31 December 2011:
    - a) have been drawn up according to the applicable International Accounting Standards as recognised by the European Community in compliance with ruling (CE) n° 1606/2002 by the European Parliament and Council on 19 July 2002;
    - b) correspond to the results of the accounting books and entries;
    - c) are suitable for providing a true and precise portrayal of the balance sheet and economic-financial situation of the issuer and the group of companies included in the consolidation
  - 3.2 the Management Report includes a reliable analysis of the management trend and result, together with situation of the issuer and the group of companies included in the consolidation, in addition to a description of the main risks and uncertainties to which they are exposed.

Casoni di Podenzano, 14 March 2012

Signature of the C.E.O.



Signature of the Manager  
Responsible for the Preparation  
of the company accounting  
documents



**BOLZONI S.p.A.** Società per Azioni

Capitale € 6.498.478,75 int. vers. - R.E.A. PC 87382 - Cod. Fisc. Part. Iva e Reg. Imp. PC IT 00113720338

Sede Legale e Stabilimento Principale: I CASONI 29027 PODENZANO - PIACENZA (ITALIA) - Tel +39 0523 555511 r.a. - Fax +39 0523 524087

www.bolzoni-auramo.com - e-mail: sales.it@bolzoni-auramo.com

**BALANCE SHEET as at 31 December 2011**

<b>BALANCE SHEET</b>	<b>Notes</b>	<b>31/12/2011</b>	<b>31/12/2010</b>
<i>(euros)</i>			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	13,484,613	14,934,938
Intangible fixed assets	4	1,224,211	1,253,447
Investment in subsidiaries	5	40,882,181	34,942,483
Investment in associated companies	6	-	46,311
Credits and other financial assets	7	2,278,112	2,413,834
- of which related to subsidiaries	7	2,100,000	2,400,000
Deferred tax assets	8	188,297	444,631
<b>Total non-current assets</b>		<b>58,057,414</b>	<b>54,035,644</b>
<b>Current assets</b>			
Inventory	9	6,713,805	5,641,775
Trade receivables	10	18,262,763	15,268,196
- of which related to subsidiaries	10	8,855,467	6,912,000
- of which related to associates	10	255,879	139,814
Tax receivables	11	46,773	135,329
Other receivables	12	606,867	864,105
- of which related to subsidiaries	12	250,392	-
Cash and cash equivalent	13	1,362,093	706,988
- of which towards related parties ( Intesa-Sanpaolo)	15	555,628	420,811
<b>Total current assets</b>		<b>26,992,301</b>	<b>22,616,393</b>
<b>TOTAL ASSETS</b>		<b>85,049,715</b>	<b>76,652,037</b>



**BALANCE SHEET as at 31 December 2011**

<b>BALANCE SHEET</b> <i>(euros)</i>	<b>Notes</b>	<b>31/12/2011</b>	<b>31/12/2010</b>
<b>NET EQUITY</b>			
Share capital	14	6,498,479	6,498,479
Reserves	14	31,834,214	31,236,722
Result of the period	14	1,463,394	420,895
<b>TOTAL NET EQUITY</b>		<b>39,796,087</b>	<b>38,156,096</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term loans	15	13,478,900	10,191,041
- of which towards related parties ( <i>Intesa-Sanpaolo</i> )	15	2,343,750	4,093,750
T.F.R. provision (retirement allowance)	16	2,030,673	2,098,614
Deferred tax liability	8	281,853	217,605
Contingency and expenses provisions	17	180,000	165,000
Liabilities for derivatives	18	182,547	-
<b>Total non-current liabilities</b>		<b>16,153,973</b>	<b>12,672,260</b>
<b>Current liabilities</b>			
Trade payables	19	20,190,559	17,647,685
- of which related to subsidiaries	19	6,020,000	5,553,000
Payables to banks and current portion of long-term loans	15	6,488,465	5,874,694
- of which towards related parties ( <i>Intesa-Sanpaolo</i> )	15	2,413,785	2,233,011
Other payables	20	1,577,247	1,683,685
Tax payables	21	757,856	547,058
Current portion of contingency provision	17	85,528	70,559
<b>Total current liabilities</b>		<b>29,099,655</b>	<b>25,823,681</b>
<b>TOTAL LIABILITIES</b>		<b>45,253,628</b>	<b>38,495,941</b>
<b>TOTAL NET EQUITY AND LIABILITIES</b>		<b>85,049,715</b>	<b>76,652,037</b>

**INCOME STATEMENT for fiscal year ended 31 December 2011**

<b>INCOME STATEMENT</b> (euros)	<b>Notes</b>	<b>31/12/2011</b>	<b>31/12/2010</b>
Turnover	22	61,356,887	50,170,206
- of which related to subsidiaries and associates	31	19,309,000	16,667,000
Other operating revenue	23	72,915	114,438
<b>Total revenue</b>		<b>61,429,802</b>	<b>50,284,644</b>
Costs for raw material and consumables	24	(35,160,592)	(27,309,282)
- of which related to subsidiaries and associates	31	(2,678,000)	(2,537,000)
Costs for services	25	(10,264,686)	(8,543,091)
Personnel expenses	26	(10,791,921)	(10,047,817)
- of which non-recurring		-	(287,968)
Other operating expenses	27	(246,202)	(230,715)
Adjustment of investments	5	(150,000)	(40,000)
<b>Gross operating result (Ebitda)</b>		<b>4,816,401</b>	<b>4,113,739</b>
Amortization	3 - 4	(2,566,289)	(2,648,380)
Provisions and write-downs	10 - 17	(162,502)	(112,348)
<b>Operating result</b>		<b>2,087,610</b>	<b>1,353,011</b>
Financial expenses	28	(934,469)	(597,859)
- of which related to subsidiaries	31	(135,101)	(100,534)
- of which towards related parties (Intesa-Sanpaolo)	31	(153,509)	(133,094)
Financial income	28	828,107	401,934
- of which related to subsidiaries	31	60,475	51,659
- of which towards related parties (Intesa-Sanpaolo)	31	5,823	683
Exchange rate earnings and losses	28	490,676	(294,578)
<b>Result before tax</b>		<b>2,471,924</b>	<b>862,508</b>
Income tax	8	(1,008,530)	(441,613)
<b>Result of the period</b>		<b>1,463,394</b>	<b>420,895</b>

**STATEMENT OF COMPREHENSIVE INCOME for fiscal year ended 31 December 2011**

<b>STATEMENT OF COMPREHENSIVE INCOME</b>	<b>Notes</b>	<b>31/12/2011</b>	<b>31/12/2010</b>
<b>Profit/Loss for the period (A)</b>		<b>1,463,394</b>	<b>420,895</b>
Part of profit/loss with effect on cash flow hedging instruments		(37,910)	-
Tax effect (cash flow hedge)		10,425	-
Profit/loss from redetermination of financial activities available for sale		-	-
Other profit/loss of companies calculated with the N.E. method		-	-
Effect of business combinations under common control		204,082	-
Actuarial profit/loss of fixed benefit plans		-	-
<b>Total Other profit/loss (B)</b>		<b>176,597</b>	<b>-</b>
<b>Total Overall Profit/loss (A + B)</b>		<b>1,639,991</b>	<b>420,895</b>



## STATEMENT OF CHANGES IN EQUITY for the financial year ended 31 December 2011

	Capital	Revaluation reserve	Share premium provision	Legal reserve	Other Reserves	Cash flow hedge reserve	Profit	Total Net Equity
<b>Balances on 31.12. 2009</b>	<b>6,498,479</b>	<b>2,329,967</b>	<b>17,543,542</b>	<b>1,283,685</b>	<b>10,599,587</b>	<b>-</b>	<b>-520,059</b>	<b>37,735,201</b>
Profit allocation					-520,059		520,059	-
Dividends								
Other variations								
Year result							420,895	-420,895
<b>Balances on 31.12.2010</b>	<b>6,498,479</b>	<b>2,329,967</b>	<b>17,543,542</b>	<b>1,283,685</b>	<b>10,079,528</b>	<b>-</b>	<b>420,895</b>	<b>38,156,096</b>
<b>Balances on 31.12.2010</b>	<b>6,498,479</b>	<b>2,329,967</b>	<b>17,543,542</b>	<b>1,283,685</b>	<b>10,079,528</b>	<b>-</b>	<b>420,895</b>	<b>38,156,096</b>
Profit allocation				21,045	399,850		-420,895	-
Dividends								-
Year result							1,463,394	1,463,394
Other overall profits/losses					204,082	-27,485	-	176,597
<b>Total overall profit</b>					<b>204,082</b>	<b>-27,485</b>	<b>1,463,394</b>	<b>1,639,991</b>
<b>Balances on 31.12.2011</b>	<b>6,498,479</b>	<b>2,329,967</b>	<b>17,543,542</b>	<b>1,304,730</b>	<b>10,683,460</b>	<b>-27,485</b>	<b>1,463,394</b>	<b>39,796,087</b>

**CASH FLOW STATEMENT for the fiscal year ended 31 December 2011**

The cash flow statement shows operations with related parties only when they are not directly inferable from other statements in the financial report. The items related to operations with related parties are described at note 31 of the Explanatory Notes.

<i>(euros)</i>	<i>Notes</i>	<b>2011</b>	<b>2010</b>
<b>Net profit of the year</b>		<b>1,463,394</b>	<b>420,895</b>
<i>Adjustment to reconcile net profit with cash flow generated (used) by operating activities:</i>			
Amortization		2,566,289	2,648,381
Accrual to TFR provision (retirement allowance) and financial charges		644,763	661,541
Services paid and actuarial differences		(712,705)	(985,301)
Accrual to contingency and charges provision		100,528	85,559
Use of contingency and charges provision		(70,559)	(49,895)
Accrual derivative assessment		182,547	-
Net variation of deferred tax		320,582	(88,088)
Net variation of investments		(5,893,387)	(870,000)
<i>Variations in operating assets and liabilities:</i>			
(Increase) decrease in inventory		(1,072,030)	(255,453)
(Increase) decrease in trade receivables		(2,994,567)	(3,089,361)
(Increase) decrease in other receivables		257,238	(493,548)
Increase (decrease) in trade payables		2,842,850	4,449,330
Increase (decrease) in other payables		(106,438)	313,285
Increase (decrease) in tax payables		210,797	68,218
(Increase)decrease in tax receivables		88,557	297,481
<b>NET CASH FLOW GENERATED BY OPERATING ACTIVITIES</b>	a)	<b>(2,172,141)</b>	<b>3,113,044</b>
<i>Cash flows generated by investment activity:</i>			
Gross investments in tangible activities		(1,122,617)	(479,989)
Disinvestments in tangible activities		189,954	83,331
Net investments in intangible activities		(454,041)	(216,565)
<b>NET CASH FLOW USED FOR INVESTMENT ACTIVITIES</b>	b)	<b>(1,386,704)</b>	<b>(613,223)</b>
<i>Cash flows generated by financing activity:</i>			
New loans (repayment) and transfer of short term portions to current liabilities.		3,250,401	(2,227,786)
Net variation of other non-current financing assets/liabilities		-	-
Dividends paid		-	-
Share capital increase		-	-
Other variations to net equity		176,597	-
<b>CASH FLOW GENERATED (USED) BY FINANCING ACTIVITIES</b>	c)	<b>3,426,998</b>	<b>(2,227,786)</b>
<b>EFFECT OF EXCHANGE RATES ON NET LIQUID FUNDS</b>		-	-
	a)+b)+ c)		
<b>NET INCREASE (DECR.) IN NET LIQUID FUNDS</b>		<b>(131,847)</b>	<b>272,035</b>
NET LIQUID FUNDS AT START OF YEAR		(320,216)	(592,251)
NET LIQUID FUNDS AT END OF YEAR		(452,063)	(320,216)
VARIATION		(131,847)	272,035
<b>ADDITIONAL INFORMATION:</b>			
Interest paid		855,519	538,216
Income tax paid		415,181	219,989



## 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 2011 was authorized by the resolution taken by the directors on March 14<sup>th</sup> 2012.

As at December 31 2011 the majority of Bolzoni SpA's share capital is owned by Penta Holding srl with registered offices in Podenzano, Località I Casoni (Piacenza).

Bolzoni S.p.A. is not subject to management and coordinating activities on behalf of companies or bodies and establishes in full autonomy its general and operational strategic orientations.

### 2. Basis of Preparation and Accounting Principles

#### 2.1 Basis of preparation

Bolzoni S.p.A.'s financial statement has been prepared in conformity with the International Accounting Standards and related interpretations, as approved by the IASB and enacted according to the procedure indicated in article 6 of Ruling (CE) n° 1606 passed on 19 July 2002.

The accounting principles used for this financial statement are those formally approved by the European Union and ruling on December 31st 2011, in addition to the regulations issued to implement art. 9 of the Legislative Decree n° 38/2005. 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 as at 31 December 2011 has been drawn up on the basis of the historic cost, modified as required by the accounting standards of reference for the evaluation of certain financial instruments, if necessary.

The company financial statement at 31 December 2011 has been prepared with the prospect of a continuation of the Company's activity. Indeed the Company has estimated that, despite a difficult economic and financial context, no significant uncertainties exist regarding its continuity (as established under paragraph 25 of the IAS 1) also considering the actions already identified to adjust to the altered levels of demand and the industrial and financial flexibility of the Company itself and also in view of the growth in turnover volumes during the financial year 2011 with respect to the previous year.

With reference to the Statements, the following should be noted:

- Balance Sheet: the Company differentiates between non-current assets and liabilities and current assets and liabilities;
- Income Statement: the Company presents a classification of costs according to their nature, which is believed to be more representative of the Company's predominantly commercial and distribution activities;
- Cash Flow Statement: it has been drawn up using the indirect method to determine cash flows produced by the activity during the period;
- Variations to Net Equity: the Company includes all variations to net equity including those deriving from transactions with shareholders (distribution of dividends, share capital increases)

#### Accounting standards and interpretations endorsed effective from 1 January 2011

- Amendments to IAS 32 "Financial instruments: Disclosure and Presentation – Classification of issue of rights"

These amendments refer to issue of rights such as, for example, options or warrants, in currencies other than the issuer's functional currency. Previously, such issue of rights were accounted for as derivative financial liabilities. Now, if certain conditions are met, it is possible to classify these issues of rights as net equity instruments regardless of the currency used to express the price.

The application of these amendments does not have any effect on the financial statement.



- Amendments to IFRS 1 reviewed “First-time adoption of IFRS – exemptions limited to comparative disclosure required by IFRS 7 in the event of first adoption”

This amendment exempts, for first-time adopters of the IFRS, from the need to provide comparative figures for the additional disclosures required by IFRS 7 regarding the calculation of fair value and liquidity risk. It does not affect the financial statement.

- IAS 24 reviewed “Related party disclosures”

The new version of IAS 24 simplifies the type of information required on transactions with related parties controlled by the State and provides a new simpler and clearer definition of related parties. The application of this principal does not have any significant effect on the disclosures provided.

- Amendments to IFRIC 14 “Prepayments of a minimum funding requirement”

The amendments apply to the rare case in which an entity, subject to minimum funding requirements related to defined benefit plans, makes prepayments to guarantee these limits. The benefits deriving from prepayments can be booked under assets.

These amendments are not applicable to the Company.

- IFRIC 19 “Extinguishing financial liabilities with Equity instruments”

This interpretation provides guidelines on the recognition of the extinction of a financial liability through the issue of equity instruments (debt for equity swap), that is to say, when an entity renegotiates with its creditor the terms of a debt and the creditor accepts the entity’s shares or other equity instruments to totally or partly extinguish the debt itself.

The application of this interpretation does not affect the financial statement.

