BOLZONI The Material Handling Group

BALANCE SHEET as at 31 December 2013

BALANCE SHEET (euros)	Notes	31/12/2013	31/12/2012 *restated
ASSETS			
Non-current assets			
Property, plant and equipment	3	11,110,420	12,151,263
Intangible fixed assets	4	1,164,015	1,089,219
Investment in subsidiaries	5	46,609,600	43,517,629
Investment in associated companies	6	-	-
Financial Receivables and other financial assets	7	97,695	178,515
Deferred tax assets	8	219,669	236,153
Total non-current assets		**59,201,399**	**57,172,779**
Current assets			
Inventory	9	5,636,124	5,619,739
Trade receivables	10	14,784,347	16,951,713
- *of which related to subsidiaries*	*10*	*6,410,362*	*8,796,121*
- *of which related to associates*	*10*	*37,480*	*134,188*
Tax receivables	11	620,327	464,773
Other receivables	12	363,474	1,018,067
- *of which related to subsidiaries*	*12*	*195,950*	*250,392*
- *of which related to associates*	*12*	*-*	*410,561*
Financial receivables and other financial assets	13	5,171,974	1,200,000
- *of which related to subsidiaries*		*5,171,974*	*1,200,000*
Cash and cash equivalent	14	5,981,193	1,035,534
- *of which towards related parties (Intesa-Sanpaolo)*	*16*	*-*	*476,737*
Total current assets		**32,557,439**	**26,289,826**
TOTAL ASSETS		**91,758,838**	**83,462,605**

(*) Following the application as of January 1, 2013 (retrospectively) of the amendment to IAS 19, the figures for 31.12.2012 presented for comparative purposes have been revised as established by IAS 1. For further details, please see paragraph on 'Basis of preparation and accounting principles'.

BALANCE SHEET as at 31 December 2013

BALANCE SHEET *(euros)*	Notes	31/12/2013	31/12/2012 *restated
EQUITY			
Share capital	15	6,498,479	6,498,479
Reserves	15	32,761,872	32,049,498
Net result of the year	15	1,052,570	1,821,314
TOTAL EQUITY		**40,312,921**	**40,369,291**
LIABILITIES			
Non-current liabilities			
Long-term loans	16	11,633,872	12,271,564
- of which towards related parties (Intesa-Sanpaolo)	*16*	*-*	*1,250,000*
Employee benefits - T.F.R. retirement allowance	17	1,978,875	2,206,628
Deferred tax liability	8	106,816	94,741
Long-term provisions	18	180,000	180,000
Liabilities for derivatives	19	410,717	575,888
Total non-current liabilities		**14,310,280**	**15,328,821**
Current liabilities			
Trade payables	20	14,481,108	13,285,839
- of which related to subsidiaries	*20*	*771,178*	*901,769*
Financial short-term liabilities and current portion of long-term loans	16	20,488,563	12,335,387
- of which related to subsidiaries	*16*	*3,975,000*	*5,425,000*
- of which towards related parties (Intesa-Sanpaolo)	*16*	*-*	*1,093,750*
Other current payables	21	2,073,490	1,811,503
Payable for income taxes	22	-	245,371
Current provision	18	92,476	86,393
Total current liabilities		**37,135,637**	**27,764,493**
TOTAL LIABILITIES		**51,445,917**	**43,093,314**
TOTAL EQUITY AND LIABILITIES		**91,758,838**	**83,462,605**

(*) Following the application as of January 1, 2013 (retrospectively) of the amendment to IAS 19, the figures for 31.12.2012 presented for comparative purposes have been revised as established by IAS 1.
For further details, please see paragraph on 'Basis of preparation and accounting principles'.

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INCOME STATEMENT for fiscal year ended 31 December 2013

INCOME STATEMENT *(euros)*	Notes	31/12/2013	31/12/2012 *restated
Net sales	23	62,510,074	62,326,424
- of which related to subsidiaries and associates	*32*	*20,276,447*	*21,289,361*
Other revenues	24	75,976	128,928
Total revenues		**62,586,050**	**62,455,352**
Costs for raw material and consumables	25	(36,350,279)	(35,938,408)
- of which related to subsidiaries and associates	*32*	*(4,155,447)*	*(3,472,982)*
Costs of services	26	(9,878,525)	(10,256,480)
Personnel costs	27	(11,635,308)	(10,929,091)
Other operating expenses	28	(263,471)	(247,325)
Impairment of investments	5	(787,000)	(203,460)
Gross operating result (Ebitda)		**3,671,467**	**4,880,587**
Depreciation and Amortization	3 - 4	(2,368,249)	(2,521,998)
Accruals and impairment losses	10 -18	(97,278)	(127,984)
Operating result		**1,205,940**	**2,230,605**
Financial expenses	29	(889,052)	(1.171,207)
- *of which related to subsidiaries*	*32*	*(85,305)*	*(121,623)*
- *of which towards related parties (Intesa-Sanpaolo)*	*32*	*-*	*(81,512)*
Financial income	29	1,538,102	1,121,546
- *of which related to subsidiaries*	*32*	*29,075*	*42,761*
- *of which related to dividends from subsidiaries*	*29*	*1,463,749*	*1,075,604*
- *of which towards related parties (Intesa-Sanpaolo)*	*32*	*-*	*614*
Currency exchange gain and losses	29	(44,982)	(24,626)
Result before tax		**1,810,008**	**2,156,318**
Income taxes	8	(757,438)	(335,004)
Net result of the year		**1,052,570**	**1,821,314**

STATEMENT OF COMPREHENSIVE INCOME for fiscal year ended 31 December 2013

STATEMENT OF COMPREHENSIVE INCOME	31/12/2013	31/12/2012 * restated
Profit/Loss of the year (A)	**1,052,570**	**1,821,314**
Components which will be subsequently reclassified in the result of the year		
Loss on hedging instruments designated in cash flow hedge	58,916	(82,356)
Tax effect	(16,202)	22,648
Components which will not subsequently be reclassified in the result of the year		
Actuarial gain/loss of defined benefit plans	204,197	(205,028)
Tax effect	(56,154)	56,383
Total Other comprehensive income (B)	**190,757**	**(208,353)**
Total comprehensive income (A + B)	**1,243,327**	**1,612,961**

(*) Following the application as of January 1, 2013 (retrospectively) of the amendment to IAS 19, the figures for 31.12.2012 presented for comparative purposes have been revised as established by IAS 1. For further details, please see paragraph on 'Basis of preparation and accounting principles'.