- Improvements to the IFRSs (issued by IASB in May 2010)

Under the project begun in 2008, the IASB has issued a series of amendments to 8 standards in force. The following table summarizes the standards and the issues affected by these amendments:

IFRS	Subject of the amendment
IFRS 3 – Business combinations	Transition dispositions for contingent consideration from a business combination that occurred before 1/1/2010. Measurement of non-controlling interests. Un-replaced and voluntarily replaced share-based payment awards.
IFRS 7 – Financial instruments: Disclosures	Clarification of additional disclosures according to financial asset class
IAS 1 – Presentation of Financial Statements	Clarification of statement of changes in equity
IAS 27 – Consolidated and separate Financial Statements	Transition dispositions for amendments to certain standards following modifications to IAS 27 (2008); IAS 21 – Effects of changes in foreign exchange rates : recognition of conversion differences accumulated in net equity following a total or partial disposal of a foreign interest: IAS 28 – Interests in associated companies / IAS 31 – Interests in Joint Ventures: recognition when significant influence or joint control no longer exist
IAS 34 – Interim Financial Reporting	Addition disclosure requested by IFRS 7 “Financial Instruments: additional disclosures” and their applicability to Interim Reports.
IFRIC 13 – Customer loyalty programmes	Fair value of award credits

The application of the above amendments does not have any significant impact on the financial statement.



### International accounting standards and/or interpretations issued but not yet effective and/or not yet endorsed

As required by IAS 8 “Accounting policies, changes in accounting estimates and errors”, new Standards or Interpretations already issued, but not yet effective or not yet endorsed by the European Union and therefore not applicable, are indicated below with a brief description.

None of these Standards and Interpretations have been adopted in advance.

- Amendments to IFRS 7 – Financial Instruments; Additional Disclosures

These amendments are aimed at improving financial statement disclosure in order to increase transparency and comparability with regards to transactions for the transfer of financial assets (for example, securitisation operations) including the possible effects of risks remaining with the entity transferring the asset.

These amendments, endorsed by the European Union in November 2011 (EC Ruling 1205/2011) are applicable from 1 January 2012. No effects are expected on the financial statement.

- IFRS 9 – Financial instruments (issued November 2009 and October 2010) and subsequent amendments (issued December 2011)

IFRS 9 represents the first of three stages of the scheduled replacement of IAS 39 *Financial Instruments: Recognition and Measurement*, with the main aim of reducing its complexity. In the version issued by the IASB in November 2009 the application scope of the IFRS 9 was limited to only the financial assets. In October 2010 the IASB added to the IFRS 9 the requisites for classification and measurement of financial liabilities, thus completing the first stage of the project.

The second stage of the project, concerning the impairment of the financial instruments and the third stage, concerning hedge accounting, have resulted in the issue of two Exposure Drafts in November 2009 and December 2010 respectively. With regards to the impairment of financial instruments a new Exposure Draft is expected to be issued in the first half of 2012, whereas for hedge accounting the related new standard is also expected to be issued in the first semester of 2012.

The main changes introduced by IFRS 9 with regards to financial assets are summarised below:

- financial assets can be classified in only two categories: at fair value or at amortized costs. The categories of loans and receivables, available-for-sale financial assets and financial assets held to maturity therefore disappear. Classification within the two categories is based on the entity’s business model and on the basis of the features of the cash flows generated by the assets themselves. Financial assets are measured at their amortized cost if both the following requisites are met: the entity’s business model foresees that the financial assets are held to collect their cash flows (therefore, substantially, not for making trading profits) and the characteristics of the cash flows of the assets correspond only to the payment of principal and interest. Otherwise, financial assets must be measured at fair value;
- the accounting rules for embedded derivatives have been simplified: separate accounting for the embedded derivative and the financial asset ‘hosting’ it is no longer required;
- all equity instruments – both listed and unlisted – must be measured at fair value. IAS 39 stated instead that, if fair value could not be reliably determined, unlisted equity instruments had to be measured at cost;
- the entity has the option of presenting in net equity any changes in the fair value of equity instruments not held for trading, whereas this option is forbidden for those held for trading. This designation is permitted at the moment of initial recognition, may be adopted for a single security and is irrevocable. If this option is selected, the fair value changes of such instruments can never be reclassified from equity to the income statement. Dividends instead continue to be recognised in the income statement;
- IFRS 9 does not allow reclassifications between the two categories of financial assets except in rare cases in which there is a change in the entity’s business model. In this case the effects of the reclassification are applied prospectively;
- the disclosure required in the notes has been adapted to the classification and to the measurement rules introduced by IFRS 9.

With regards to financial liabilities the IASB has essentially confirmed the provisions of IAS 39, except for the requisites related to the fair value option. If the fair value option is adopted for financial liabilities, the fair value variation that can be attributed to the variation in the issuer’s credit risk must be recognised in the overall profit and loss statement and not in the income statement.

This standard which should come in to effect on 1 January 2015 has not yet been endorsed by the European Union. At the moment the effects deriving from the future application of the standard with regards to the classification and the measurement of financial assets cannot be quantified; the amendments regarding financial liabilities are not applicable to the financial statement.



- Amendments to IAS 12 – Income tax – recovery of underlying assets

IAS 12 requires an entity to measure deferred tax relating to an asset or a liability depending on whether the entity expects to recover the carrying amount of the asset through use or sale. In the case of assets measured at fair value according to IAS 40 *Investment Property* it could be difficult and subjective to assess whether recovery will be through use or through sale. These amendments provide a practical solution to the problem by introducing a presumption that recovery of the property investments will be entirely through sale. As a consequence, the SIC-21 “*Income taxes – recovery of revalued non-depreciable Assets*” no longer applies to investment properties carried at fair value. The remaining guidance previously provided in SIC 21 is incorporated into the amended IAS 12 and therefore SIC 21 will be withdrawn.

These amendments, expected to be effective from 1 January 2012, have not yet been endorsed by the European Union and are not applicable to the financial statement.

- Amendments to IFRS 1 – First-time adoption of the IFRS – Severe hyperinflation and removal of fixed dates for first-time adoption

The amendments introduced are:

- guidelines for preparing the financial statement according to the IFRS following a period during which the application of the IFRSs has been suspended due to hyperinflation;
- elimination of the fixed dates for first-time adoption of the IFRS. Entities adopting the IFRS apply the requisites regarding the prospective elimination in accounting of financial assets and liabilities, namely they are no longer obliged to reconstruct transactions which occurred before the date of transition to the IFRS and which have resulted in the elimination in accounting of the financial assets and liabilities.

These amendments, which came into effect on 1 July 2011, have not yet been endorsed by the European Union and are not applicable to the financial statement.

- IFRS 11 – Joint Arrangements

The new standard, which replaces IAS 31 “Interests in Joint Ventures” distinguishes two type of joint arrangements each one with a different accounting method:

- *joint operations*: arrangements giving the parties jointly in control of the operation rights on the single activities rights to the assets and obligations for the liabilities relating to the arrangement. For joint operations assets, liabilities and corresponding revenues and expenses arising from the arrangement must be accounted for according to the related accounting principles;
- *joint ventures*: this occurs when the parties jointly in control of the operation do not have rights/obligations on the single assets/liabilities relating to the arrangement but only on the net assets or the net result of the arrangement. In this case, it is necessary to consolidate using the net equity method, whereas the previous IAS 31 contained the option between proportionate consolidation and consolidation according to net equity.

This standard, which should come into effect on 1 January 2013, has not yet been endorsed by the European Union and is not expected to affect the financial statement.

- IFRS 12 – Additional disclosure of interests in other entities

The standard includes, and develops, all the requirements in terms of additional disclosure to be provided on subsidiaries, associates, joint arrangements and unconsolidated structured entities. Many of the disclosures required under IFRS 12 were previously included in IAS 27 “Consolidated and separate Financial Statements”, IAS 28 “Investments in Associates” and IAS 31 “Investments in Joint Ventures” whereas others are new.

This standard, which will come into effect on 1 January 2013, has not yet been endorsed by the European Union. The impact on disclosures in the financial statement, as a consequence of the future application of this standard, is being examined.

- IFRS 13 – Fair value measurement

The standard includes guidelines for measuring fair value and the disclosures to be provided. The standard does not extend the use of fair value but provides the criteria for its measurement and application whereas other standard allow or impose its use.

This standard, which will come into effect on 1 January 2013, has not yet been endorsed by the European Union and is not expected to have a significant effect on the financial statement.





- Amendments to IAS 1 – Presentation of financial statements – presentation of other items taken to net equity

The main amendments to IAS 1 regard a new way of presenting other items taken to net equity in the comprehensive income statement; these items must be grouped together depending on whether or not they can be reclassified (or recycled) in the future to profit and loss.

Examples of components that can be reclassified in the income statement are: foreign exchange gains and losses arising from translations, adjustment of derivatives to fair value in cash flow hedge, fair value adjustment of interests available for sale. An example of items that cannot be reclassified into profit and loss are actuarial gains and losses on defined benefit pension plans.

These amendments, which will take effect from 1 July 2012 have not yet been endorsed by the European Union. Their future application will not have any significant effect on the financial statement.

- IAS 19 – Employee benefits

The amendment of IAS 19 focuses on the accounting method for defined benefit plans, other long term benefits and termination benefits. Compared to the current standard the main variations refer to:

- defined benefit plans: the actuarial gains/losses (renamed re-measurements) must be immediately and totally recognised in the comprehensive income statement. There is no longer the option to de-recognise actuarial gains/losses falling within a certain 'corridor' or to defer them if they do not fall within the corridor (corridor approach);
- other long-term benefits (for example, long-service bonus) the actuarial gains/losses (renamed re-measurements) must be recognised under net equity in the comprehensive income statement. The immediate recognition in income statement is no longer allowed;
- elimination of 'expected return on plan assets' and 'interest cost' which will be replaced by 'net interest' calculated by applying to net liabilities (i.e. gross liabilities less plan assets) the discount rate used today only for gross liabilities;
- request for further disclosures to be include in the notes to the financial statement to better highlight the risks deriving from defined benefit plans;
- termination benefits: according to the new standard the factor which determines the timing for recognition in the financial statement is the fact that the benefit offer cannot be withdrawn by the entity and is therefore irrevocable. To this purpose, termination benefits are substantially of two types:
  - o benefits in connection to a more ample reorganisation plan where the entity cannot withdraw the offer and the employee has other alternative but to accept; in this case the offer is considered irrevocable when the lay-off plan is disclosed to the employees;
  - o individual benefits that the entity can theoretically withdraw to its discretion until accepted by the employee; in this case the offer becomes irrevocable when the employee accepts.

This standard, which takes effect from 1 January 2013, has not yet been endorsed by the European Union. With regards to the foreseeable impact on the consolidated financial statement it should be noted that the elimination of the corridor approach will not produce any effects as the Company does not utilize this method.

- IFRS 10 – Consolidated financial statements

The new standard replaces IAS 27 'Consolidated and separate financial statements' – for the part related to the consolidated financial statement – and SIC 12 'Consolidation – Special purpose entities. IAS 27 – renamed 'Separate Financial Statement' – contains only the standards and guidelines for the preparation of the separate financial statement.

The new IFRS 10 defines a single control model to be applied to all the investees and represents the factor to determine whether an investee must be consolidated. The accounting method and consolidation procedures remain the same as those established under IAS 27. The new control method introduces a greater degree of subjectivity and requires a high level of judgement from the management in order to establish whether an entity is under its control and must therefore be consolidated. The new standard also explicitly includes the possibility of controlling an entity even without a voting majority (de facto control) a concept which was not explicitly present in IAS 27.

This standard, which will take effect from 1 January 2013, has not yet been endorsed by the European Union. At the moment there should not be any impact on the consolidation area as a result of the introduction of the new standard in its first application.



- IAS 27 – Separate Financial Statement

Following the new standards IFRS 10 and IFRS 12, what remains of IAS 27 is limited to the accounting of the subsidiaries, jointly controlled companies and associates, in the separate financial statement. The amendments become effective for financial years starting 1 January 2013 and after. The future application of these amendments will not affect the financial statement.

- IAS 28 – Interests in associated companies

Following the new standards IFRS 11 and IFRS 12, IAS 28 has been renamed Investments in associates and Joint Ventures, and describes the application of the net equity method for investments in joint venture companies, in addition to associated companies. The amendments are effective for financial years starting 1 January 2013 and after. The future application of these amendments will not affect the financial statement.

- Amendments to IFRS 7 – Financial Instruments – Additional disclosure – offsetting financial assets and liabilities

These amendments introduce the obligation to provide ample disclosure in the notes when financial assets and liabilities are offset on the basis of a legal offsetting right (for example, net and gross amounts, warranties given and owned). These amendments, which will take effect from 1 January 2013, have not yet been endorsed by the European Union. No impact is expected on the financial statement as a result of the future application of these amendments.

- Amendments to IFRS 7 – Financial Instruments – Additional disclosure – first time adoption of IFRS 9

These amendments introduce the obligation to provide additional disclosure during transition to IFRS 9 to clarify the effects of first time adoption of IFRS 9 on the classification and the measurement of financial instruments.

These amendments, which take effect from 1 January 2015, have not yet been endorsed by the European Union. At the moment the possible effects resulting from the future application of these amendments cannot be quantified.

- Amendments to IAS 32 – Financial Instruments: presentation – offsetting financial assets and liabilities

These amendments better clarify the meaning of the necessary requirements for offsetting financial assets and liabilities, already present in the current standard, i.e.

- what it means to actually have the legal right to offset financial assets and liabilities;
- the fact that in some cases the realisation of the asset at the same time the liability is extinguished can in actual fact be considered the extinction of a net amount.

These amendments, which will take effect from 1 January 2014, have not yet been endorsed by the European Union. Impacts on the financial statement following their future application are not expected.

## 2.2 Judgements and significant accounting estimations

### Judgements

In the application of the previously described accounting principles, the directors have taken decisions based on the following judgements with a significant effect on the values indicated in the financial statement.

### 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 any possible permanent impairments in of value of investments, benefits to employees, taxes and accrual to provisions for contingencies and risks.

Estimates of the Provision for Doubtful Debt and the Inventory Depreciation Provision are based on the losses expected by the Company. If the current economic and financial crisis were to protract or worsen this could possibly deteriorate the financial conditions of the Company's debtors more than has been estimated in this financial statement.



Estimates and assumptions are revised 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.

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 in investments**

Investments are subjected to verification for possible depreciation at least once a year; this verification requires an estimate of the utilization value of the cash flow generating unit, which is in turn based on the estimate of the current value of cash flows expected from the unit and on their discounting back on the basis of a suitable discount rate. Further information is available in Note 5.

**Amortization (for assets with a defined useful life)**

With the aim of calculating amortizations, the residual useful lives of assets are revised from time to time.

**2.3 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 revised 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 de-recognition (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 definite or indefinite. Intangible assets with definite 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 definite 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 revised 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:

	<i>Licences and Patents</i>	<i>Development costs</i>
Useful lives	Definite	Definite
Method used	Licences amortized on a straight line basis over 3/5 years ; Patents amortized on a straight line basis 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 recoverable amounts	on 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 revised at each financial year end.



Gains or losses deriving from de-recognition 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.

The Company does not own any available-for-sale financial assets.

### **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 to reflect their presumed realisable value. 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.

### **De-recognition 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 taken 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, as it is considered a plan with defined benefits in accordance with IAS 19, 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 intended 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, 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 are 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 provided***

Revenue from services provided (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 revised 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**

Derivative financial instruments are recognised at fair value and variations to fair value are taken to income statement when they do not qualify as hedge accounting or because of the type of instrument, or following the Company's decision to not perform the so-called effectiveness test. Derivative financial instruments are classified as hedge instruments when the relation between the derivative and the hedged object is formally documented and the effectiveness of hedging, periodically verified, is recognised according to IAS 39. When the hedging derivatives cover the risk of variations in cash flow of the hedged elements (Cash Flow Hedge) the effective portion of the fair value variations of the derivatives is directly taken to net equity whereas the ineffective portion is directly taken to income statement. The amounts recognised directly in net equity are reflected in the income statement coherently to the economic effects produced by the hedged element. When however the derivatives cover the risk of variations in the fair value of hedged elements (Fair Value Hedge) the fair value variation of the derivatives are taken directly to income statement; coherently, the hedged instruments are suitable for reflecting the fair value variations associated with the hedged risk.

**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.

**2.4 Segment information**

The Company operates in a single segment made up of attachments for fork lift trucks.

**3. Property, plant and equipment**

	01.01.11	Addition	Deprec.	Decrease (1)	31.12.11
Land	721	-	-	-	721
Buildings	6,916	35	-	-	6,951
Plant and machinery	24,119	404	-	(190)	24,333
Equipment	3,585	106	-	(13)	3,678
Other assets	3,224	117	-	(18)	3,323
Construction in progress	-	9	-	-	9
<b>Historical cost of property, plant and machinery</b>	<b>38,565</b>	<b>671</b>	<b>-</b>	<b>(221)</b>	<b>39,015</b>
Land	-	-	-	-	-
Buildings	(1,943)	-	(210)	-	(2,153)
Plant and machinery	(15,467)	-	(1,584)	166	(16,885)
Equipment	(3,421)	-	(103)	14	(3,510)
Other assets	(2,799)	-	(186)	3	(2,982)
Construction in progress	-	-	-	-	-
<b>Depr. reserve for property, plant and machinery</b>	<b>(23,630)</b>	<b>-</b>	<b>(2,083)</b>	<b>183</b>	<b>(25,530)</b>
Land	721	-	-	-	721
Buildings	4,973	35	(210)	-	4,798
Plant and machinery	8,652	404	(1,584)	(24)	7,448
Equipment	164	106	(103)	1	168
Other assets	425	117	(186)	(15)	341
Construction in progress	-	9	-	-	9
<b>Net value of property, plant and machinery</b>	<b>14,935</b>	<b>671</b>	<b>(2,083)</b>	<b>(38)</b>	<b>13,485</b>

(1): Due to sales



The value of Property, Plant and Machinery generated internally, entirely attributed to item 'Plant and Machinery', amounts to 41 thousand euros (2010: 40 thousand euros) and is represented by raw material, semi-finished products and personnel costs.

The investments made during 2011 in Plant and Machinery refer to the purchase of machine tools and equipment necessary for a continual modernization process aimed at increasing the company's productivity and efficiency.

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

	31.12.2011		31.12.2010	
	Gross value	Net value	Gross value	Net value
Plant and machinery	3,223	-	3,223	-
Equipment	45	-	45	-
Other assets	677	-	677	5
<b>Total</b>	<b>3,945</b>	<b>-</b>	<b>3,945</b>	<b>5</b>

#### 4. Intangible fixed assets

	01.01.11	Addition	Other variations	31.12.11
Development costs	1,256	257	1	1,514
Patent rights	106	2	-	108
Licences	2,961	194	15	3,170
Others	208	-	-	208
Assets under construction	6	-	-	6
<b>Gross value of Intangible Fixed Assets</b>	<b>4,537</b>	<b>453</b>	<b>16</b>	<b>5,006</b>
Development costs	(699)	(164)	-	(863)
Patent rights	(100)	(5)	-	(105)
Licences	(2,284)	(314)	(15)	(2,613)
Others	(201)	-	-	(201)
Assets under construction	-	-	-	-
<b>Accumulated amortization for Intangible Fixed Assets</b>	<b>(3,284)</b>	<b>(483)</b>	<b>(15)</b>	<b>(3,782)</b>
Development costs	557	93	1	651
Patent rights	6	(3)	-	3
Licences	677	(120)	-	557
Others	7	-	-	7
Assets under construction	6	-	-	6
<b>Net Value of Intangible Fixed Assets</b>	<b>1,253</b>	<b>(30)</b>	<b>1</b>	<b>1,224</b>

The value of intangible fixed assets generated internally and capitalized in 2011, and attributed entirely to the item 'Development costs' amounts to 257 thousand euros and includes related personnel costs. These projects mainly refer to the development of new technical solutions for existing products.

As at 31 December 2011 development costs included 259 thousand euros referring to running projects whose amortization has not yet started.

The item 'Licences' essentially includes the software purchased externally by the Company.



## 5. Investments in subsidiaries

The Company has the following investments in subsidiary companies:

	Location	% of invest.	Type of ownership	31.12.10	Incr. Decr.	Write down	31.12.11
Bolzoni Auramo Inc.	USA	100	Direct	6,505	-	-	6,505
Bolzoni Ltd	UK	100	Direct	430	-	-	430
Bolzoni Auramo Polska	Poland	60	Direct	50	-	-	50
Bolzoni Auramo S.l.	Spain	100	Direct	2,383	-	-	2,383
Bolzoni Auramo S.r.l.	Italy	100	Direct	273	-	150	123
Bolzoni Auramo Shanghai	China	60	Direct	720	-	-	720
Bolzoni Auramo S.a.r.l.	France	100	Direct	376	-	-	376
Auramo Oy	Finland	100	Direct	13,119	-	-	13,119
Bolzoni Auramo Bv	Netherlands	51	Direct	-	-	-	-
Bolzoni Auramo Pty	Australia	100	Direct	547	713	-	1,260
Bolzoni Auramo Canada Ltd	Canada	100	Direct	122	-	-	122
Bolzoni Auramo GmbH	Germany	100	Direct	589	-	-	589
Bolzoni Auramo Ab	Sweden	100	Direct	722	-	-	722
Meyer Italia S.r.l.	Italy	100	Direct	315	350	-	615
Hans H. Meyer GmbH	Germany	100	Direct	8.791	35	-	8,826
Bolzoni Holding Hong Kong	Hong Kong	80	Direct	-	4,992	-	4,992
Meyer S.a.r.l. (1)	France	100	Indirect	-	-	-	-
Meyer Ltd (2)	UK	100	Indirect	-	-	-	-
LLC"Hans H. Meyer OOO" (3)	Russia	80	Indirect	-	-	-	-
Bolzoni Huaxin China (4)	China	60	Indirect	-	-	-	-
Bolzoni Auramo Wuxi (5)	China	100	Indirect	-	-	-	-
<b>TOTAL</b>				<b>34,942</b>	<b>6,090</b>	<b>150</b>	<b>40,882</b>

(1) % owned by Hans H Meyer GmbH for a value of 202,498 €.

(2) % owned by Hans H. Meyer GmbH for a value of 0 € following write-down

(3) % owned by Hans H. Meyer GmbH for a value of 19,550 €

(4) % owned by Bolzoni Holding Hong Kong for a value of HK\$ 12,040.400

(5) % owned by Bolzoni Holding Hong Kong for a value of HK\$ 29,518.400

The increased cost of investment in Bolzoni Auramo Pty is due to increase in share capital following the resolution of the Board of Directors passed on May 12, 2011 through bank transfer.

The increased cost of investment in Meyer Italia S.r.l. is due to increase in share capital following the resolution of the Board of Directors passed on March 16, 2011 through bank transfer.

During the financial year 2011 Bolzoni Holding Hong Kong was incorporated through the subscription of 80% of the share capital following the resolution passed by the Board of Directors May 12, 2011, by means of bank transfer.



As for the previous financial year, impairment tests have been performed on the following companies where negative differences have emerged as a result of the comparison between the book value of investments and the corresponding part of net equity:

	Investment value	Net Equity	Difference
Bolzoni Auramo Inc.	6,505	1,081	(5,424)
Bolzoni Ltd	430	257	(173)
Bolzoni Auramo S.l.	2,383	(137)	(2,520)
Bolzoni Auramo S.r.l.	123	10	(113)
Auramo Oy	13,119	8,244	(4,875)
Bolzoni Auramo Pty	1,260	573	(687)
Hans H. Meyer GmbH	8,826	6,472	(2,354)
Bolzoni Auramo GmbH	589	581	(8)
Meyer Italia S.r.l.	665	(152)	(817)

As at 31 December 2011 impairment tests were performed on the above companies on the basis of the 3 year Business Plan approved by the Board of Directors. The analyses performed highlighted the need to proceed to a write-down of 150 thousand euros for the subsidiary Bolzoni Auramo S.r.l.

With reference to the impairment tests it should be noted that to determine the value in use the following assumptions have been considered:

- growth rate used to extrapolate projections of the cash flows beyond the three year period covered by budget plans has been prudentially established at 0%;
- discount rates applied to projections of cash flows range from 7.8% and 9.1%. These rates, from which tax effects have been deducted, have been determined, in line with those used in the previous financial year .

Moreover, at 31 December 2011 a sensitivity analysis was performed on the recoverable value of investments in the main Group companies, based on the assumption of a one percentage point change in WACC. The only associated or subsidiary companies where the sensitivity analysis highlighted an impairment risk following the different WACC used are Bolzoni Auramo S.l. and Bolzoni Auramo Inc: for these subsidiaries the observance of the plans must be carefully monitored over the next financial years.

## 6. Investments in associated companies

The Company holds the following investments in associated companies:

	2011	2010
Eurolift Pty Ltd	-	46
<b>Total</b>	<b>-</b>	<b>46</b>

In May 2011 Bolzoni S.p.A. sold its stake in Eurolift to the subsidiary Bolzoni Auramo Pty. Being an operation between entities 'under common control' the difference between the transaction price and the pre-existing carrying price has not booked as proceeds in profit and loss but has been taken directly to net equity reserves.

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

	31.12.2010	Increases	Decreases	31.12.2011
Finan. credits towards subsidiaries	2,400	100	400	2,100
Guarantee deposits	14	-	-	14
Other financial assets	-	164	-	164
<b>Total</b>	<b>2,414</b>	<b>264</b>	<b>400</b>	<b>2,278</b>

The amount of 164 thousand euros refers to collection notices received in relation to the appeal made to the *Commissione Tributaria Provinciale* (Tax Commission for the Province) described in Note 30.

Details on the residual amount of interest-bearing loans (Euribor 3 months + 1.5% spread), given out to the single subsidiaries, maturing on 31.12.2012 and renewable, are provided below:

Subsidiaries	31.12.2011	31.12.2010
Bolzoni Auramo Canada Ltd	200	250
Meyer Italia S.r.l.	300	200
Bolzoni Auramo SI	150	150
Hans H. Meyer GmbH	1,450	1,800
<b>Total</b>	<b>2,100</b>	<b>2,400</b>

The loans were given in euros. None of the credits have a contract life of more than 5 years.

**8. Taxation****8.1 Deferred tax**

Deferred tax at 31<sup>st</sup> December 2011 and 2010 is as follows:

	Balance Sheet		Income Statement
	2011	2010	2011
<b>Deferred tax liability</b>			
Stock adjustment	63	39	24
Capitalization of internal costs	54	81	(27)
Exchange rate fluctuations	96	-	96
Sundry	69	98	(29)
	<u>282</u>	<u>218</u>	64
<b>Deferred tax assets</b>			
Inventory devaluation	81	92	(11)
Past losses	-	209	(209)
Derivative value taken directly to N.E.	10	-	10
Provision accrual	69	65	4
Sundry	38	79	(51)
	<u>188</u>	<u>445</u>	(257)
<b>Deferred tax income /(expense)</b>			<u><b>(321)</b></u>

It should be noted that there are no further temporary differences on assets other than the above. All deferred tax assets are therefore booked in the financial statement.

**8.2 Income tax**

The major components of income tax for the years which ended 31st December 2011 and 2010 are:

Income statement	2011	2010
<b>Current income tax</b>		
Current income tax charge	662	426
Tax for previous financial years	16	-
<b>Deferred income tax</b>		
Relating to origination and reversal of temporary differences	331	16
<b>Income tax</b>	<u><b>1,009</b></u>	<u><b>442</b></u>



A reconciliation between tax expense and the product of accounting profit multiplied by the domestic tax rate for the years ended 31st December 2011 and 2010 gives the following:

IRES/Income tax	2011		2010	
	Amount	Rate	Amount	Rate
Theoretical tax rate		27.50%		27.50%
Result before tax	2,472		863	
<b>Theoretical tax charge</b>	<b>680</b>		<b>237</b>	
<i>Plus variations:</i>				
Tax free or non-taxable income	10		10	
Exchange rate fluctuations	-		94	
Company cars	91		107	
Non-deductible costs	369		263	
Other plus variations for IAS purposes	186		246	
<i>Minus variations</i>				
Tax losses carried forward	(774)		0	
IPO costs	-		(461)	
Exchange rate fluctuations	(444)		(80)	
Dividends from subsidiaries	(721)		(327)	
Other minus variations	(199)		(194)	
Other minus variations for IAS purposes	(93)		(139)	
<b>Taxable amount</b>	<b>897</b>		<b>382</b>	
<b>CURRENT IRES</b>	<b>247</b>	<b>9.99%</b>	<b>105</b>	<b>12.17%</b>

IRAP	2011		2010	
	Amount	Rate	Amount	Rate
Theoretical tax rate		3.90%		3.90%
Result before tax	2,472		863	
<b>Theoretical tax charge</b>	<b>96</b>		<b>34</b>	
<i>Plus variations:</i>				
Personnel costs	7,019		6,474	
Other plus variations	1,230		1,272	
<i>Minus variations:</i>				
Other minus variations	(75)		(463)	
<b>Taxable amount</b>	<b>10,646</b>		<b>8,146</b>	
<b>CURRENT IRAP</b>	<b>415</b>	<b>16.8%</b>	<b>318</b>	<b>36,81%</b>

## 9. Inventory

	2011	2010
Raw material	2,097	1,970
Obsolescence provision for raw material	(78)	(97)
<b>Net raw materials</b>	<b>2,019</b>	<b>1,873</b>
Semi-finished products	3,448	2,950
Obsolescence provision for semi-finished products	(128)	(146)
<b>Net semi-finished products</b>	<b>3,320</b>	<b>2,804</b>
Finished products	1,427	1,015
Obsolescence provision for finished products	(52)	(50)
<b>Net finished products</b>	<b>1,375</b>	<b>965</b>
<b>Total inventory at lesser between cost and net realizable value</b>	<b>6,714</b>	<b>5,642</b>

The increase in value of inventory is mainly in relation to the higher turnover. The careful management of inventory has limited this increase with respect to the growth in turnover.



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

	31.12.2010	Increase	Decrease	31.12.2011
Obsolesc.provision for raw material	97	-	19	78
Obsolesc.provision for semi-finished prod.	146	-	18	128
Obsolesc. provision for finished prod.	50	2	-	52
<b>Total</b>	<b>293</b>	<b>2</b>	<b>37</b>	<b>258</b>

The decrease refers to use of the provision following the policy of careful management of obsolescence during the financial year.

### 10. Trade receivables (current)

	2011	2010
Trade receivables	5,414	4,737
Bills subject to collection	3,895	3,615
Bad debt provision	(156)	(136)
<b>Total third party receivables</b>	<b>9,153</b>	<b>8,216</b>
Receivables from subsidiaries	8,855	6,912
Receivables from associates	255	140
<b>Total trade receivables</b>	<b>18,263</b>	<b>15,268</b>

The increase in trade receivables is due to the higher turnover during the financial year.

Below the trade receivables are divided according to due date:

	2011	2010
Receivables not yet due	13,324	11,628
Receivables 30 days overdue	2,254	1,509
Receivables 60 days overdue	380	565
Receivables 90 days overdue	704	346
Receivables more than 90 days overdue	1,601	1,220
<b>Total trade receivables</b>	<b>18,263</b>	<b>15,268</b>

Below are the variations to the bad debt provision:

	2011	2010
<b>Bad debt provision on 01.01</b>	<b>136</b>	<b>147</b>
Accruals for the year	62	38
Use of the provision	42	49
<b>Bad debt provision on 31.12.</b>	<b>156</b>	<b>136</b>

For the terms and the conditions concerning related party receivables, refer to note 31. 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 for 90% of their nominal value.