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STATEMENT OF CHANGES IN EQUITY for the financial year ended 31 December 2013

	Capital	Revaluation reserve	Share premium reserve	Legal reserve	Other Reserves	Fair Value Reserve	Cash flow hedge reserve	Profit	Total Net Equity
Balances on 31.12. 2011	**6,498,479**	**2,329,967**	**17,543,542**	**1,304,730**	**10,683,460**		**-27,485**	**1,463,394**	**39,796,087**
Profit allocation				73,170	1,390,224			-1,463,394	-
Dividends					-1,039,757				-1,039,757
Year result								1,821,314	1,821,314
Other comprehensive profits/losses						-148,645	-59,708		-208,353
Total comprehensive income						**-148,645**	**-59,708**	**1,821,314**	**1,612,961**
Balances on 31.12.2012 * restated	**6,498,479**	**2,329,967**	**17,543,542**	**1,377,900**	**11,033,927**	**-148,645**	**-87,193**	**1,821,314**	**40,369,291**
Balances on 31.12.2012 * restated	**6,498,479**	**2,329,967**	**17,543,542**	**1,377,900**	**11,033,927**	**-148,645**	**-87,194**	**1,821,314**	**40,369,291**
Profit allocation				83,633	1,737,681			-1,821,314	-
Dividends					-1,299,697				-1,299,697
Year result								1,052,570	1,052,570
Other comprehensive profits/losses						148,043	42,714	-	190,757
Total comprehensive income						**148,043**	**42,714**	**1,052,570**	**1,243,327**
Balances on 31.12.2013	**6,498,479**	**2,329,967**	**17,543,542**	**1,461,533**	**11,471,911**	**-602**	**-44,479**	**1,052,570**	**40,312,921**

(*) Following the application as of January 1, 2013 (retrospectively) of the amendment to IAS 19, the figures for 31.12.2012 presented for comparative purposes have been revised as established by IAS 1. For further details, please see paragraph on 'Basis of preparation and accounting principles'.

CASH FLOW STATEMENT for the fiscal year ended 31 December 2013

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 32 of the Explanatory Notes.

(euros)	*Notes*	2013	2012 *restated
Net profit of the year		**1,052,570**	**1,821,314**
Adjustment to reconcile net profit with cash flow generated (used) by operating activities:			
Depreciation and Amortization	3/4	2,368,249	2,521,998
Accrual to Employee benefits - T.F.R. retirement allowance and financial expenses	16	668,268	640,510
Services paid	16	(747,978)	(669,603)
Accrual of provision	17	92,476	86,393
Reversal of provision	17	(86,393)	(85,528)
Net change of deferred tax	8	28,559	(234,966)
Net change of investments	5	(3,091,971)	(2,635,449)
Changes in operating assets and liabilities:			
(Increase) decrease in inventory	9	(16,385)	1,094,066
(Increase) decrease in trade receivables	10	2,167,366	1,311,049
(Increase) decrease in other receivables	12	654,594	(411,199)
Increase (decrease) in trade payables		1,245,316	(1,779,939)
Increase (decrease) in other payables	21	261,987	234,255
Increase (decrease) in tax payables	22	(245,371)	(456,081)
(Increase)decrease in tax receivables	11	(155,553)	(418,000)
NET CASH FLOW FROM OPERATING ACTIVITIES	a)	**4,195,734**	**1,018,820**
Cash flows generated by investment activity:			
Gross investments paid in tangible assets	3	(1,027,058)	(1,207,237)
Disinvestments in tangible assets	3	18,533	500,668
Net investments paid in intangible assets	4	(443,726)	(371,867)
NET CASH FLOW FROM INVESTING ACTIVITIES	b)	**(1,452,251)**	**(1,078,436)**
Cash flows from financing activities:			
New loans (repayment) and transfer of short term portions to current liabilities.	7-13-16	3,871,843	554,348
Net change of other non-current financial assets/liabilities		-	-
Dividends paid	30	(1,299,697)	(1,039,757)
Accrual derivatives value	19	(122,457)	393,342
Other variations to equity		-	(59,709)
CASH FLOW FROM FINANCING ACTIVITIES	c)	**2,449,689**	**(151,776)**
EFFECT OF EXCHANGE RATES ON NET CASH AND CASH EQUIVALENTS		**-**	**-**
NET INCREASE (DECR.) IN NET CASH AND CASH EQUIVALENTS	a)+b)+c)	**5,193,172**	**(211,392)**
NET CASH AND CASH EQUIVALENTS AT START OF	14	(663,455)	(452,063)
NET CASH AND CASH EQUIVALENTS AT END OF YEAR	14	4,529,717	(663,455)
CHANGE		5,193,172	(211,392)
ADDITIONAL INFORMATION:			
Interest paid		872,896	1,103,827
Income tax paid		312,259	959,675

(*) Following the application as of January 1, 2013 (retrospectively) of the amendment to IAS 19, the figures for 31.12.2012 presented for comparative purposes have been revised as established by IAS 1. For further details, please see paragraph on 'Basis of preparation and accounting principles'.

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 statements for the year ended 31 December 2013 was authorized by the resolution taken by the directors on March 13th 2014.

As at December 31 2013 the majority of Bolzoni SpA's share capital is owned by Penta Holding S.p.A. with registered offices in Podenzano, Località I Casoni (Piacenza) with 'holding' function on industrial investments.

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 statements have been prepared in compliance 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 statements are those formally approved by the European Union and ruling on December 31st 2013, 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 given in thousands 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 statements as at 31 December 2013 have 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 statements as at 31 December 2013 have been prepared on the going concern assumption. Indeed the Company has assessed that, despite a difficult economic and financial context, no material uncertainties exist regarding its going concern (as established under paragraph 25 of the IAS 1) also considering the actions already taken during the previous financial years to adjust to the altered levels of demand and the industrial flexibility, the financial availability of credit lines of the Company, the cash flow from the operating activity, the economic and financial forecasts reflected in the long term plan approved by the board of directors for the period 2014-2017.