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

	31.12.2011	31.12.2010	Variations
Auramo Oy	36	42	(6)
Bolzoni Auramo AB	41	73	(32)
Bolzoni Auramo GmbH	224	290	(66)
Bolzoni Auramo Pty Ltd	658	497	161
Bolzoni Auramo Polska	293	91	202
Bolzoni Auramo Canada Ltd	81	47	34
Bolzoni Auramo SL	596	500	96
Bolzoni Auramo Inc.	3,929	3,031	898
Bolzoni Ltd	523	670	(147)
Bolzoni Auramo S.r.l.	333	292	41
Bolzoni Auramo Sarl	748	743	5
Bolzoni Auramo BV	124	118	6
Bolzoni Auramo Shanghai	418	281	137
Hans H Meyer GmbH	388	118	270
LLC "Hans H Meyer OOO"	5	-	5
Meyer Italia S.r.l.	201	119	82
Bolzoni Auramo Wuxi	42	-	42
Bolzoni Holding Hong Kong	215	-	215
Eurolift Pty Ltd	-	94	(94)
Auramo South Africa	255	46	209
<b>Total</b>	<b>9,110</b>	<b>7,052</b>	<b>2,058</b>

The reason for the increase in receivables related to subsidiaries and associates is greatly due to increase in turnover.

## 11. Tax receivables

	2011	2010
IRES tax receivables	-	39
Other tax receivables	47	96
<b>Total</b>	<b>47</b>	<b>135</b>

The amount for 'Other tax receivables' refers to refund of IRAP deductibility for 39 thousand euros related to years 2004 and 2005.

## 12. Other receivables

	2011	2010
VAT receivables	267	410
Advance to suppliers	38	65
Prepaid expenses	31	66
INPS credit for CIG (temporary lay-off)	-	253
Receivable Bolzoni Auramo PTY for sale of interest	251	-
Sundry	20	70
<b>Total</b>	<b>607</b>	<b>864</b>



The VAT receivable will be compensated in March 2012. It should be remembered that during the financial year the INPS credit amounting to 253 thousand euros for 'Cassa Integrazione Guadagni Ordinaria' booked in the financial statement at 31.12.2010 was recovered. The 251 euro receivable refers to the credit deriving from the sale of stake in Eurolift Pty to the subsidiary Bolzoni Auramo Pty.

### 13. Cash and cash equivalents

	2011	2010
Cash in hand and bank accounts	7	9
Short term deposits	1,355	698
<b>Total</b>	<b>1,362</b>	<b>707</b>

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 :

	2011	2010
Cash in hand and bank accounts	1,362	707
Bank overdrafts and advance on collectable bills subject to final payment (note 15)	(1,814)	(1,027)
<b>Total</b>	<b>(452)</b>	<b>(320)</b>

### 14. Share capital and reserves

	2011	2010
Ordinary shares 0.25 euro each	25,993,915	25,993,915

During the financial year 2011 there have been no variations to share capital.

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	6,498				None	None
B) Share premium reserve	17,543	A – B - C			None	None
C) Legal reserve	1,305	B			None	None
C) Other reserves	10,684	A – B - C			None	Distribution of dividends
C) IAS reserves	(27)	A – B - C			None	Cash flow hedge
D) Revaluation reserve	2,330	A – B - C			None	None
<b>Total</b>	<b>38,333</b>					
<b>Year's profit</b>	<b>1,463</b>					
<b>Total net equity</b>	<b>39,796</b>					

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



## 15. Interest bearing loans and borrowings

		Actual interest rate %	Maturity	31.12.2011	31.12.2010
<b>Short term</b>					
Bank overdrafts			On request	1	3
Advance on collectable bills subject to final payment			30-90 days	814	1,027
Advance on foreign payments				1,000	-
Euro 6,500,000 unsecured loans (1)	Euribor +0.40		2012	-	107
Euro 7,000,000 unsecured loans (2)	Euribor +0.30		2012	954	2,236
Euro 4,500,000 unsecured loans (3)	Euribor +0.25		2012	875	1,125
Euro 10,000,000 unsecured loans (4)	Euribor +1.30		2012	1,585	750
Euro 2,000,000 unsecured loan (5)	Euribor +2.30		2012	637	-
Euro 6,000,000 mortgage loans (6)	Euribor +1.50		2012	622	627
				<b>6,488</b>	<b>5,875</b>
<b>Medium/long term</b>					
Euro 7,000,000 unsecured loans (2)	Euribor +0.30		2012	-	954
Euro 3,000,000 unsecured loan (3)	Euribor +0.25		2012	-	375
Euro 1,500,000 unsecured loan (3)	Euribor +0.25		2013	94	469
Euro 2,000,000 unsecured loan (4)	Euribor +1.30		2014	999	1,498
Euro 2,000,000 unsecured loan (5)	Euribor +2.30		2014	1,353	-
Euro 8,000,000 unsecured loan (4)	Euribor +1.30		2016	6,507	1,747
Euro 6,000,000 mortgage loans (6)	Euribor +1.50		2019	4,526	5,148
				<b>13,479</b>	<b>10,191</b>

**6,500,000 euro bank loans (1)**

The loans are unsecured and are repayable in half yearly instalments .

**7,000,000 euro bank loans (2)**

The loans are unsecured and repayable in half yearly instalments.

**4,500,000 euro bank loans (3)**

The loans are unsecured and repayable in half yearly instalments.

**10,000,000 euro bank loans (4)**

The loans are unsecured and repayable in half yearly instalments.

**2,000,000 euro bank loan (5)**

The loan is unsecured and repayable in quarterly instalments.

**6,000,000 euro mortgage loans (6)**

The two loans are secured by a second degree mortgage on the property in Podenzano, are repayable in half yearly instalments at fixed principal value.

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

Loan	Covenants	2011	Limit
10.500 €/000	Net financial debts/Net equity	0.62	< 1.50
10.500 €/000	Net financial debts/Gross operating margin	2.46	< 3.50

As indicated in the above table all the covenants have been observed. The non-observance of both covenants would give the other party the right to declare forfeited the company's benefit to the term and could therefore result in the possible early repayment of the loan (residual debt of 6.1 million, 2.4 million of which due in 2012 and therefore already included in the short term loans).



<i>Net financial position</i>	31.12.2011	31.12.2010	Variation
A. Cash on hand	7	9	(2)
B. Current bank accounts	1,355	698	657
- of which related to Intesa Sanpaolo	556	421	135
<b>D. LIQUIDITY</b>	<b>1,362</b>	<b>707</b>	<b>655</b>
F. Current bank debts	(1,815)	(1,043)	(772)
- of which related to Intesa Sanpaolo	(500)	-	(500)
G. Current part of non-current indebtedness	(4,673)	(4,832)	159
- of which related to Intesa Sanpaolo	(1,914)	(2,233)	319
<b>I. CURRENT FINANCIAL INDEBTEDNESS</b>	<b>(6,488)</b>	<b>(5,875)</b>	<b>(613)</b>
<b>J. CURRENT NET FINANCIAL POSITION</b>	<b>(5,126)</b>	<b>(5,168)</b>	<b>42</b>
<b>N. NON-CURRENT NET FINANCIAL POSITION</b>	<b>(13,479)</b>	<b>(10,191)</b>	<b>(3,288)</b>
- of which related to Intesa Sanpaolo	(2,344)	(4,094)	1,750
<b>O. NET FINANCIAL POSITION</b>	<b>(18,605)</b>	<b>(15,359)</b>	<b>(3,246)</b>
- of which related to Intesa Sanpaolo	(4,202)	(5,906)	1,704

Net financial position has worsened from 15.359 thousand euros at 31.12.2010 to 18.605 thousand euros at 31.12.2011 due to strong growth in turnover and the ongoing investments in China.

## 16. T.F.R. retirement allowance fund

Below are the variations to this fund:

	2011	2010
<b>T.F.R. retirement allowance fund at 01.01</b>	<b>2,099</b>	<b>2,422</b>
Current cost of the service	556	554
Financial charges	89	108
Actuarial earnings/(losses)	83	(4)
(Benefit paid out/transfer of funds)	(796)	(981)
<b>T.F.R. retirement allowance at 31.12</b>	<b>2,031</b>	<b>2,099</b>

Following the reform of TFR retirement allowance introduced by the 2007 Budget Law, Bolzoni S.p.A. will no longer need to make a provision for employees but will be obliged to pay the amount matured to the INPS Treasury Fund unless otherwise allocated by the employee. Thus, the TFR allowance matured as at December 31 2006 must be discounted back without taking in account future economic career developments of the employees whereas, the amounts maturing from January 1<sup>st</sup> 2007 will be treated as defined contribution plan. In view of the new Italian regulation scheme, an evaluation was made by a registered actuary on the TFR accrued as at December 31<sup>st</sup> 2011.

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

- on the basis of a series of possible financial solutions (for example, increase in the cost of life), 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.

Furthermore,

- 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:

<i>Demographic theories</i>	<i>Executives</i>	<i>Non Executives</i>
Probability of death	Mortality rate tables(named RG48) for the Italian population as measured by the General State Accounting Office	Mortality rate tables (named RG48) for the Italian population as measured by the General State Accounting Office.
Probability of disablement	Tables, divided according to sex, adopted in the INPS model for projections up to 2012	Tables, divided according to sex, adopted in the INPS model for projections up to 2012
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
<i>Financial theories</i>	<i>Executives</i>	<i>Non Executives</i>
Increase in the cost of life	2.00% per annum	2.00% per annum
Discounting rate	4.00% per annum	4.00% per annum
Increase in TFR retirement allowance	3.00% per annum	3.00% per annum

## 17. Provision for contingencies and charges

	31.12.10	Incr.	Decr.	31.12.11	Within 12 months	After 12 months
Agents' termination benefit provision	165	15	-	180	-	180
Product Warranty provision	71	86	71	86	86	-
<b>Total</b>	<b>236</b>	<b>101</b>	<b>71</b>	<b>266</b>	<b>86</b>	<b>180</b>

### Agents' termination benefit provision

The aim of this provision is to deal with 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.

## 18. Liabilities related to derivate instruments

This item represents the fair value of the two derivative contracts on interest rates. Of these only one contract has all the characteristics for classification as hedging according to the related standards. For this contract recognition is directly to net equity (cash flow hedge reserve, see variations to net equity) whereas for the other contract the fair value is accounted for in the income statement.



Below are the main figures of the derivative contracts, both maturing September 2016:

	31.12.2011			31.12.2010		
	Notional	Positive Fair value	Negative Fair value	Notional	Positive Fair value	Negative Fair value
IRS accounted for according to cash flow hedging	3,599	-	38	-	-	-
IRS which do not reflect the requirements established by IAS 39 to qualify as hedging	8,000	-	145	-	-	-
<b>Total derivatives for hedging against interest rate risk</b>	<b>11,599</b>	<b>-</b>	<b>183</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 19. Trade payables

	2011	2010
Domestic suppliers	13,267	11,468
Foreign suppliers	904	627
Branch suppliers	6,020	5,553
	<b>20,191</b>	<b>17,648</b>

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

The increase in trade payables is due to the higher turnover of domestic suppliers in order to face the greater demands of the market. For terms and conditions for related parties, see Note 31.

Domestic supplier payables at 31 December 2011 include 228 thousand euros related to investments in tangible and intangible fixed assets made during the second semester of the year (Notes 3 and 4).

Below are details of payables related to the single subsidiary companies:

	31.12.2011	31.12.2010	Variations
Auramo Oy	3,808	3,895	(87)
Bolzoni Auramo AB	668	429	239
Bolzoni Auramo GmbH	8	19	(11)
Bolzoni Auramo SA	-	-	-
Bolzoni Ltd	15	-	15
Bolzoni Auramo SL	40	40	-
Bolzoni Auramo Inc.	8	15	(7)
Bolzoni Auramo Canada Ltd	9	-	9
Bolzoni Auramo S.r.l.	2	1	1
Bolzoni Auramo Sarl	821	817	4
Bolzoni Auramo BV	161	4	157
Bolzoni Auramo Shanghai	5	20	(15)
Bolzoni Auramo Pty Ltd	6	-	6
Hans H Meyer GmbH	377	231	146
Meyer Italia S.r.l.	92	82	10
<b>Total</b>	<b>6,020</b>	<b>5,553</b>	<b>467</b>

The above includes the following four interest bearing loans, at variable rate, with maturity during the year:

- 3.5 million euros obtained by Auramo Oy;
- 0.650 million euros obtained by Bolzoni Auramo AB;
- 0.8 million euros obtained by Bolzoni Auramo Sarl;
- 0.150 million euros obtained by Bolzoni Auramo BV.

**20. Other payables**

	2011	2010
Payables to employees for wages	484	795
Payables to employees for matured but untaken holidays	136	85
Sundry payables	184	23
Other accrued expenses	32	33
Other short term liabilities	166	161
Social security payables	575	587
<b>Total</b>	<b>1,577</b>	<b>1,684</b>

Payables to employees for wages at 31.12.2011 have decreased to 484 thousand euros; it should be noted that at 31.12.2010 the amount included incentives for leaving the company linked to cuts in headcount paid during the first quarter 2011. Furthermore, the item Sundry payables includes the amount of the collection notice received at the end of December and paid to the Taxation Authorities at the end of February 2012 (see Note 30 for further details).

**21. Payables to taxation authorities**

	2011	2010
Tax withheld at source on Employees pay	437	397
Sundry	321	150
<b>Total</b>	<b>758</b>	<b>547</b>
- within the financial period	758	547
- after the financial period	-	-

**INCOME STATEMENT****22. Revenue**

Below is a break-down of revenue according to geographic area.

2010	<i>Europe</i>	<i>North America</i>	<i>R.O.W.</i>	<i>Total</i>
Revenue	41,839	4,377	3,954	50,170
2011	<i>Europe</i>	<i>North America</i>	<i>R.O.W.</i>	<i>Total</i>
Revenue	52,313	4,884	4,160	61,357

Compared to the previous year, revenue in Europe has increased by 25.0%, by 11.6% in the U.S.A. and by 5.2% in the rest of the world.

**23. Other revenue**

	2011	2010
Sundry income	57	80
Gains on equity	6	10
Contingent assets	10	24
<b>Total</b>	<b>73</b>	<b>114</b>

**24. Costs for raw material and consumable supplies**

	2011	2010
Raw material	4,964	3,604
Commercial goods	1,541	2,127
Semi-finished products	23,479	18,059
Other purchases for production	2,087	1,443
Sundry purchases	122	177
Additional expenses	132	178
Finished products	2,836	1,721
<b>Total</b>	<b>35,161</b>	<b>27,309</b>

Higher costs for raw material and consumable supplies (particularly 'semi-finished products') is mainly the result of increased sales volumes.

**25. Service costs**

	2011	2010
Industrial services	5,616	4,440
Commercial services	2,344	2,085
General services	2,001	1,788
Costs related to use of third party assets	304	230
<b>Total</b>	<b>10,265</b>	<b>8,543</b>

The increase in service costs is the result of growth in turnover and of commercial expenses incurred for the triennial international exhibition in Hannover.

**26. Personnel costs**

	2011	2010
Wages and salaries	7,523	7,023
Social security	2,578	2,394
TFR retirement allowance (note 16)	555	554
Sundry costs	135	77
<b>Total</b>	<b>10,792</b>	<b>10,048</b>

The increase in personnel costs is the result of higher sales volumes.

The number of employees in Bolzoni S.p.A. at 31 December 2011 are:

	31.12.2011	31.12.2010	Variation
Top Managers	5	6	(1)
First-line managers	6	5	1
White collar	82	88	(6)
Blue collar	129	136	(7)
<b>Total</b>	<b>222</b>	<b>235</b>	<b>(13)</b>

**27. Other operating costs**

	2011	2010
Tax and duty	51	51
Losses on sale of fixed assets	21	29
Sundry	174	151
<b>Total</b>	<b>246</b>	<b>231</b>

The item 'Sundry' includes recorded costs of administrative and legal nature, association fees and donations.





## 28. Financial income and charges

	2011	2010
Financial charges	935	598
Financial income	(829)	(402)
<b>Net financial income (charges)</b>	<b><u>106</u></b>	<b><u>196</u></b>

Net financial income/charges have increased compared to the previous financial year, due to the larger spread during the period.

<i>28.1 Financial charges</i>	2011	2010
Interest on short-term payables (overdrafts and credit disinvestment)	52	10
Interest on medium/long term loan payables	542	395
Charges other than above (lease contracts and sundry)	341	193
<b>Total</b>	<b><u>935</u></b>	<b><u>598</u></b>

The increase in interest on medium/long term loans is the result of the increase in the net financial position and the increase in spread applied by banks.

<i>28.2 Financial income</i>	2011	2010
Interest income from customers	62	55
Interest income from financial assets	8	4
Dividends from subsidiaries	759	343
	<b><u>829</u></b>	<b><u>402</u></b>

Dividends were paid out by the subsidiaries Bolzoni Auramo S.a.r.l. (200 thousand euros), Bolzoni Auramo Polska (45 thousand euros), Bolzoni Auramo BV (114 thousand euros) and Auramo OY (400 thousand euros).

<i>28.3 Exchange rate gains and losses</i>	2011	2010
Exchange rate gains	1,089	225
Exchange rate losses	(598)	(520)
	<b><u>491</u></b>	<b><u>(295)</u></b>

Variations are essentially due to effects deriving from variations in the exchange rates of the US and English currencies during 2011. These variations have produced effects both on the result of exchange rate handling and on the adjustment of items in foreign currencies to balance sheet date exchange rates.

## 29. Dividends

During the course of the financial year 2011 no dividends were approved and paid out. The proposal to the Shareholders' meeting regarding dividends (not recognised as liabilities at 31 December) amounts to €1,039,756.60 (2010: €0). The proposed resolution on profits, if approved, will result in the payment of € 0.04 per share (2010:0).



### 30. Commitments and contingencies

#### Capital commitments

As at December 31st 2011 and December 31<sup>st</sup> 2010 the value of the Company's commitments was not material.

#### Legal litigations

During the financial year 2008 the Tax Police made an inspection on financial years 2006 and subsequent. The notification report dated 3.7.2008 does not evidence any irregularities of a certain importance. On December 14, 2010 the Inland Revenue of Piacenza prepared the assessment notice n° 97036 concerning the observations by the Tax Police regarding financial year 2005. On February 11, 2011 the Company prepared an appeal to the Provincial Tax Commission requesting the cancellation of the observations. On June 9, 2011 the Inland Revenue of Piacenza prepared assessment notice n° 46881 concerning observations made by the Tax Police regarding financial year 2006 and assessment notice n° 44746 concerning observations made by the Tax Police regarding financial year 2007. On September 20, 2011 the Company prepared two appeals to the Provincial Tax Commission requesting the cancellation of the majority of the observations. As the tax risk of the above assessments is considered remote, no risk provision has been made in the financial statement.

In relation to the assessment notices n° 46881 and 44746, a collection notice was received at the end of December 2011, paid at the end of February 2012. In view of the remote tax risk of the above-mentioned notices, it has not be considered necessary to make a risk provision in the financial statement.

#### Guarantees granted

Bolzoni S.p.A. has granted the following guarantees as at 31st December 2011:

- it has destined some land and buildings as guarantee against two bank loans (see note 15);
- 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 (2010: US\$ 500,000);
- it has granted a surety to a bank for the amount of € 2,000,000 (2010: € 2,000,000) in favour of the subsidiary Auramo OY;
- it has granted a surety to a bank for the amount of € 630,000 (2010: € 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 € 304,898 (2010: € 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 € 800,000 (2010: € 750,000) in favour of the subsidiary Bolzoni Auramo GmbH;
- it has granted a surety to a bank for the amount of € 750,000 (2010: € 750,000) in favour of the subsidiary Bolzoni Auramo S.l.;
- it has granted a surety to a bank for the amount of € 1,600,000 (2010: € 850,000) in favour of the subsidiary Bolzoni Auramo S.l.;
- it has granted a surety to a bank for the amount of € 950,000 (2010: € 450,000) in favour of the subsidiary Hans H. Meyer GmbH.;
- it has granted a surety to a bank for the amount of € 1,250,000 (2010: € 1,250,000) in favour of the subsidiary Hans H. Meyer GmbH.;
- it has granted a surety to a bank for the amount of € 1,800,000 (2010: € 2,300,000) in favour of the subsidiary Hans H. Meyer GmbH.;
- it has granted a surety to a bank for the amount of € 500,000 (2010: € 500,000) in favour of the subsidiary Hans H. Meyer GmbH.;
- it has granted a surety to a supplier for the amount of € 100,000 (2010: € 100,000) in favour of the subsidiary Bolzoni Auramo Shanghai;
- it has granted a surety to a bank for the amount of € 650,000 (2010: € 650,000) in favour of the subsidiary Meyer Italia S.r.l.;
- it has granted a surety to a bank for the amount of € 425,000 (2010: € 0) in favour of the subsidiary Meyer Italia S.r.l.;
- it has granted a surety to a supplier for the amount of € 500,000 (2010: € 500,000) in favour of another supplier; and
- it has granted a surety to a supplier for the amount of € 300,000 (2010: € 300,000) in favour of another supplier.

**31. Information on related parties**

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

<i>Related parties</i>		<i>Operating and Financial Revenue</i>	<i>Operating and Financial expenses</i>	<i>Financial and trade receivables</i>	<i>Related parties payables</i>
Subsidiaries	2011	18,818	2,813	11,205	6,020
	2010	16,149	2,633	9,312	5,555
Associates	2011	551	-	255	-
	2010	570	5	140	-
Other related companies : Intesa-Sanpaolo Group	2011	6	153	556	4,758
	2010	1	133	421	6,327

***Subsidiary companies***

For the breakdown between sales and financial revenue and between sales and financial costs please consult the Management Report. For details on receivables/payables see notes 7, 10 and 19.

***Associated companies***

The Company has two associated companies: 40% interest in Auramo South Africa (2010: 40.0%) held through Auramo Oy and 20% interest in XinHuaxin (2010: 0%) held through Bolzoni Holding Hong Kong.

**Transactions with other related parties*****Other related parties***

At 31 December 2011 the Intesa-Sanpaolo Group owns an interest in Bolzoni S.p.A.'s share capital of under 5% (2010: under 5%). A manager of the Intesa-Sanpaolo group (Davide Turco) is a member of the Board of Directors of the company. Bolzoni S.p.A. maintains business relations of a financial nature with the Intesa-Sanpaolo Group as a result of which, at 31 December 2011, the total value of its debts towards the Intesa-Sanpaolo group amounted to approximately 4.2 million euros (2010: 5.9 million euros).

***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 2011 the Company has not made any provision for doubtful debts referring to amounts owed by related parties (2010: Euro 0).

**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 funds 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 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 2.3.

***Interest rate risk***

The interest rate risk originates from medium-long term loans given at floating interest rates. The Company's policy is that no trading in financial instruments shall be undertaken for speculation. Furthermore, the Company intends hedging a part of the existing loans and monitoring, for the remaining part, the trend in interest rates in order to evaluate the opportunity for new hedging.



The Company believes it is exposed to the risk that a possible increase in rates could increase future financial charges. The following table shows the effects that could derive from a 0.25 BPS variation in interest rates.

	Variations in presumptions	Effect on gross profit before tax
2011	0.25 BPS	(40)
	-0.25 BPS	40
2010	0.25 BPS	(40)
	-0.25 BPS	40

At December 31, 2011 loans hedged against interest rate risks amounted to 3.6 million euros.

The Company has two Interest Rate Swap contracts running which foresee the exchange of the difference between floating and one or more fixed rate interest amounts, calculated by reference to an agreed notional principal amount. One IRS contract does not appear to observe the hedging parameters established by the IFRS (see Note 18).

**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 following table shows the sensitivity of profit before tax (due to the variations in the fair value of current assets and liabilities) and net equity towards possible reasonable variations in foreign currency exchange rates, whilst maintaining all the other variables stable.

	Currency	Increase/ Decrease	Effect on gross profit before tax	Effect on Net Equity
2011	USD	+ 5%	(205)	(149)
	USD	- 5%	227	165
	GBP	+ 5%	(26)	(19)
	GBP	- 5%	28	21
	SEK	+ 5%	1	1
	SEK	- 5%	(1)	(1)
	\$ CAN	+ 5%	(3)	(2)
	\$ CAN	- 5%	4	3
2010	USD	+ 5%	(158)	(115)
	USD	- 5%	175	127
	GBP	+ 5%	(35)	(25)
	GBP	- 5%	38	28
	SEK	+ 5%	(4)	(3)
	SEK	- 5%	4	3
	\$ CAN	+ 5%	(2)	(1)
	\$ CAN	- 5%	2	2

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.

As these derivative contracts are generally 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, in the course of the financial period, 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. At December 31st 2011 there are no derivative contracts of this nature.



Following the expansion of its activities on 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); the volume of these operations is however minimal.

**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. During the year 2011 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.

There are no significant concentrations of credit risk within the Company

**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.

**Financial instruments - 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	
	2011	2010	2011	2010
<i>Financial assets</i>				
Cash in hand	1,362	707	1,362	707
<i>Financial liabilities</i>				
Bank overdrafts and advance on collectable bills subject to final payment	(814)	(1,027)	(814)	(1,027)
Advance on foreign business	(1,000)	-	(1,000)	-
Loans:				
at variable rates	(18,153)	(15,039)	(18,153)	(15,039)
at fixed rates	-	-	-	-
Forward currency contracts*	-	-	-	-

\* 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.

**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 2011

Variable rate	<1 year	>1<2 yrs	>2<3 yrs	>3<4 yrs	>4<5 yrs	> 5 yrs	Total
Liquid funds	1,420	-	-	-	-	-	1,420
Overdraft on bank accounts	(1)	-	-	-	-	-	(1)
Advance on foreign business	(1,000)	-	-	-	-	-	(1,000)
Advance on collectable bills subject to final payment	(814)	-	-	-	-	-	(814)
Carisbo Bank loan	(375)	-	-	-	-	-	(375)
Carisbo Bank loan	(375)	(94)	-	-	-	-	(469)
Carisbo Bank loan	(500)	(500)	(499)	-	-	-	(1,499)
Carisbo Bank loan	(500)	(499)	(500)	(250)	-	-	(1,749)
Banca di Piacenza Bank loan	(120)	(240)	(250)	(257)	(131)	-	(998)
Banca di Piacenza Bank loan	(549)	-	-	-	-	-	(549)
Banca di Piacenza Mortg.loan	(221)	(219)	(223)	(223)	(223)	(662)	(1,771)
Unicredit Bank loan	(83)	-	-	-	-	-	(83)
Unicredit Bank loan	(355)	(714)	(754)	(774)	(391)	-	(2,988)
Banca Monte Parma Bank loan	(164)	-	-	-	-	-	(164)
Cariparma Bank loan	(160)	-	-	-	-	-	(160)
Cariparma Bank loan	(642)	(662)	(692)	-	-	-	(1,996)
Cariparma Mortgage loan	(408)	(406)	(435)	(449)	(463)	(1,223)	(3,384)
GE Capital Bank loan	(248)	(490)	(510)	(497)	(249)	-	(1,994)
Non-discounted interest rates	(458)	(346)	(246)	(145)	(85)	(49)	(1,329)

33. Remuneration of Directors and Statutory Auditors

The following table indicates the remuneration of the directors and statutory auditors for the year 2011:

Name	Amount	Description
Emilio Bolzoni	230	Director's fee
Roberto Scotti	230	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
Raimondo Cinti	28	Director's fee
Giovanni Salsi	28	Director's fee
Paolo Mazzoni	28	Director's fee
<b>Total</b>	<b>684</b>	
Giorgio Picone	25	Auditor's fee
Carlo Baldi	14	Auditor's fee
Maria Gabriella Anelli	14	Auditor's fee
<b>Total</b>	<b>53</b>	
Managers with strategic responsibilities	371	Remuneration as employees

Benefits, stock option plans are not provided for, nor are any other allowances normally due to directors in the event of early termination of office nor plans for succession of executive directors.



**34. Other information**

The Company has not carried out any operations to favour the purchase or the subscription of shares in accordance with article 2358, paragraph 3 of the Civil Code

The Company appointed its auditors in March 2006. Below is a summary of fees paid during the financial period in exchange for services rendered to the Company by the following:

- a) by the auditing company for auditing services
- b) by the auditing company for services other than above, divided between verification services necessary for the issue of certifications and other services, separated according to type;
- c) by companies belonging to the auditing company's network, for services divided according to type.

<i>Type of service</i>	<i>Subject providing the service</i>	<i>Fees (thousands of euros)</i>
Accounting audit	Parent's auditors	120
Tax assistance services	Parent's auditors	7

**35. Significant non recurring events and operations**

In compliance with Consob's Release N° DEM/6064293 on 28 July 2006, it should be noted that during the course of the financial year 2011 no events occurred and no non-recurring operations were carried out.

**36. Transactions deriving from uncharacteristic and/or unusual operations**

In compliance with Consob's Release N° DEM/6064293 on 28 July 2006, it should be noted that during the course of the financial year 2011 there were no transactions deriving from uncharacteristic and/or unusual operations.

**37. Events after the balance sheet date**

During the first months of the year the domestic market in recession is in contrast with the international market which, with some exceptions, is giving better than expected results. As a consequence sales and production volumes are higher than forecasted. Our projects in China proceed according to the established time-frame.

Apart from the above, from 31 December 2011 to this day, no other important facts have occurred which could have a significant effect on the figures included in this report.

AURAMO OY

PROFIT AND LOSS	In Euro AURAMO OY
Turnover	12.819.000
Other operating revenues	14.000
Cost for raw materials and consumables	5.392.000
Cost of services and use of third parties' assets	2.062.000
Personnel costs	3.914.000
Other operating expenses	92.000
Incomes from invest. in affiliated valued at NE	-39.000
<b>Gross operating result (EBITDA)</b>	<b>1.334.000</b>
Write-offs and revaluations	0
Provisions	2.000
Depreciations and amortizations	683.000
<b>Operating result (EBIT)</b>	<b>649.000</b>
Financial incomes and expenses	39.000
Gain or losses on exchange rate	28.000
<b>Result before taxes</b>	<b>716.000</b>
Income taxes	202.000
<b>Result of the period</b>	<b>514.000</b>
<b>Net profit for the period</b>	<b>514.000</b>



# AURAMO OY

	In Euro
ASSETS	AURAMO OY
<b>Non current assets:</b>	
Property, plant and machinery	831.000
Leased tangible assets	0
Goodwill	0
Other intangible assets	562.000
Investments	0
Investment in associated company at net equity	616.000
Long term financial assets availables for sales	0
Deferred tax assets	125.000
Non current derivative financial instruments	0
Non current other financial receivables	3.500.000
Financial assets held to maturity	60.000
Non current trade receivables and other receivab.	0
Non current other receivables	0
Non current assets to be dismissed	0
<b>Total</b>	<b>5.694.000</b>
 <b>Currents Assets</b>	
Stocks	1.619.000
Trade receivables and other receivables current	3.564.000
Other receivable current portion	137.000
Tax receivables	79.000
Other financial receivables current portion	0
Financial assets available for sales current port.	0
Derivative financial instruments current portion	0
Marketable securities valued at fair value	0
Cash and cash equivalent	941.000
<b>Total</b>	<b>6.340.000</b>
<b>Total Assets</b>	<b>12.034.000</b>
 <b>LIABILITIES AND SHAREHOLDERS EQUITY</b>	
<b>Shareholders equity</b>	
Share capital	565.000
Share Premium reserve	938.000
Own share reserve	0
Other reserves	6.227.000
Net results of the period	514.000
<b>Total net group equity</b>	<b>8.244.000</b>
 <b>Non-current liabilities</b>	
LT Interest bearing loans - non current portion	31.000
LT Derivative instruments - non current portion	0
Deferred tax liabilities non current	114.000
Post-employment benefits non current portion	0
Provisions non current portion	0
Other liabilities - non current portion	0
<b>Total</b>	<b>145.000</b>
 <b>Current liabilities</b>	
Trade payables	599.000
Other payables current portion	653.000
Payables to taxation authorities	106.000
ST Interest bearing loans - current portion	2.239.000
ST Derivative instruments - current portion	0
Provisions current portion	48.000
<b>Total</b>	<b>3.645.000</b>
<b>Total Liabilities</b>	<b>12.034.000</b>