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;
- Changes in Equity: the Company includes all changes in equity including those deriving from transactions with shareholders (distribution of dividends, share capital increases)

IFRS accounting standards, amendments and interpretations applied from January 2013

- On May 12, 2011, the IASB issued IFRS 13 – Fair value measurement, clarifying the determination of the fair value for the purpose of the financial statement and applying to all situations in which IFRS permit or require a fair value measurement or the presentation of disclosures based on fair value, with some limited exceptions. In addition, this standard requires more detailed information to be disclosed on fair value measurement (fair value hierarchy) compared to IFRS 7 requirements. The standard has been effective prospectively since January 1, 2013. The adoption of this principle had no impact.
- On June 16, 2011, the IASB issued an amendment to IAS 19 – Employee benefits that eliminates the option to defer the recognition of gains and losses, known as the "corridor method", and requires all actuarial gains and losses to be booked to "Other comprehensive income" immediately, so that the full net amount of the provisions for the defined benefits (net of plan assets) is recognised in the consolidated financial position. The amendment further requires any changes in the defined benefit provision and plan assets over the previous period to be subdivided into three components: the cost components of work performed during the reporting period must be recognised in the Income Statement as service costs; net interest costs calculated by applying the appropriate discount rate to the opening net balance of defined benefit provision net of assets must be booked to Income Statement as net financial expenses and the actuarial gains and losses resulting from the remeasurement of assets and liabilities must be booked to "Other comprehensive income". In addition, the return on assets included in net interest costs must be calculated using the discount rate applicable to liabilities and no longer the expected return on the assets. The amendment also introduces the requirement for supplementary disclosures to be provided in the notes. The amendment is applicable retrospectively from financial periods beginning on or after January 1, 2013.
  The effects of the adoption of the new principle on the financial statements is a positive effect on Net Income for Euro 149 thousand after tax (Euro 205 thousand pre-tax) due to actuarial losses booked in Income Statement 2012 that have been recognised in "Other comprehensive income".
- On June 16, 2011, the IASB issued an amendment to IAS 1 – Presentation of Financial Statements requiring entities to group all items presented in "Other comprehensive income" depending on whether they can be reclassified to the Income Statement. The amendment is applicable from financial periods beginning on or after July 1, 2012. The amendment implementation required a new layout of "Other comprehensive income".
- On December 16, 2011, IASB issued certain amendments to IFRS 7 – Financial instruments: Disclosures. The amendments require information about the effect or potential effect of offsetting financial assets and liabilities on an entity's financial position. These amendments are to be applied retrospectively for periods beginning on or after January 1, 2013. The required disclosures should be provided retrospectively. The adoption of these amendments has had no effect on these Company financial statements.
- On May 17, 2012 the IASB published document Annual Improvements to IFRSs: 2009-2011 Cycle, amending standards as part of the annual improvement process, which is designed to make necessary, but not urgent, amendments to IFRSs. Outlined below are those amendments that impact the presentation, recognition and measurement of the items of the financial statements. Those related to changes in new terminology having minimal accounting impacts, or those that concern standards or interpretations not applicable to the Company have been omitted.
  - IAS 1 Presentation of Financial Statements – Comparative information: Clarifies that any additional comparative information provided must be presented in accordance with IAS/IFRS. It also clarifies that when an entity changes an accounting principle or makes adjustments/restatements retrospectively, it must include an opening statement of financial position at the beginning of the comparative period ("third statements of financial position" in the financial statements); related disclosures are not required for such "third statements of financial position", except for the affected items, in the supporting notes.
  - IAS 16 Property, Plant and Equipment – Classification of servicing equipment: clarifies that servicing equipment must be classified under Property, plant and equipment if used during more than one accounting period. Otherwise, they must be classified as inventory.

  - o IAS 32 Financial Instruments: Presentation – Taxes relating to distributions to holders of an equity instrument and transaction costs on equity transaction: clarifies that such income taxes are accounted according to IAS 12.
  - o IAS 34 Interim Financial Reporting – Total assets for a reportable segment: clarifies that total assets must be disclosed only if such information is regularly provided to the chief operating decision maker of the entity and there has been a material change from the amounts disclosed in the last annual financial statements for the reportable segment.

The proposed amendments are effective for the years beginning on or after January 1, 2013. Early adoption is allowed. The adoption of these amendments has had no effect on measurements and had limited effect in terms of disclosures on the financial statements of the company.

IFRS and IFRIC accounting standards, amendments and interpretations approved by the European Union but not yet applicable and not early adopted by the Company

- On May 12, 2011, IASB issued IFRS 10 – Consolidated Financial Statements that is to supersede SIC-12 Consolidation – Special Purpose Entities (Special Purpose Vehicles) and parts of IAS 27 – Consolidated and Separate Financial Statements, which will be renamed Group Consolidated financial statements and will establish how equity investments are to be accousigninted for in the Group consolidated financial statements. The key changes introduced by this new principle are as follows:
  - o Under IFRS 10, all types of entities are to be consolidated according to a single basic principle, i.e. the principle of control. The changes introduced remove the perceived inconsistency between the former IAS 27 (based on control) and SIC 12 (based on the transfer of risk and benefits);
  - o A more detailed definition of control has been introduced, based on three elements: (a) power over the investee; (b) exposure, or rights, to variable returns from the investor's involvement with the investee; (c) ability on the part of the investor to use its power over the investee to affect the amount of the investor’s returns;
  - o for the purpose of determining whether an investor has control over an investee, IFRS 10 requires investor to focus on the activities that significantly affect the investee's return;
  - o for the purpose of determining whether an investor has control over an investee, IFRS 10 requires that only substantive rights be considered, i.e. those rights that can be exercised when significant decisions need to be taken concerning the investee;
  - o IFRS 10 provides application guidance on evaluating whether control exists in complex situations, such as *de facto* control, potential voting rights, situations in which it is necessary to assess whether the decision-maker is acting as a principal or an agent, etc.

Generally speaking, IFRS 10 application requires significant insight on a certain number of application issues.
This standard is to be applied retrospectively from January 1, 2014. The adoption of this new principle will have no impact on the scope of consolidation of the Group.

- On May 12, 2011, IASB issued IFRS 11 – Joint Arrangements that is to replace IAS 31 – Interests in Joint Ventures and SIC-13 Jointly-controlled Entities – Non-monetary Contributions by Venturers. Without prejudice to the criteria for determining joint control, the new standard provides criteria for the accounting of joint arrangements that focus on the rights and obligations of the arrangement, rather than its legal form and requires a single method to account for interests in jointly-controlled entities in consolidated financial statements, the equity method. According to IFRS 11, the existence of a separate vehicle alone is not sufficient to classify a joint arrangement as a joint venture. This new standard is to be applied retrospectively from January 1, 2014. After this standard was issued, IAS 28 – Investments in Associates was amended to include interests in joint ventures in its scope of application, as of the effective date of the new standard. The adoption of this new principle will have no impact on consolidated financial statements.
- On May 12, 2011, IASB issued IFRS 12 – Disclosure of interests in other entities, a new standard that includes all of the disclosure requirements for subsidiaries, joint arrangements, associates, special purpose entities and other non-consolidated special purpose vehicles to be stated in the consolidated financial statements. This standard is to be applied retrospectively from January 1, 2014.
- On December 16, 2011, the IASB issued certain amendments to IAS 32 – Financial Instruments: Presentation to clarify the application of certain offsetting criteria for financial assets and financial

liabilities in IAS 32. These amendments are to be applied retrospectively for periods beginning on or after January 1, 2014.

- On June 28, 2012, IASB published document *Consolidated Financial Statements, Joint Arrangements, and Disclosure of Interests in Other Entities: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)*. The purpose of this document is to clarify the transition rules in IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities. These amendments are to be applied - along with the reference standards - for years beginning on January 1, 2014, unless adopted earlier.
- The amendments to IFRS 10, IFRS 12 and IAS 27 "Investment Entities" issued on October 31, 2012 introduce an exemption from the consolidation of subsidiaries for investment entities, unless the investees provide them with services related to their investment activities. Under these amendments, an investment entity must measure its investment in subsidiaries on a fair value basis. In order to qualify as investment entity, an entity must:
  - obtain funds from one or more investors for the purpose of providing them with professional investment management services;
  - commit to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both;
  - measure and evaluate the performance of substantially all of its investments on a fair value basis.

  These amendments are to be applied - along with the reference standards - for years beginning on January 1, 2014, unless adopted earlier. The adoption of this new principle will have no impact on consolidated financial statements.
- On May 29, 2013, the IASB issued some amendments to IAS 36 Impairment of Assets – Recoverable amount disclosures for non-financial assets. These amendments clarify that the additional disclosures on the recoverable amount of assets (including goodwill) or cash-generating units when such recoverable amount is based on fair value less costs of disposal, are only required for those assets for which an impairment loss was recognised or reversed during the reporting period. These amendments are to be applied retrospectively for financial periods beginning on January 1, 2014.
- On June 27, 2013, the IASB issued some amendments to IAS 39 "Financial instruments: Recognition and measurement – Novation of derivatives and continuation of hedge accounting". These amendments introduce certain exceptions to the hedge accounting requirements in IAS 39 applicable when an existing derivative is required to be replaced with a new derivative for laws or regulations mandate clearing, either directly or indirectly, through a central counterparty (CCP). These amendments are to be applied retrospectively for financial periods beginning on January 1, 2014. Early adoption is allowed.

IFRS accounting standards, amendments and interpretations not yet endorsed by the European Union.

The European Union has not yet completed its endorsement process for the standards and amendments below reported at the date of these financial statements.

- On May 20, 2013, IFRIC interpretation 21 – Levies was issued. The interpretation clarifies when a liability for levies imposed by government agencies should be recognised, both for levies that are accounted for in accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets, and those for which the settlement timing and amount are certain.
- On November 12, 2009, the IASB issued IFRS 9 – Financial instruments: the same standard was amended on October 28, 2010. The standard, applicable retrospectively from January 1, 2015, represents the first part of a process in stages, the aim of which is to entirely replace IAS 39, and introduces new requirements for the classification and measurement of financial assets and financial liabilities. In particular, as regards financial assets, the new standard adopts a single approach based on how an entity manages its financial instruments and the contractual cash flows characteristics of the financial assets, in order to determine its valuation criteria and replacing the many different rules in IAS 39. The most significant effect of the standard regarding the financial liabilities relates to the accounting for changes in fair value attributable to changes in the credit risk of financial liabilities designated as at fair value through profit or loss. According to the new standard, these changes must be recognised in "Other Comprehensive Income" and will no longer be recognised in the Income Statement.

- On November 19, 2013, IASB published document "*IFRS 9 Financial Instruments - Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39*" concerning the new hedge accounting model. The document aims at responding to some criticisms made to IAS 39 requirements for hedge accounting, which are often considered as too stringent and not suitable for reflecting the entities' risk management policies. The main new features are the following:
  - changes to the types of transactions eligible for hedge accounting, namely extending the risks for non-financial assets/liabilities eligible for hedge accounting;
  - change in the way forward contracts and options are recognised when they are included in a hedge accounting transaction in order to decrease Income Statement volatility;
  - changes to effectiveness test by replacing the current method based on 80-125% range with the principle of the "economic relationship" between hedged item and hedging instrument. Moreover, no retrospective effectiveness test of the hedging relationship is required any more;
  - the increased flexibility of the new accounting rules is offset by additional disclosure required on the company risk management activities.

- On December 12, 2013, the IASB issued a set of amendments to IFRSs ("Annual Improvements to IFRSs 2010 - 2012 Cycle" and "Annual Improvements to IFRSs 2011 - 2013 Cycle"); set out below are those applicable to the Company that lead to changes in the presentation, recognition or measurement of financial statements items, excluding those that only regard changes in terminology having a limited accounting effect:
  - IFRS 2 – *Share-based Payment*: the amendment clarifies the definition of 'vesting conditions' in IFRS 2 by separately defining a 'performance condition' and a 'service condition'.
  - IFRS 3 – *Business Combinations*: the amendment clarifies that contingent consideration that is a financial asset or financial liability can only be measured at fair value, with changes in fair value being presented in either profit or loss or other comprehensive income depending on the requirements of IAS 39 (or IFRS 9).

  - IFRS 8 – *Operating Segments- Aggregation of operating segments*: the amendment requires entities to disclose judgements made by management for operating segments identification criteria, including a description of aggregated operating segments and economic indicators considered in determining if such operating segments have "similar economic characteristics".

  - IFRS 8 - *Operating segments – Reconciliation of total of the reportable segments' assets to the entity's assets*. : the amendment requires that reconciliation of total of the reportable segments' assets and total of company assets have to be disclosed only if total of the reportable segment's assets are regularly reviewed by the chief operating decision maker.

  - IFRS 13 – *Fair Value Measurement – Short-term receivables and payables*. Only Basis for conclusions have been modified, clarifying that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to account for current receivables and payables without discounted effects, when impact are not significant.

  - IAS 16 *Property, plant and equipment and IAS 38 Intangible Assets – Revaluation method: proportionate restatement of accumulated depreciation/amortization*.: amendments have eliminated the inconsistencies in determining accumulated depreciation when *Property, plant and equipment* or *Intangible asset*s are revalued. New standards clarify that gross carrying amount was revaluated and the accumulated depreciation/amortization is calculated as the difference between the gross and the net carrying amounts.

  - IAS 24 – *Related Party Disclosures*: the amendment clarifies that an entity providing Key Management Personnel services to the reporting entity is a related party of the reporting entity.

The amendments above are effective for annual periods beginning on or after July 1, 2014, with early application permitted.

On December 12, 2013, the IASB issued a set of amendments to IFRSs ("Annual Improvements to IFRSs 2011 - 2013 Cycle" amending standards as part of the annual process of improvement. The main amendments include:

- IFRS 1 First-time Adoption of International Financial Reporting Standards – Meaning of "effective IFRS". It has been clarified that an IFRS first time adopter entity, as an alternative to the application of a principle currently in force on the date of the first IAS/IFRS financial statements, may opt for early adoption of a new standard intended to replace the principle in force. The option is allowed when the new standard permits early application. It also needs to be applied to the same version of the principle in all periods presented in the first IAS / IFRS financial statements.