## B.A. AB

In Euro	
PROFIT AND LOSS	BOLZONI AURAMO AB
Turnover	4.379.639
Other operating revenues	0
Cost for raw materials and consumables	3.050.373
Cost of services and use of third parties' assets	443.931
Personnel costs	497.291
Other operating expenses	0
Incomes from invest. in affiliated valued at NE	0
<b>Gross operating result (EBITDA)</b>	<b>388.044</b>
Write-offs and revaluations	0
Provisions	0
Depreciations and amortizations	38.952
<b>Operating result (EBIT)</b>	<b>349.092</b>
Financial incomes and expenses	18.286
Gain or losses on exchange rate	-28.711
<b>Result before taxes</b>	<b>338.667</b>
Income taxes	90.482
<b>Result of the period</b>	<b>248.185</b>
<b>Net profit for the period</b>	<b>248.185</b>

## B.A. AB

In Euro	
ASSETS	BOLZONI AURAMO AB
<b>Non current assets:</b>	<b>0</b>
Property, plant and machinery	170.958
Leased tangible assets	0
Goodwill	0
Other intangible assets	0
Investments	0
Investment in associated company at net equity	0
Long term financial assets availables for sales	0
Deferred tax assets	0
Non current derivative financial instruments	0
Non current other financial receivables	650.000
Financial assets held to maturity	0
Non current trade receivables and other receivab.	0
Non current other receivables	0
Non current assets to be dismissed	0
<b>Total</b>	<b>820.958</b>
<b>Currents Assets</b>	
Stocks	264.567
Trade receivables and other receivables current	708.449
Other receivable current portion	69.679
Tax receivables	0
Other financial receivables current portion	0
Financial assets available for sales current port.	0
Derivative financial instruments current portion	0
Marketable securities valued at fair value	0
Cash and cash equivalent	485.549
<b>Total</b>	<b>1.528.244</b>
<b>Total Assets</b>	<b>2.349.202</b>
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>	
<b>Shareholders equity</b>	
Share capital	11.221
Share Premium reserve	2.244
Own share reserve	0
Other reserves	1.118.930
Net results of the period	248.185
<b>Total net group equity</b>	<b>1.380.580</b>
<b>Non-current liabilities</b>	
LT Interest bearing loans - non current portion	0
LT Derivative instruments - non current portion	0
Deferred tax liabilities non current	0
Post-employment benefits non current portion	0
Provisions non current portion	0
Other liabilities - non current portion	0
<b>Total</b>	<b>0</b>
<b>Current liabilities</b>	
Trade payables	552.521
Other payables current portion	378.533
Payables to taxation authorities	37.568
ST Interest bearing loans - current portion	0
ST Derivative instruments - current portion	0
Provisions current portion	0
<b>Total</b>	<b>968.622</b>
<b>Total Liabilities</b>	<b>2.349.202</b>

## B.A BV

In Euro	
PROFIT AND LOSS	BOLZONI AURAMO BV
Turnover	2.761.196
Other operating revenues	0
Cost for raw materials and consumables	2.092.486
Cost of services and use of third parties' assets	298.911
Personnel costs	224.692
Other operating expenses	4.654
Incomes from invest. in affiliated valued at NE	0
<b>Gross operating result (EBITDA)</b>	<b>140.453</b>
Write-offs and revaluations	554
Provisions	0
Depreciations and amortizations	158
<b>Operating result (EBIT)</b>	<b>139.741</b>
Financial incomes and expenses	2.793
Gain or losses on exchange rate	0
<b>Result before taxes</b>	<b>142.534</b>
Income taxes	28.843
<b>Result of the period</b>	<b>113.691</b>
<b>Net profit for the period</b>	<b>113.691</b>

## B.A BV

In Euro	
ASSETS	BOLZONI AURAMO BV
<b>Non current assets:</b>	
Property, plant and machinery	880
Leased tangible assets	0
Goodwill	0
Other intangible assets	0
Investments	0
Investment in associated company at net equity	0
Long term financial assets availables for sales	0
Deferred tax assets	0
Non current derivative financial instruments	0
Non current other financial receivables	150.000
Financial assets held to maturity	0
Non current trade receivables and other receivab.	0
Non current other receivables	0
Non current assets to be dismissed	0
<b>Total</b>	<b>150.880</b>
<b>Currents Assets</b>	
Stocks	141.337
Trade receivables and other receivables current	351.181
Other receivable current portion	6.507
Tax receivables	1.157
Other financial receivables current portion	0
Financial assets available for sales current port.	0
Derivative financial instruments current portion	0
Marketable securities valued at fair value	0
Cash and cash equivalent	153.619
<b>Total</b>	<b>653.801</b>
<b>Total Assets</b>	<b>804.681</b>
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>	
<b>Shareholders equity</b>	
Share capital	18.000
Share Premium reserve	0
Own share reserve	0
Other reserves	245.933
Net results of the period	113.691
<b>Total net group equity</b>	<b>377.624</b>
<b>Non-current liabilities</b>	
LT Interest bearing loans - non current portion	0
LT Derivative instruments - non current portion	0
Deferred tax liabilities non current	0
Post-employment benefits non current portion	0
Provisions non current portion	0
Other liabilities - non current portion	0
<b>Total</b>	<b>0</b>
<b>Current liabilities</b>	
Trade payables	369.570
Other payables current portion	17.287
Payables to taxation authorities	40.200
ST Interest bearing loans - current portion	0
ST Derivative instruments - current portion	0
Provisions current portion	0
<b>Total</b>	<b>427.057</b>
<b>Total Liabilities</b>	<b>804.681</b>

## B.A GMBH

In Euro	
PROFIT AND LOSS	BOLZONI AURAMO GMBH
Turnover	6.311.000
Other operating revenues	36.000
Cost for raw materials and consumables	4.462.000
Cost of services and use of third parties' assets	840.000
Personnel costs	929.000
Other operating expenses	19.000
Incomes from invest. in affiliated valued at NE	0
<b>Gross operating result (EBITDA)</b>	<b>97.000</b>
Write-offs and revaluations	2.000
Provisions	0
Depreciations and amortizations	21.000
<b>Operating result (EBIT)</b>	<b>74.000</b>
Financial incomes and expenses	-40.000
Gain or losses on exchange rate	0
<b>Result before taxes</b>	<b>34.000</b>
Income taxes	12.000
<b>Result of the period</b>	<b>22.000</b>
<b>Net profit for the period</b>	<b>22.000</b>

B.A GMBH

In Euro	
ASSETS	BOLZONI AURAMO GMBH
<b>Non current assets:</b>	
Property, plant and machinery	50.000
Leased tangible assets	0
Goodwill	181.000
Other intangible assets	0
Investments	0
Investment in associated company at net equity	0
Long term financial assets availables for sales	0
Deferred tax assets	56.000
Non current derivative financial instruments	0
Non current other financial receivables	0
Financial assets held to maturity	0
Non current trade receivables and other receivab.	0
Non current other receivables	0
Non current assets to be dismissed	0
<b>Total</b>	<b>287.000</b>
<b>Currents Assets</b>	
Stocks	1.112.000
Trade receivables and other receivables current	553.000
Other receivable current portion	0
Tax receivables	0
Other financial receivables current portion	14.000
Financial assets available for sales current port.	0
Derivative financial instruments current portion	0
Marketable securities valued at fair value	0
Cash and cash equivalent	57.000
<b>Total</b>	<b>1.736.000</b>
<b>Total Assets</b>	<b>2.023.000</b>
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>	
<b>Shareholders equity</b>	
Share capital	1.000.000
Share Premium reserve	0
Own share reserve	0
Other reserves	-441.000
Net results of the period	22.000
<b>Total net group equity</b>	<b>581.000</b>
<b>Non-current liabilities</b>	
LT Interest bearing loans - non current portion	15.000
LT Derivative instruments - non current portion	0
Deferred tax liabilities non current	6.000
Post-employment benefits non current portion	0
Provisions non current portion	2.000
Other liabilities - non current portion	0
<b>Total</b>	<b>23.000</b>
<b>Current liabilities</b>	
Trade payables	850.000
Other payables current portion	70.000
Payables to taxation authorities	60.000
ST Interest bearing loans - current portion	408.000
ST Derivative instruments - current portion	0
Provisions current portion	31.000
<b>Total</b>	<b>1.419.000</b>
<b>Total Liabilities</b>	<b>2.023.000</b>

B.A LIMITED

In Euro	
PROFIT AND LOSS	BOLZONI AURAMO LTD
Turnover	5.111.961
Other operating revenues	0
Cost for raw materials and consumables	3.483.647
Cost of services and use of third parties' assets	689.124
Personnel costs	607.305
Other operating expenses	33.419
Incomes from invest. in affiliated valued at NE	0
<b>Gross operating result (EBITDA)</b>	<b>298.467</b>
Write-offs and revaluations	4.610
Provisions	0
Depreciations and amortizations	55.314
<b>Operating result (EBIT)</b>	<b>238.543</b>
Financial incomes and expenses	0
Gain or losses on exchange rate	-10.371
<b>Result before taxes</b>	<b>228.171</b>
Income taxes	0
<b>Result of the period</b>	<b>228.171</b>
<b>Net profit for the period</b>	<b>228.171</b>



B.A LIMITED

In Euro	
ASSETS	BOLZONI AURAMO LTD
<b>Non current assets:</b>	
Property, plant and machinery	175.985
Leased tangible assets	0
Goodwill	0
Other intangible assets	0
Investments	0
Investment in associated company at net equity	0
Long term financial assets availables for sales	0
Deferred tax assets	0
Non current derivative financial instruments	0
Non current other financial receivables	0
Financial assets held to maturity	0
Non current trade receivables and other receivab.	0
Non current other receivables	0
Non current assets to be dismissed	0
<b>Total</b>	<b>175.985</b>
<b>Currents Assets</b>	
Stocks	399.856
Trade receivables and other receivables current	1.025.979
Other receivable current portion	34.718
Tax receivables	1.197
Other financial receivables current portion	0
Financial assets available for sales current port.	0
Derivative financial instruments current portion	0
Marketable securities valued at fair value	0
Cash and cash equivalent	135.281
<b>Total</b>	<b>1.597.031</b>
<b>Total Assets</b>	<b>1.773.016</b>
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>	
<b>Shareholders equity</b>	
Share capital	1.173.231
Share Premium reserve	0
Own share reserve	0
Other reserves	-1.144.010
Net results of the period	228.171
<b>Total net group equity</b>	<b>257.393</b>
<b>Non-current liabilities</b>	
LT Interest bearing loans - non current portion	0
LT Derivative instruments - non current portion	0
Deferred tax liabilities non current	0
Post-employment benefits non current portion	0
Provisions non current portion	0
Other liabilities - non current portion	0
<b>Total</b>	<b>0</b>
<b>Current liabilities</b>	
Trade payables	1.137.316
Other payables current portion	148.450
Payables to taxation authorities	223.872
ST Interest bearing loans - current portion	5.986
ST Derivative instruments - current portion	0
Provisions current portion	0
<b>Total</b>	<b>1.515.623</b>
<b>Total Liabilities</b>	<b>1.773.016</b>

## B.A. POLSKA

	In Euro
PROFIT AND LOSS	BOLZONI AURAMO SPZOO
Turnover	1.753.991
Other operating revenues	13.975
Cost for raw materials and consumables	1.247.475
Cost of services and use of third parties' assets	153.175
Personnel costs	204.329
Other operating expenses	9.240
Incomes from invest. in affiliated valued at NE	0
<b>Gross operating result (EBITDA)</b>	<b>153.746</b>
Write-offs and revaluations	0
Provisions	0
Depreciations and amortizations	5.269
<b>Operating result (EBIT)</b>	<b>148.477</b>
Financial incomes and expenses	1.179
Gain or losses on exchange rate	-41.248
<b>Result before taxes</b>	<b>108.408</b>
Income taxes	22.529
<b>Result of the period</b>	<b>85.879</b>
Third parts	34.352
<b>Net profit for the period</b>	<b>51.528</b>

B.A. POLSKA

		In Euro
ASSETS	BOLZONI AURAMO SPZOO	
<b>Non current assets:</b>		
Property, plant and machinery		6.551
Leased tangible assets		0
Goodwill		0
Other intangible assets		1.059
Investments		0
Investment in associated company at net equity		0
Long term financial assets availables for sales		0
Deferred tax assets		0
Non current derivative financial instruments		0
Non current other financial receivables		0
Financial assets held to maturity		0
Non current trade receivables and other receivab.		0
Non current other receivables		0
Non current assets to be dismissed		0
	<b>Total</b>	<b>7.609</b>
<b>Currents Assets</b>		
Stocks		163.340
Trade receivables and other receivables current		349.732
Other receivable current portion		79.341
Tax receivables		0
Other financial receivables current portion		0
Financial assets available for sales current port.		0
Derivative financial instruments current portion		0
Marketable securities valued at fair value		0
Cash and cash equivalent		257.073
	<b>Total</b>	<b>849.485</b>
<b>Total Assets</b>		<b>857.095</b>
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>		
<b>Shareholders equity</b>		
Share capital		78.511
Share Premium reserve		0
Own share reserve		0
Other reserves		62.553
Net results of the period		85.879
	<b>Total net group equity</b>	<b>226.943</b>
<b>Non-current liabilities</b>		
LT Interest bearing loans - non current portion		0
LT Derivative instruments - non current portion		0
Deferred tax liabilities non current		0
Post-employment benefits non current portion		0
Provisions non current portion		0
Other liabilities - non current portion		0
	<b>Total</b>	<b>0</b>
<b>Current liabilities</b>		
Trade payables		533.331
Other payables current portion		44.493
Payables to taxation authorities		52.328
ST Interest bearing loans - current portion		0
ST Derivative instruments - current portion		0
Provisions current portion		0
	<b>Total</b>	<b>630.152</b>
<b>Total Liabilities</b>		<b>857.095</b>

## B.A. PTY

In Euro	
PROFIT AND LOSS	BOLZONI AURAMO PTY
Turnover	2.184.343
Other operating revenues	37.757
Cost for raw materials and consumables	1.372.627
Cost of services and use of third parties' assets	299.321
Personnel costs	748.378
Other operating expenses	2.224
Incomes from invest. in affiliated valued at NE	0
<b>Gross operating result (EBITDA)</b>	<b>-200.449</b>
Write-offs and revaluations	-2.572
Provisions	0
Depreciations and amortizations	33.865
<b>Operating result (EBIT)</b>	<b>-231.742</b>
	0
Financial incomes and expenses	777
Gain or losses on exchange rate	75.705
<b>Result before taxes</b>	<b>-155.260</b>
Income taxes	28.067
<b>Result of the period</b>	<b>-183.327</b>
<b>Net profit for the period</b>	<b>-183.327</b>

## B.A. PTY

In Euro	
ASSETS	BOLZONI AURAMO PTY
<b>Non current assets:</b>	
Property, plant and machinery	126.046
Leased tangible assets	0
Goodwill	0
Other intangible assets	0
Investments	0
Investment in associated company at net equity	0
Long term financial assets availables for sales	0
Deferred tax assets	0
Non current derivative financial instruments	0
Non current other financial receivables	0
Financial assets held to maturity	0
Non current trade receivables and other receivab.	0
Non current other receivables	0
Non current assets to be dismissed	0
<b>Total</b>	<b>126.046</b>
<b>Currents Assets</b>	
Stocks	1.396.594
Trade receivables and other receivables current	717.661
Other receivable current portion	17.130
Tax receivables	0
Other financial receivables current portion	0
Financial assets available for sales current port.	0
Derivative financial instruments current portion	0
Marketable securities valued at fair value	0
Cash and cash equivalent	234.647
<b>Total</b>	<b>2.366.031</b>
<b>Total Assets</b>	<b>2.492.077</b>
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>	
<b>Shareholders equity</b>	
Share capital	2.565.073
Share Premium reserve	0
Own share reserve	0
Other reserves	-1.808.644
Net results of the period	-183.327
<b>Total net group equity</b>	<b>573.102</b>
<b>Non-current liabilities</b>	
LT Interest bearing loans - non current portion	67.656
LT Derivative instruments - non current portion	0
Deferred tax liabilities non current	0
Post-employment benefits non current portion	25.101
Provisions non current portion	0
Other liabilities - non current portion	0
<b>Total</b>	<b>92.757</b>
<b>Current liabilities</b>	
Trade payables	1.642.833
Other payables current portion	105.889
Payables to taxation authorities	35.796
ST Interest bearing loans - current portion	41.698
ST Derivative instruments - current portion	0
Provisions current portion	0
<b>Total</b>	<b>1.826.217</b>
<b>Total Liabilities</b>	<b>2.492.077</b>

## B.A. SARL

In Euro	
PROFIT AND LOSS	BOLZONI AURAMO SARL
Turnover	6.730.777
Other operating revenues	11.707
Cost for raw materials and consumables	4.881.290
Cost of services and use of third parties' assets	568.458
Personnel costs	816.542
Other operating expenses	52.119
Incomes from invest. in affiliated valued at NE	0
<b>Gross operating result (EBITDA)</b>	<b>424.075</b>
Write-offs and revaluations	13.057
Provisions	41.764
Depreciations and amortizations	37.728
<b>Operating result (EBIT)</b>	<b>331.526</b>
Financial incomes and expenses	24.394
Gain or losses on exchange rate	0
<b>Result before taxes</b>	<b>355.920</b>
Income taxes	125.768
<b>Result of the period</b>	<b>230.152</b>
<b>Net profit for the period</b>	<b>230.152</b>

B.A. SARL

In Euro	
ASSETS	BOLZONI AURAMO SARL
<b>Non current assets:</b>	
Property, plant and machinery	97.922
Leased tangible assets	120.183
Goodwill	0
Other intangible assets	0
Investments	0
Investment in associated company at net equity	0
Long term financial assets availables for sales	0
Deferred tax assets	13.452
Non current derivative financial instruments	0
Non current other financial receivables	800.000
Financial assets held to maturity	0
Non current trade receivables and other receivab.	0
Non current other receivables	0
Non current assets to be dismissed	0
<b>Total</b>	<b>1.031.557</b>
<b>Currents Assets</b>	
Stocks	257.450
Trade receivables and other receivables current	2.048.918
Other receivable current portion	12.962
Tax receivables	28.381
Other financial receivables current portion	0
Financial assets available for sales current port.	0
Derivative financial instruments current portion	0
Marketable securities valued at fair value	0
Cash and cash equivalent	86.960
<b>Total</b>	<b>2.434.671</b>
<b>Total Assets</b>	<b>3.466.228</b>
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>	
<b>Shareholders equity</b>	
Share capital	198.120
Share Premium reserve	2.312
Own share reserve	0
Other reserves	1.078.812
Net results of the period	230.152
<b>Total net group equity</b>	<b>1.509.396</b>
<b>Non-current liabilities</b>	
LT Interest bearing loans - non current portion	2.163
LT Derivative instruments - non current portion	0
Deferred tax liabilities non current	33.643
Post-employment benefits non current portion	32.183
Provisions non current portion	41.764
Other liabilities - non current portion	0
<b>Total</b>	<b>109.753</b>
<b>Current liabilities</b>	
Trade payables	1.492.078
Other payables current portion	307.885
Payables to taxation authorities	43.033
ST Interest bearing loans - current portion	4.083
ST Derivative instruments - current portion	0
Provisions current portion	0
<b>Total</b>	<b>1.847.079</b>
<b>Total Liabilities</b>	<b>3.466.228</b>

## B.A. SHANGHAI

In Euro	
PROFIT AND LOSS	BOLZONI AURAMO SH
Turnover	2.566.118
Other operating revenues	0
Cost for raw materials and consumables	1.766.115
Cost of services and use of third parties' assets	442.990
Personnel costs	342.895
Other operating expenses	14.248
Incomes from invest. in affiliated valued at NE	0
<b>Gross operating result (EBITDA)</b>	<b>-130</b>
Write-offs and revaluations	0
Provisions	0
Depreciations and amortizations	43.652
<b>Operating result (EBIT)</b>	<b>-43.781</b>
Financial incomes and expenses	694
Gain or losses on exchange rate	23.924
<b>Result before taxes</b>	<b>-19.163</b>
Income taxes	3.173
<b>Result of the period</b>	<b>-22.335</b>
<b>Net profit for the period</b>	<b>-22.335</b>



B.A. SHANGHAI

In Euro	
ASSETS	BOLZONI AURAMO SH
<b>Non current assets:</b>	
Property, plant and machinery	176.370
Leased tangible assets	0
Goodwill	0
Other intangible assets	0
Investments	0
Investment in associated company at net equity	0
Long term financial assets availables for sales	0
Deferred tax assets	0
Non current derivative financial instruments	0
Non current other financial receivables	0
Financial assets held to maturity	0
Non current trade receivables and other receivab.	0
Non current other receivables	0
Non current assets to be dismissed	0
<b>Total</b>	<b>176.370</b>
<b>Currents Assets</b>	
Stocks	1.701.339
Trade receivables and other receivables current	650.684
Other receivable current portion	22.645
Tax receivables	0
Other financial receivables current portion	0
Financial assets available for sales current port.	0
Derivative financial instruments current portion	0
Marketable securities valued at fair value	0
Cash and cash equivalent	204.876
<b>Total</b>	<b>2.579.544</b>
<b>Total Assets</b>	<b>2.755.914</b>
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>	
<b>Shareholders equity</b>	
Share capital	1.418.798
Share Premium reserve	0
Own share reserve	0
Other reserves	619.931
Net results of the period	-22.335
<b>Total net group equity</b>	<b>2.016.394</b>
<b>Non-current liabilities</b>	
LT Interest bearing loans - non current portion	0
LT Derivative instruments - non current portion	0
Deferred tax liabilities non current	0
Post-employment benefits non current portion	0
Provisions non current portiones	0
Other liabilities - non current portion	0
<b>Total</b>	<b>0</b>
<b>Current liabilities</b>	
Trade payables	703.142
Other payables current portion	32.322
Payables to taxation authorities	4.056
ST Interest bearing loans - current portion	0
ST Derivative instruments - current portion	0
Provisions current portion	0
<b>Total</b>	<b>739.520</b>
<b>Total Liabilities</b>	<b>2.755.914</b>

## B.A. SL

In Euro	
PROFIT AND LOSS	BOLZONI AURAMO SL
Turnover	3.665.327
Other operating revenues	42.554
Cost for raw materials and consumables	2.729.791
Cost of services and use of third parties' assets	469.963
Personnel costs	717.131
Other operating expenses	61.022
Incomes from invest. in affiliated valued at NE	0
<b>Gross operating result (EBITDA)</b>	<b>-270.026</b>
Write-offs and revaluations	63.693
Provisions	0
Depreciations and amortizations	98.060
<b>Operating result (EBIT)</b>	<b>-431.779</b>
Financial incomes and expenses	-25.724
Gain or losses on exchange rate	44
<b>Result before taxes</b>	<b>-457.459</b>
Income taxes	6.920
<b>Result of the period</b>	<b>-464.379</b>
<b>Net profit for the period</b>	<b>-464.379</b>

## B.A. SL

In Euro	
ASSETS	BOLZONI AURAMO SL
<b>Non current assets:</b>	
Property, plant and machinery	205.153
Leased tangible assets	342.091
Goodwill	0
Other intangible assets	2.105
Investments	0
Investment in associated company at net equity	0
Long term financial assets availables for sales	0
Deferred tax assets	18.575
Non current derivative financial instruments	0
Non current other financial receivables	29.795
Financial assets held to maturity	0
Non current trade receivables and other receivab.	0
Non current other receivables	0
Non current assets to be dismissed	0
<b>Total</b>	<b>597.719</b>
<b>Currents Assets</b>	
Stocks	351.079
Trade receivables and other receivables current	1.210.298
Other receivable current portion	6.361
Tax receivables	251
Other financial receivables current portion	0
Financial assets available for sales current port.	0
Derivative financial instruments current portion	0
Marketable securities valued at fair value	0
Cash and cash equivalent	19.886
<b>Total</b>	<b>1.587.875</b>
<b>Total Assets</b>	<b>2.185.594</b>
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>	
<b>Shareholders equity</b>	
Share capital	200.000
Share Premium reserve	0
Own share reserve	0
	127.192
Net results of the period	-464.379
<b>Total net group equity</b>	<b>-137.187</b>
<b>Non-current liabilities</b>	
LT Interest bearing loans - non current portion	185.378
LT Derivative instruments - non current portion	0
Deferred tax liabilities non current	0
Post-employment benefits non current portion	0
Provisions non current portion	0
Other liabilities - non current portion	0
<b>Total</b>	<b>185.378</b>
<b>Current liabilities</b>	
Trade payables	1.147.493
Other payables current portion	30.788
Payables to taxation authorities	136.247
ST Interest bearing loans - current portion	822.875
ST Derivative instruments - current portion	0
Provisions current portion	0
<b>Total</b>	<b>2.137.403</b>
<b>Total Liabilities</b>	<b>2.185.594</b>

B.A. SRL

In Euro	
PROFIT AND LOSS	BOLZONI AURAMO SRL
Turnover	1.348.985
Other operating revenues	4.110
Cost for raw materials and consumables	979.299
Cost of services and use of third parties' assets	130.818
Personnel costs	253.538
Other operating expenses	37.056
Incomes from invest. in affiliated valued at NE	0
<b>Gross operating result (EBITDA)</b>	<b>-47.616</b>
Write-offs and revaluations	1.525
Provisions	0
Depreciations and amortizations	17.692
<b>Operating result (EBIT)</b>	<b>-66.833</b>
Financial incomes and expenses	3.446
Gain or losses on exchange rate	0
<b>Result before taxes</b>	<b>-63.387</b>
Income taxes	6.294
<b>Result of the period</b>	<b>-69.681</b>
<b>Net profit for the period</b>	<b>-69.681</b>

## B.A. SRL

In Euro	
ASSETS	BOLZONI AURAMO SRL
<b>Non current assets:</b>	
Property, plant and machinery	8.608
Leased tangible assets	0
Goodwill	0
Other intangible assets	0
Investments	0
Investment in associated company at net equity	0
Long term financial assets availables for sales	0
Deferred tax assets	0
Non current derivative financial instruments	0
Non current other financial receivables	0
Financial assets held to maturity	0
Non current trade receivables and other receivab.	0
Non current other receivables	0
Non current assets to be dismissed	0
<b>Total</b>	<b>8.608</b>
<b>Currents Assets</b>	
Stocks	47.809
Trade receivables and other receivables current	635.222
Other receivable current portion	647
Tax receivables	1.969
Other financial receivables current portion	0
Financial assets available for sales current port.	0
Derivative financial instruments current portion	0
Marketable securities valued at fair value	0
Cash and cash equivalent	38.549
<b>Total</b>	<b>724.196</b>
<b>Total Assets</b>	<b>732.804</b>
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>	
<b>Shareholders equity</b>	
Share capital	50.000
Share Premium reserve	0
Own share reserve	0
Other reserves	29.939
Net results of the period	-69.681
<b>Total net group equity</b>	<b>10.258</b>
<b>Non-current liabilities</b>	
LT Interest bearing loans - non current portion	0
LT Derivative instruments - non current portion	0
Deferred tax liabilities non current	143
Post-employment benefits non current portion	142.067
Provisions non current portion	0
Other liabilities - non current portion	0
<b>Total</b>	<b>142.210</b>
<b>Current liabilities</b>	
Trade payables	526.100
Other payables current portion	51.580
Payables to taxation authorities	2.656
ST Interest bearing loans - current portion	0
ST Derivative instruments - current portion	0
Provisions current portion	0
<b>Total</b>	<b>580.336</b>
<b>Total Liabilities</b>	<b>732.804</b>

## B.B.A. INC.

	In Euro
PROFIT AND LOSS	BOLZONI AURAMO INC
Turnover	9.445.097
Other operating revenues	21.102
Cost for raw materials and consumables	7.065.867
Cost of services and use of third parties' assets	800.944
Personnel costs	1.631.576
Other operating expenses	148.187
Incomes from invest. in affiliated valued at NE	0
<b>Gross operating result (EBITDA)</b>	<b>-180.375</b>
Write-offs and revaluations	0
Provisions	14.665
Depreciations and amortizations	278.522
<b>Operating result (EBIT)</b>	<b>-473.563</b>
Financial incomes and expenses	-6.512
Gain or losses on exchange rate	22.831
<b>Result before taxes</b>	<b>-457.244</b>
Income taxes	0
<b>Result of the period</b>	<b>-457.244</b>
<b>Net profit for the period</b>	<b>-457.244</b>

B.B.A. INC.

		In Euro
ASSETS	BOLZONI AURAMO INC	
<b>Non current assets:</b>		
Property, plant and machinery		1.469.549
Leased tangible assets		0
Goodwill		0
Other intangible assets		35.912
Investments		0
Investment in associated company at net equity		0
Long term financial assets availables for sales		0
Deferred tax assets		0
Non current derivative financial instruments		0
Non current other financial receivables		0
Financial assets held to maturity		0
Non current trade receivables and other receivab.		0
Non current other receivables		0
Non current assets to be dismissed		0
	<b>Total</b>	<b>1.505.461</b>
<b>Currents Assets</b>		
Stocks		2.861.580
Trade receivables and other receivables current		1.660.479
Other receivable current portion		88.857
Tax receivables		0
Other financial receivables current portion		0
Financial assets available for sales current port.		0
Derivative financial instruments current portion		0
Marketable securities valued at fair value		0
Cash and cash equivalent		59.307
	<b>Total</b>	<b>4.670.223</b>
<b>Total Assets</b>		<b>6.175.684</b>
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>		
<b>Shareholders equity</b>		
Share capital		386.429
Share Premium reserve		0
Own share reserve		0
Other reserves		1.151.329
Net results of the period		-457.244
	<b>Total net group equity</b>	<b>1.080.513</b>
<b>Non-current liabilities</b>		
LT Interest bearing loans - non current portion		0
LT Derivative instruments - non current portion		0
Deferred tax liabilities non current		0
Post-employment benefits non current portion		0
Provisions non current portion		0
Other liabilities - non current portion		0
	<b>Total</b>	<b>0</b>
<b>Current liabilities</b>		
Trade payables		4.604.889
Other payables current portion		88.079
Payables to taxation authorities		0
ST Interest bearing loans - current portion		386.429
ST Derivative instruments - current portion		0
Provisions current portion		15.774
	<b>Total</b>	<b>5.095.171</b>
<b>Total Liabilities</b>		<b>6.175.684</b>

B.B.A. LTD

	In Euro
PROFIT AND LOSS	BOLZONI AURAMO LTD CADADA
Turnover	1.381.901
Other operating revenues	13.085
Cost for raw materials and consumables	878.863
Cost of services and use of third parties' assets	195.545
Personnel costs	300.951
Other operating expenses	2.908
Incomes from invest. in affiliated valued at NE	0
<b>Gross operating result (EBITDA)</b>	<b>16.719</b>
Write-offs and revaluations	0
Provisions	0
Depreciations and amortizations	17.446
<b>Operating result (EBIT)</b>	<b>-727</b>
Financial incomes and expenses	-4.362
Gain or losses on exchange rate	-5.815
<b>Result before taxes</b>	<b>-10.904</b>
Income taxes	0
<b>Result of the period</b>	<b>-10.904</b>
<b>Net profit for the period</b>	<b>-10.904</b>