- IFRS 3 – *Business Combinations- Scope exception for joint ventures*: the amendment clarifies that paragraph 2(a) of IFRS 3 excludes the formation of all types of joint arrangements as defined in IFRS 11 - Joint Arrangements from the scope of IFRS 3.

- IFRS 13 – *Fair Value*: this amendment clarifies that the portfolio exception included in paragraph 52 of IFRS 13 for measuring the fair value of a group of financial assets and financial liabilities on a net basis applies to all contracts within the scope of IAS 39 or IFRS 9 regardless of whether they meet the definitions of financial assets or financial liabilities as defined in IAS 32.

- IAS 40 *Investment Properties – Interrelationship between IFRS 3 and IAS 40*. Amendments clarifies that IFRS 3 and IAS 40 are not mutually exclusive and that an entity acquiring an investment property should consider whether it meets the definition of a business as defined in IFRS 3 or IAS 40, it needs to consider specific requirements of IFRS 3 or IAS 40.

The amendments above are effective for annual periods beginning on or after July 1, 2014, with early application permitted.

2.2 Judgements and significant accounting estimations

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 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 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 to a greater extent than the estimation in these financial statements.

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 impairment at least once a year in all those circumstances where the carrying amount of the investment is less than the corresponding equity method value; this verification requires an estimate of the recoverable amount of the cash generating unit, which is based on the estimate of the current value of cash flows expected from the cash-generated unit and on their discounting on the basis of an appropriate 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 generally attributed to the various categories of 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 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 amount of property, plant and equipment is revised for possible impairment whenever events or changes in circumstance indicate that the carrying amount may not be recoverable, according to the established depreciation plan. If an indication of this type exists and in the event that the carrying amount 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 rewards 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 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 for 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 amount 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:

	Licences and Patents	*Development costs*
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 on recoverable amounts	Annually or more frequently when there is indication of impairment.	Annually or more frequently when there is indication of impairment.

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 non-financial 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 amount 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 amount. The recoverable amount 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 amount 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-organization in which the Company is not yet involved or future investments for improvement or optimization of the asset or unit.

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

At each reporting date the 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. The Company evaluates, at each financial date of reference, if there is any objective evidence that the investments have been impaired. If such evidence exists the Company establishes the amount of the possible impairment in order to reduce the value. Whenever the Company's possible share of the associated/subsidiary company's losses exceeds the carrying amount of the investment, it is necessary to proceed to the write-off of the investment carrying amount 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 carrying amount 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 measured at the lower of the 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 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 realizable value. This provision is made when objective elements are present 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 amount of the asset does not exceed its amortized cost at the reversal date.

Financial assets carried at cost

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

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

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

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. Revaluations, including actuarial gains and losses, excluding net interest, are immediately recognized in the balance sheet by charging or crediting the retained earnings through the other comprehensive income in the financial year in which they appeared. 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 amount and fair value net of sales costs, any impairment loss is take to profit and loss, unless part of a business combination operation, or else
- at fair value net of sales costs (without the possibility of measuring write-downs during initial recognition), if part of a business combination operation.

In any case the depreciation process is interrupted when the asset is classified as available for sale.
The assets and the liabilities directly connected to a group of assets to be sold 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.

The Company does not have assets available for sale and liabilities associated with these assets.

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 when the service has been provided.

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 Vale 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 operating 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. No 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

	01.01.13	Addition	Deprec.	Decrease (1)	31.12.13
Land	721	-	-	-	721
Buildings	6,952	-	-	(2)	6,950
Plant and machinery	24,615	679	-	(1,360)	23,934
Equipment	3,398	99	-	(83)	3,414
Other assets	3,492	190	-	(411)	3,271
Construction in progress	-	9	-	-	9
Gross Carrying Amount of property, plant and machinery	**39,178**	**977**	**-**	**(1,856)**	**38,299**
Land	-	-	-	-	-
Buildings	(2,363)	-	(204)	2	(2,565)
Plant and machinery	(18,343)	-	(1,552)	1,345	(18,550)
Equipment	(3,220)	-	(88)	81	(3,227)
Other assets	(3,101)	-	(155)	409	(2,847)
Construction in progress	-	-	-	-	-
Accumulated depreciation for property, plant and machinery	**(27,027)**	**-**	**(1,999)**	**1,837**	**(27,189)**
Land	721	-	-	-	721
Buildings	4,589	-	(204)	-	4,385
Plant and machinery	6,272	679	(1,552)	(15)	5,384
Equipment	178	99	(88)	(2)	187
Other assets	391	190	(155)	(2)	424
Construction in progress	-	9	-	-	9
Net carrying amount of property, plant and machinery	**12,151**	**977***	**(1.999)**	**(19)**	**11,110**

(1): Due to sales

* During the financial year 2013 the amount has been entirely paid except for 153 thousand euros (Note 20). In the same year 203 thousand euros have been paid for investments made in previous years.

The value of Property, Plant and Machinery generated internally, entirely attributed to item ‘Plant and Machinery’, amounts to 207 thousand euros (2012: 70 thousand euros) and is represented by raw material, semi-finished products and personnel costs.
The investments made during 2013 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.
It should be noted that the net carrying amount of the fixed assets acquired during previous financial years through lease contracts have been cancelled following the completion of the amortization plan.

4. Intangible fixed assets

	01.01.13	Addition	Other variations	31.12.13
Development costs	1,733	345	-	2,078
Patent rights	108	-	-	108
Licences	3,323	105	-	3,428
Others	208	-	-	208
Assets under construction	6	-	(6)	-
Gross carrying amount of Intangible Fixed Assets	**5,378**	**450**	**(6)**	**5,822**
Development costs	(1,008)	(170)	-	(1,178)
Patent rights	(107)	(1)	-	(108)
Licences	(2,973)	(198)	-	(3,171)
Others	(201)	-	-	(201)
Accumulated amortization for Intangible Fixed Assets	**(4,289)**	**(369)**	**-**	**(4,658)**
Development costs	725	175	-	900
Patent rights	1	(1)	-	-
Licences	350	(93)	-	257
Others	7	-	-	7
Assets under construction	6	-	(6)	-
Net Carrying Amount of Intangible Fixed Assets	**1,089**	**81**	**(6)**	**1,164**