B.B.A. LTD

	In Euro
ASSETS	BOLZONI AURAMO LTD CADADA
<b>Non current assets:</b>	
Property, plant and machinery	81.725
Leased tangible assets	0
Goodwill	0
Other intangible assets	0
Investments	0
Investment in associated company at net equity	0
Long term financial assets availables for sales	0
Deferred tax assets	0
Non current derivative financial instruments	0
Non current other financial receivables	0
Financial assets held to maturity	0
Non current trade receivables and other receivab.	0
Non current other receivables	0
Non current assets to be dismissed	0
<b>Total</b>	<b>81.725</b>
<b>Currents Assets</b>	
Stocks	367.007
Trade receivables and other receivables current	270.904
Other receivable current portion	4.540
Tax receivables	0
Other financial receivables current portion	0
Financial assets available for sales current port.	71.888
Derivative financial instruments current portion	0
Marketable securities valued at fair value	0
Cash and cash equivalent	145.289
<b>Total</b>	<b>859.629</b>
<b>Total Assets</b>	<b>941.355</b>
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>	
<b>Shareholders equity</b>	
Share capital	647.749
Share Premium reserve	0
Own share reserve	0
Other reserves	-172.221
Net results of the period	-10.904
<b>Total net group equity</b>	<b>464.624</b>
<b>Non-current liabilities</b>	
LT Interest bearing loans - non current portion	200.000
LT Derivative instruments - non current portion	0
Deferred tax liabilities non current	0
Post-employment benefits non current portion	0
Provisions non current portion	0
Other liabilities - non current portion	0
<b>Total</b>	<b>200.000</b>
<b>Current liabilities</b>	
Trade payables	223.988
Other payables current portion	52.743
Payables to taxation authorities	0
ST Interest bearing loans - current portion	0
ST Derivative instruments - current portion	0
Provisions current portion	0
<b>Total</b>	<b>276.731</b>
<b>Total Liabilities</b>	<b>941.355</b>

# MEYER GROUP

PROFIT AND LOSS	In Euro MEYER GROUP
Turnover	29.321.133
Other operating revenues	962.847
Cost for raw materials and consumables	14.407.728
Cost of services and use of third parties' assets	4.218.727
Personnel costs	9.215.130
Other operating expenses	356.372
Incomes from invest. in affiliated valued at NE	0
<b>Gross operating result (EBITDA)</b>	<b>2.086.024</b>
Write-offs and revaluations	0
Provisions	196.973
Depreciations and amortizations	900.854
<b>Operating result (EBIT)</b>	<b>988.196</b>
Financial incomes and expenses	-418.377
Gain or losses on exchange rate	-19.912
<b>Result before taxes</b>	<b>549.907</b>
Income taxes	145.168
<b>Result of the period</b>	<b>404.739</b>
<b>Net profit for the period</b>	<b>404.739</b>

# MEYER GROUP

	In Euro
ASSETS	MEYER GROUP
<b>Non current assets:</b>	
Property, plant and machinery	5.763.602
Leased tangible assets	0
Goodwill	22.280
Other intangible assets	1.876.105
Investments	0
Investment in associated company at net equity	0
Long term financial assets availables for sales	0
Deferred tax assets	384.774
Non current derivative financial instruments	0
Non current other financial receivables	0
Financial assets held to maturity	0
Non current trade receivables and other receivab.	0
Non current other receivables	0
Non current assets to be dismissed	0
<b>Total</b>	<b>8.046.760</b>
 <b>Currents Assets</b>	
Stocks	3.887.485
Trade receivables and other receivables current	6.234.544
Other receivable current portion	219.623
Tax receivables	64.537
Other financial receivables current portion	0
Financial assets available for sales current port.	212.101
Derivative financial instruments current portion	0
Marketable securities valued at fair value	0
Cash and cash equivalent	336.643
<b>Total</b>	<b>10.954.933</b>
<b>Total Assets</b>	<b>19.001.693</b>
 <b>LIABILITIES AND SHAREHOLDERS EQUITY</b>	
<b>Shareholders equity</b>	
Share capital	1.023.000
Share Premium reserve	0
Own share reserve	0
Other reserves	5.044.000
Net results of the period	404.739
<b>Total net group equity</b>	<b>6.471.739</b>
 <b>Non-current liabilities</b>	
LT Interest bearing loans - non current portion	3.910.487
LT Derivative instruments - non current portion	0
Deferred tax liabilities non current	1.114.310
Post-employment benefits non current portion	577.342
Provisions non current portion	0
Other liabilities - non current portion	484.289
<b>Total</b>	<b>6.086.428</b>
 <b>Current liabilities</b>	
Trade payables	2.660.252
Other payables current portion	769.593
Payables to taxation authorities	110.367
ST Interest bearing loans - current portion	2.706.340
ST Derivative instruments - current portion	0
Provisions current portion	196.973
<b>Total</b>	<b>6.443.525</b>
<b>Total Liabilities</b>	<b>19.001.693</b>

MEYER ITA

In Euro	
PROFIT AND LOSS	MEYER ITALIA
Turnover	1.817.908
Other operating revenues	18.244
Cost for raw materials and consumables	1.130.514
Cost of services and use of third parties' assets	301.355
Personnel costs	493.358
Other operating expenses	10.026
Incomes from invest. in affiliated valued at NE	0
<b>Gross operating result (EBITDA)</b>	<b>-99.101</b>
Write-offs and revaluations	4.998
Provisions	0
Depreciations and amortizations	134.047
<b>Operating result (EBIT)</b>	<b>-238.146</b>
Financial incomes and expenses	-14.930
Gain or losses on exchange rate	0
<b>Result before taxes</b>	<b>-253.076</b>
Income taxes	3.952
<b>Result of the period</b>	<b>-257.028</b>
<b>Net profit for the period</b>	<b>-257.028</b>

MEYER ITA

	In Euro
ASSETS	MEYER ITALIA
<b>Non current assets:</b>	
Property, plant and machinery	388.435
Leased tangible assets	0
Goodwill	0
Other intangible assets	113.349
Investments	0
Investment in associated company at net equity	0
Long term financial assets availables for sales	0
Deferred tax assets	0
Non current derivative financial instruments	0
Non current other financial receivables	1.859
Financial assets held to maturity	0
Non current trade receivables and other receivab.	0
Non current other receivables	0
Non current assets to be dismissed	0
<b>Total</b>	<b>503.643</b>
<b>Currents Assets</b>	
Stocks	589.292
Trade receivables and other receivables current	605.825
Other receivable current portion	12.483
Tax receivables	12.271
Other financial receivables current portion	0
Financial assets available for sales current port.	0
Derivative financial instruments current portion	0
Marketable securities valued at fair value	0
Cash and cash equivalent	641
<b>Total</b>	<b>1.220.512</b>
<b>Total Assets</b>	<b>1.724.155</b>
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>	
<b>Shareholders equity</b>	
Share capital	50.000
Share Premium reserve	0
Own share reserve	0
Other reserves	55.391
Net results of the period	-257.028
<b>Total net group equity</b>	<b>-151.637</b>
<b>Non-current liabilities</b>	
LT Interest bearing loans - non current portion	322.666
LT Derivative instruments - non current portion	0
Deferred tax liabilities non current	0
Post-employment benefits non current portion	145.144
Provisions non current portion	0
Other liabilities - non current portion	0
<b>Total</b>	<b>467.810</b>
<b>Current liabilities</b>	
Trade payables	994.325
Other payables current portion	91.479
Payables to taxation authorities	6.318
ST Interest bearing loans - current portion	315.860
ST Derivative instruments - current portion	0
Provisions current portion	0
<b>Total</b>	<b>1.407.982</b>
<b>Total Liabilities</b>	<b>1.724.155</b>

HONG KONG

	In Euro
PROFIT AND LOSS	BOLZONI AURAMO HONG KONG
Turnover	0
Other operating revenues	0
Cost for raw materials and consumables	0
Cost of services and use of third parties' assets	28.383
Personnel costs	0
Other operating expenses	0
Incomes from invest. in affiliated valued at NE	0
<b>Gross operating result (EBITDA)</b>	<b>-28.383</b>
Write-offs and revaluations	0
Provisions	0
Depreciations and amortizations	0
<b>Operating result (EBIT)</b>	<b>-28.383</b>
Financial incomes and expenses	319
Gain or losses on exchange rate	0
<b>Result before taxes</b>	<b>-28.064</b>
Income taxes	0
<b>Result of the period</b>	<b>-28.064</b>
<b>Net profit for the period</b>	<b>-28.064</b>

HONG KONG

	In Euro
ASSETS	BOLZONI AURAMO HONG KONG
<b>Non current assets:</b>	
Property, plant and machinery	0
Leased tangible assets	0
Goodwill	0
Other intangible assets	0
Investments	4.134.793
Investment in associated company at net equity	1.265.108
Long term financial assets availables for sales	0
Deferred tax assets	0
Non current derivative financial instruments	0
Non current other financial receivables	0
Financial assets held to maturity	0
Non current trade receivables and other receivab.	0
Non current other receivables	0
Non current assets to be dismissed	0
<b>Total</b>	<b>5.399.901</b>
<b>Currents Assets</b>	
Stocks	0
Trade receivables and other receivables current	0
Other receivable current portion	0
Tax receivables	0
Other financial receivables current portion	0
Financial assets available for sales current port.	0
Derivative financial instruments current portion	0
Marketable securities valued at fair value	0
Cash and cash equivalent	1.556.110
<b>Total</b>	<b>1.556.110</b>
<b>Total Assets</b>	<b>6.956.011</b>
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>	
<b>Shareholders equity</b>	
Share capital	6.771.467
Share Premium reserve	0
Own share reserve	0
Other reserves	-2.121
Net results of the period	-28.064
<b>Total net group equity</b>	<b>6.741.282</b>
<b>Non-current liabilities</b>	
LT Interest bearing loans - non current portion	0
LT Derivative instruments - non current portion	0
Deferred tax liabilities non current	0
Post-employment benefits non current portion	0
Provisions non current portion	0
Other liabilities - non current portion	0
<b>Total</b>	<b>0</b>
<b>Current liabilities</b>	
Trade payables	214.729
Other payables current portion	0
Payables to taxation authorities	0
ST Interest bearing loans - current portion	0
ST Derivative instruments - current portion	0
Provisions current portion	0
<b>Total</b>	<b>214.729</b>
<b>Total Liabilities</b>	<b>6.956.011</b>

HUAXIN

	In Euro
PROFIT AND LOSS	BOLZONI AURAMO HONG KONG
Turnover	0
Other operating revenues	0
Cost for raw materials and consumables	6.320
Cost of services and use of third parties' assets	4.249
Personnel costs	15.500
Other operating expenses	1.385
Incomes from invest. in affiliated valued at NE	0
<b>Gross operating result (EBITDA)</b>	<b>-27.454</b>
Write-offs and revaluations	0
Provisions	0
Depreciations and amortizations	253
<b>Operating result (EBIT)</b>	<b>-27.707</b>
Financial incomes and expenses	1.494
Gain or losses on exchange rate	-3.319
<b>Result before taxes</b>	<b>-29.532</b>
Income taxes	0
<b>Result of the period</b>	<b>-29.532</b>
<b>Net profit for the period</b>	<b>-29.532</b>



HUAXIN

	In Euro
ASSETS	BOLZONI AURAMO HONG KONG
<b>Non current assets:</b>	
Property, plant and machinery	978.631
Leased tangible assets	0
Goodwill	0
Other intangible assets	0
Investments	0
Investment in associated company at net equity	0
Long term financial assets availables for sales	0
Deferred tax assets	0
Non current derivative financial instruments	0
Non current other financial receivables	0
Financial assets held to maturity	0
Non current trade receivables and other receivab.	0
Non current other receivables	0
Non current assets to be dismissed	0
<b>Total</b>	<b>978.631</b>
<b>Currents Assets</b>	
Stocks	108
Trade receivables and other receivables current	0
Other receivable current portion	361.073
Tax receivables	41.968
Other financial receivables current portion	0
Financial assets available for sales current port.	0
Derivative financial instruments current portion	0
Marketable securities valued at fair value	0
Cash and cash equivalent	236.278
<b>Total</b>	<b>639.427</b>
<b>Total Assets</b>	<b>1.618.058</b>
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>	
<b>Shareholders equity</b>	
Share capital	1.641.628
Share Premium reserve	0
Own share reserve	0
Other reserves	1.595
Net results of the period	-29.532
<b>Total net group equity</b>	<b>1.613.691</b>
<b>Non-current liabilities</b>	
LT Interest bearing loans - non current portion	0
LT Derivative instruments - non current portion	0
Deferred tax liabilities non current	0
Post-employment benefits non current portion	0
Provisions non current portion	0
Other liabilities - non current portion	0
<b>Total</b>	<b>0</b>
<b>Current liabilities</b>	
Trade payables	0
Other payables current portion	4.366
Payables to taxation authorities	0
ST Interest bearing loans - current portion	0
ST Derivative instruments - current portion	0
Provisions current portion	0
<b>Total</b>	<b>4.366</b>
<b>Total Liabilities</b>	<b>1.618.058</b>

## WUXI

	In Euro
PROFIT AND LOSS	BOLZONI AURAMO HONG KONG
Turnover	0
Other operating revenues	0
Cost for raw materials and consumables	13.325
Cost of services and use of third parties' assets	49.813
Personnel costs	2.954
Other operating expenses	0
Incomes from invest. in affiliated valued at NE	0
<b>Gross operating result (EBITDA)</b>	<b>-66.091</b>
Write-offs and revaluations	0
Provisions	0
Depreciations and amortizations	0
<b>Operating result (EBIT)</b>	<b>-66.091</b>
Financial incomes and expenses	207
Gain or losses on exchange rate	-5.204
<b>Result before taxes</b>	<b>-71.089</b>
Income taxes	0
<b>Result of the period</b>	<b>-71.089</b>
<b>Net profit for the period</b>	<b>-71.089</b>

## WUXI

	In Euro
ASSETS	BOLZONI AURAMO HONG KONG
<b>Non current assets:</b>	
Property, plant and machinery	149.160
Leased tangible assets	0
Goodwill	0
Other intangible assets	1.928.193
Investments	0
Investment in associated company at net equity	0
Long term financial assets availables for sales	0
Deferred tax assets	0
Non current derivative financial instruments	0
Non current other financial receivables	0
Financial assets held to maturity	0
Non current trade receivables and other receivab.	0
Non current other receivables	0
Non current assets to be dismissed	0
<b>Total</b>	<b>2.077.353</b>
<b>Currents Assets</b>	
Stocks	0
Trade receivables and other receivables current	0
Other receivable current portion	0
Tax receivables	0
Other financial receivables current portion	1.190.550
Financial assets available for sales current port.	0
Derivative financial instruments current portion	0
Marketable securities valued at fair value	0
Cash and cash equivalent	284.097
<b>Total</b>	<b>1.474.647</b>
<b>Total Assets</b>	<b>3.552.000</b>
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>	
<b>Shareholders equity</b>	
Share capital	2.402.180
Share Premium reserve	0
Own share reserve	0
Other reserves	-5.538
Net results of the period	-71.089
<b>Total net group equity</b>	<b>2.325.553</b>
<b>Non-current liabilities</b>	
LT Interest bearing loans - non current portion	0
LT Derivative instruments - non current portion	0
Deferred tax liabilities non current	0
Post-employment benefits non current portion	0
Provisions non current portion	0
Other liabilities - non current portion	0
<b>Total</b>	<b>0</b>
<b>Current liabilities</b>	
Trade payables	34.351
Other payables current portion	1.191.545
Payables to taxation authorities	551
ST Interest bearing loans - current portion	0
ST Derivative instruments - current portion	0
Provisions current portion	0
<b>Total</b>	<b>1.226.447</b>
<b>Total Liabilities</b>	<b>3.552.000</b>