The value of intangible fixed assets generated internally and capitalized in 2013, and attributed entirely to the item 'Development costs' amounts to 345 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 2013 development costs included 432 thousand euros referring to projects whose amortization has not yet started as they are not yet available for use.
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	31.12.12	Incr. Decr.	Write down	31.12.13
Bolzoni Auramo Inc.	USA	100	Direct	6,505	1,532	-	8,037
Bolzoni Ltd	UK	100	Direct	430	-	-	430
Bolzoni Auramo Polska	Poland	60	Direct	50	-	-	50
Bolzoni Auramo S.l.	Spain	100	Direct	2,733	250	350	2,633
Bolzoni Auramo S.r.l.	Italy	100	Direct	-	287	287	-
Bolzoni Auramo Shanghai	China	60	Direct	720	-	-	720
Bolzoni 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	1,260	200	-	1,460
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
Bolzoni Italia S.r.l.	Italy	100	Direct	865	193	150	908
Hans H. Meyer GmbH	Germany	100	Direct	8.826	-	-	8,826
Bolzoni Holding Hong Kong	Hong Kong	80	Direct	7,201	1,417	-	8,618
LLC"Hans H. Meyer OOO" (1)	Russia	80	Indirect	-	-	-	-
Bolzoni Huaxin China (2)	China	60	Indirect	-	-	-	-
Bolzoni Auramo Wuxi (3)	China	100	Indirect	-	-	-	-
TOTAL				**43,518**	**3,879**	**787**	**46,610**

(1) % owned by Hans H Meyer GmbH for a value of 19,550 €.
(2) % owned by Bolzoni Holding Hong Kong for a value of HK$ 21,980,721
(3) % owned by Bolzoni Holding Hong Kong for a value of HK$ 77,521.956.

The increased cost of investment in Bolzoni Auramo Inc, refers to the deposit in the capital increase account obtained through the conversion of trade receivables.
The increased cost of investment in Bolzoni Auramo S.l. is due to the deposit in the capital increase account obtained by bank transfer.
The increased cost of investment in Bolzoni Auramo S.r.l. is due to the deposit in the capital increase account obtained by bank transfer.
In view of the decision to wind up Bolzoni Auramo S.r.l. the investment amounting to 287 thousand euros has been completely written down.
The increased cost of investment in Bolzoni Auramo Pty refers to the deposit in capital account obtained through the conversion of financial receivables.
The increased cost of the investment in Bolzoni Italia S.r.l. refers to the deposit in capital account obtained by bank transfer.
During the financial year 2013 a share capital increase was made for Bolzoni Holding Hong Kong subscribed for the stake owned, and obtained by bank transfer.

Below is a comparison between the carrying amount and the corresponding value determined with the equity method:

	Investment value	Net Equity method	Difference
Bolzoni Auramo Inc.	8,037	2,350	(5,687)
Bolzoni Ltd	430	385	(45)
Bolzoni Auramo S.l.	2,633	54	(2,579)
Bolzoni Italia S.r.l.	908	96	(812)
Auramo Oy	13,119	16,392	3,273
Bolzoni Auramo Pty	1,460	(132)	(1,592)
Hans H. Meyer GmbH	8,826	8,693	(133)
Bolzoni Holding Hong Kong	8,618	8,080	(538)
Bolzoni Auramo GmbH	589	642	53
Bolzoni Auramo S.r.l.	-	6	6
Bolzoni Auramo Shanghai	720	1,070	350
Bolzoni Sarl	376	1,128	752
Bolzoni Auramo BV	-	219	219
Bolzoni Auramo Canada Ltd	122	500	378
Bolzoni Auramo Polska	50	173	123
Bolzoni Auramo AB	722	1,420	698

As for the previous financial year impairment tests were performed on the companies where negative differences emerged between the carrying amount of the investment and the corresponding value calculated with the equity method. In particular, impairment tests were performed on the basis of the 4 years Business Plan approved by the Board of Directors. With reference to the impairment tests it should be noted that the value in use was established using the Discounted Cash Flow method in the unlevered version. The evaluations was made on going concern basis. The tax rates used for these tests are those currently applicable.

The following assumptions have also been considered:

- the calculation of Terminal Value has been made on the basis of an estimate of the expected net operating income over a period corresponding to the estimated useful life of the activity of the company under evaluation, on the assumption of a ‘g’ growth rate ranging from 0 to 1% depending on the country of reference and, in any case, , lower than the expected growth rate of the sector;
- the discount rates (WACC) applied to projections of cash flows range from 6.53% and 9.30%. These rates, from which tax effects have been deducted, have been determined, in line with those used in the previous financial year. The variability of these rates between one investment and another mainly depends on the market risk premium related to the market in which the investments operate.

The above-mentioned impairment tests have determined the need to write-down the investments held in Bolzoni Auramo S.l. for the amount of 350 thousand euros and Bolzoni Italia S.r.l. for the amount of 150 thousand euros.

Moreover, at 31 December 2013 a sensitivity analysis was performed on the recoverable amount of investments in the main Group companies, based on the assumption of 0.50% and 1.00% change in WACC whereas it is not applicable on the ‘g’ as it is already zero for the companies under examination. The only subsidiaries where the sensitivity analysis has highlighted an impairment indicator, following the different WACC used, are Bolzoni Auramo S.l. (269 thousand euros with a 1% variation in WACC) and Bolzoni Italia S.r.l. (142 thousand euros with a 1% variation in WACC); for these subsidiaries the observance of the business plans must be carefully monitored over the next financial years.

6. Investments in associated companies

The Company does not hold investments in associated companies.

7. Financial receivables and other financial assets (non-current)

	31.12.2012	Increases	Decreases	31.12.2013
Guarantee deposits	15	1	-	16
Other financial assets	164	-	82	82
Total	**179**	**1**	**82**	**98**

The amount of 82 thousand euros refers to collection notices related to the appeal made to the *Commissione Tributaria Provinciale* (Tax Commission for the Province) described in Note 31.

None of the credits have a due date of more than 5 years.

8. Taxation

8.1 Deferred tax

Deferred tax at 31st December 2013 and 2012 is as follows:

	Balance Sheet		Variation
	2013	2012	2013
Deferred tax liability			
Tax adjustment on inventory	8	46	(38)
Capitalization of internal costs	27	39	(12)
Derivative and TFR value accounted for directly to equity	60	-	60*
Sundry	12	10	2
	107	**95**	12
Deferred tax assets			
Inventory devaluation	74	86	12
Exchange rate fluctuations	45	39	(6)
Derivative value accounted for directly to equity	20	33	13*
Provision accrual	72	70	(2)
Sundry	9	8	(1)
	220	**236**	16
Deferred tax income			**28**

* the variations are reflected solely in the comprehensive income statement and not in the income statement.

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 statements.

8.2 Income tax

The major components of income tax for the years which ended 31st December 2013 and 2012 are:

Income statement	2013	2012
Current income tax		
Current income tax charge	736	898
Tax for previous financial years	66	5
Recovery of IRES on IRAP	-	(412)
Deferred income tax		
Relating to recognition and reversal of temporary differences	(45)	(156)
Income tax	**757**	**335**

A reconciliation between effective tax charge and the theoretical tax charge, calculated as product of accounting profit multiplied by the domestic tax rate for the years ended 31st December 2013 and 2012, is the following:

IRES/Income tax	2013		2012	
	Amount	Rate	Amount	Rate
Applicable ordinary tax rate		27.50%		27.50%
Result before tax	1,810		2,156	
Theoretical tax charge	**498**		**593**	
Plus variations:				
Tax free or non-taxable income	9		10	
Other plus variations for IAS purposes	184		125	
Exchange rate fluctuations	165		491	
Company cars	139		96	
Depreciation of equity participations	787		203	
Non-deductible costs	213		278	
Minus variations				
Tax losses carried forward	-		-	
Other minus variations for IAS purposes	-		-	
Deductible IRAP	(352)		(366)	
Exchange rate fluctuations	(141)		-	
Dividends from subsidiaries	(1,400)		(1,022)	
Other minus variations	(191)		(197)	
Taxable amount	**1,223**		**1,774**	
IRES income tax	**336**	**18.56%**	**488**	**22.63%**

IRAP	2013		2012	
	Amount	Rate	Amount	Rate
Applicable ordinary tax rate		3.90%		3.90%
Result before tax	1,810		2,156	
Theoretical tax charge	**71**		**84**	
Plus variations:				
Personnel costs	6,861		6,465	
Other plus variations	1,684		1,899	
Minus variations:				
Other minus variations	(132)		-	
Taxable amount	**10,223**		**10,520**	
IRAP income tax	**399**	**22.04%**	**410**	**19.03%**

9. Inventory

	2013	2012
Raw material	1,261	1,232
Obsolescence provision for raw material	(50)	(57)
Net raw materials	**1,211**	**1,175**
Semi-finished products	3,216	3,278
Obsolescence provision for semi-finished products	(129)	(153)
Net semi-finished products	**3,087**	**3,125**
Finished products	1,394	1,385
Obsolescence provision for finished products	(56)	(65)
Net finished products	**1,338**	**1,320**
Total inventory	**5,636**	**5,620**

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

	31.12.2012	Increase	Decrease	31.12.2013
Obsolescence provision for raw material	57	-	7	50
Obsolescence.provision for semi-finished products	153	-	24	129
Obsolescence provision for finished products	65	-	9	56
Total	**275**	**-**	**40**	**235**

The obsolescence provision is basically in line with the result of the previous year also considering a substantial alignment of inventory with respect to the previous financial year.

10. Trade receivables (current)

	2013	2012
Trade receivables	4,952	4,807
Bills subject to collection	3,503	3,412
Bad debt provision	(118)	(197)
Total third party receivables	***8,337***	***8,022***
Receivables from subsidiaries	6,410	8,796
Receivables from associates	37	134
Total trade receivables	**14,784**	**16,952**

The drop in trade receivables mainly refers to the decrease in receivables with the group companies.

Below the trade receivables are divided according to due date:

	2013	2012
Receivables not yet due	12,042	11,633
Receivables 30 days overdue	1,829	2,394
Receivables 60 days overdue	81	710
Receivables 90 days overdue	25	826
Receivables more than 90 days overdue	807	1,389
Total trade receivables	**14,784**	**16,952**

Below are the variations to the bad debt provision:

	2013	2012
Bad debt provision on 01.01	**197**	**156**
Accruals for the year	5	42
Write-off for the year	84	1
Bad debt provision on 31.12.	**118**	**197**

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, including the overdue receivables, are covered by a credit insurance for 90% of their nominal value therefore the overdue receivables do not represent a probable risk of not being collected.

Below are details of receivables related to each subsidiary and associated company:

	31.12.2013	31.12.2012	Variations
Auramo Oy	42	86	(44)
Bolzoni Auramo AB	40	37	3
Bolzoni Auramo GmbH	119	228	(109)
Bolzoni Auramo Pty Ltd	385	1,243	(858)
Bolzoni Auramo Polska	190	222	(32)
Bolzoni Auramo Canada Ltd	187	98	89
Bolzoni Auramo SL	429	547	(118)
Bolzoni Auramo Inc.	1,835	3,705	(1,870)
Bolzoni Ltd	247	317	(70)
Bolzoni Auramo S.r.l.	-	254	(254)
Bolzoni Sarl	693	778	(85)
Bolzoni Auramo BV	105	100	5
Bolzoni Auramo Shanghai	245	388	(143)
Hans H Meyer GmbH	377	314	63
LLC "Hans H Meyer OOO"	53	58	(5)
Bolzoni Italia S.r.l.	491	277	214
Bolzoni Auramo Wuxi	905	144	761
Bolzoni Huaxin	67	-	67
Auramo South Africa (associated company)	37	134	(97)
Total	**6,447**	**8,930**	**(2,483)**

The amount of receivables related to subsidiaries and associates has decreased compared to the previous year mainly due to the collection of receivable from subsidiary Bolzoni Auramo Inc.

11. Tax receivables

	2013	2012
IRES tax receivables	147	-
IRAP tax receivables	21	5
IRES tax receivables on recovery of IRAP	413	413
Other tax receivables	39	47
Total	**620**	**465**

The amount for 'IRES tax receivables on recovery of IRAP' mainly refers to the credit resulting from the request for refund thanks to the acknowledged right to IRAP deduction, amounting to 413 thousand euros, concerning years 2007-2011.

12. Other receivables

	2013	2012
VAT receivables	36	192
Advance to suppliers	16	453
Prepaid expenses	45	40
Subsidiary dividend receivables	196	-
Sundry	70	333
Total	**363**	**1,018**

The item 'Advance to suppliers' in 2012 mainly included an advance to the associated company XinHuaxin which was collected in 2013.
In 2012 the 'Sundry' item included a receivable with the subsidiary Bolzoni Auramo Pty, the result of the sale of investment in Eurolift Pty and collected during 2013.
The Item 'subsidiary dividend receivables' includes dividends to be collected from subsidiaries Bolzoni Auramo AB, Bolzoni Sarl and Bolzoni Auramo Polska.

13. Financial receivables and other financial assets

Details on the residual amount of interest-bearing loans (Euribor 3 months + 1.6% spread), given out to the single subsidiaries, maturing on 31.12.2014 and renewable, are provided below:

Subsidiaries	*31.12.2013*	*31.12.2012*
Bolzoni Auramo Inc.	1,450	-
Hans H. Meyer GmbH	1,000	1,000
Bolzoni Holding Hong Kong	22	-
Bolzoni Auramo Canada Ltd	200	100
Bolzoni Auramo Pty	2,400	-
Bolzoni Italia S.r.l.	100	100
Total	**5,172**	**1,200**

The loans were given in euros except for loans to Bolzoni Auramo Inc and Bolzoni Holding Hong Kong given in US dollars.

Financial ereceivables from Bolzoni Auramo Inc and Bolzoni Auramo Pty have increased since last year due to new loans given.

14. Cash and cash equivalents

	2013	2012
Cash in hand	11	13
Bank deposits	5,970	1,023
Total	**5,981**	**1,036**

Bank deposits have a variable interest rate.

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

	2013	2012
Cash in hand and bank deposits	5,981	1,036
Bank overdrafts and advance on notes to be collected (note 16)	(1,451)	(1,699)
Total	**4,530**	**(663)**

15. Share capital and reserves

	2013	2012
Ordinary shares 0.25 euro each	25,993,915	25,993,915

During the financial year 2013 there have been no variations to share capital.

For details regarding equity changes please refer to the 'Statement of changes in 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	1,462	B			None	None
C) Other reserves	11,323	A – B - C			None	Distribution of dividends
C) IAS reserves	(103)	A – B - C			None	Cash flow hedge & TFR
D) Revaluation reserve	2,330	A – B - C			None	None
Total	**39,260**					
Year's profit	**1,053**					
Total equity	**40,313**					

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

16. Interest bearing loans and borrowings

		Actual interest rate %	Maturity	31.12.2013	31.12.2012
Short term					
Bank overdrafts			On request	5	11
Trade advances			30-90 days	946	1,299
Foreign advances				500	400
Subsidiary companies	(1)	Euribor + 1.60		3,975	5,425
€ 1,500,000 unsecured loan	(2)	Euribor + 0.25	2013	-	94
€ 10,000,000 unsecured loan	(3)	Euribor + 1.30	2014	2,493	2,461
€ 5,000,000 unsecured loan	(4)	Euribor + 1.50	2014	1,633	-
€ 6,000,000 mortgage loans	(5)	Euribor + 1.50	2014	664	652
€ 2,000,000 unsecured loan	(6)	Euribor + 1.60	2014	670	1,330
€ 2,000,000 mortgage loans	(7)	Euribor + 2.30	2014	691	663
€ 9,000,000 unsecured loans	(8)	Euribor + 2.50	2014	8,912	-
				20,489	**12,335**
Medium/long term					
€ 6,000,000 unsecured loan	(9)	Euribor + 1.50	2013	-	2,000
€ 2,500,000 unsecured loan	(6)	Euribor + 1.60	2014	-	670
€ 2,000,000 unsecured loan	(3)	Euribor + 1.30	2014	-	499
€ 2,000,000 unsecured loan	(7)	Euribor + 2.30	2014	-	691
€ 2,000,000 unsecured loan	(3)	Euribor + 1.30	2015	250	749
€ 5,000,000 unsecured loan	(4)	Euribor + 1.50	2016	3,084	-
€ 810,000 unsecured loan	(10)	Euribor + 7.00	2016	810	-
€ 6,000,000 unsecured loan	(2)	Euribor + 1.30	2016	2,299	3,793
€ 6,000,000 unsecured loan	(11)	Euribor + 2.00	2017	1,986	-
€ 6,000,000 mortgage loans	(5)	Euribor + 1.50	2019	3,205	3,870
				11,634	**12,272**

Unsecured loans from subsidiary companies (1)
The loans are unsecured and repayable.
1,500,000 euro bank loan (2)
The loan was not secured and was paid back at due date.
10,000,000 euro bank loans (3)
The loans are unsecured and repayable in quarterly instalments.
5,000,000 euro bank loans (4)
The loans are unsecured and repayable in quarterly instalments.
6,000,000 euro mortgage loans (5)
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.
2,000,000 euro unsecured loan (6)
The loan is unsecured and repayable in quarterly instalments.
2,000,000 euro unsecured loan (7)
The loan is unsecured and repayable in quarterly instalments.
9,000,000 euro unsecured loan (8)
The loan is unsecured and repayable in half yearly instalments.
2,000,000 euro unsecured bank loan (9)
The loan was not secured and was paid back at due date.
810,000 euro unsecured loan (10)
The loan is secured by a surety amounting to 340,000 euros and is repayable on maturity.
6,000,000 euro unsecured loan (11)
The loan, of which 2,000,000 euros have been given at 31.12.2013, is unsecured and repayable in half-yearly instalments.

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

Loan	Covenants	2013	Limit
19.000 €/000	Net financial debts/Net equity	0.81	< 1.50
19.000 €/000	Net financial debts/Gross operating margin	3.53	< 3.50

As indicated in the above table, one of the two covenants has not been observed. Consequently, a 9 million loan has been reclassified as short-term. On March 10, 2014 the Bank issued a letter authorizing the covenant to be overrun for year 2013, without requiring any variations to contractual terms or advance pay-back.

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 5.9 million, 2.7 million of which due in 2014 and therefore already included in the short term loans).

Net financial position	*31.12.2013*	*31.12.2012*	*Variation*
A. Cash on hand	11	13	(2)
B. Current bank deposits	*5,970*	1,023	4,947
- *of which related to Intesa Sanpaolo*	-	*477*	*(477)*
D. CASH AND CASH EQUIVALENTS	**5,981**	**1,036**	**4,945**
E. Financial receivables	5,172	1,200	3,972
F. Current bank debts	(1,515)	(1,710)	195
G. Current part of non-current debt	(14,999)	(5,200)	(9,799)
- *of which related to Intesa Sanpaolo*	-	*(1,094)*	*1,094*
H. Other current financial debts	(3,975)	(5,425)	1,450
I. CURRENT FINANCIAL DEBTS	**(15,317)**	**(11,135)**	**(4,182)**
J. CURRENT NET FINANCIAL POSITION	**(9,336)**	**(10,099)**	**763**
N. NON-CURRENT NET FINANCIAL POSITION	**(12,044)**	**(12,272)**	**215**
- *of which related to Intesa Sanpaolo*	-	*(1,250)*	*1,250*
O. NET FINANCIAL POSITION	**(21,380)**	**(22,371)**	**978**
- of which related to Intesa Sanpaolo	**-**	***(1,867)***	***1,867***

Net financial position has improved from 22.371 thousand euros at 31.12.2012 to 21,380 thousand euros at 31.12.2013 mainly thanks to the careful management of working capital.

17. Employee benefits - T.F.R. retirement allowance

Below are the variations to this fund:

	2013	*2012*
T.F.R. retirement allowance fund at 01.01	**2,207**	**2,031**
Current service cost	610	561
Interest cost	58	79
Actuarial gain /(losses)	(204)	205
Benefit paid/transfer of funds	(692)	(669)
T.F.R. retirement allowance at 31.12	**1,979**	**2,207**

Following the amendment 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 1st 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 31st 2013.

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 statements in accordance with Italian civil laws, the reserve considered as being valid for the IAS purposes has been identified.

Below are details of possible scenarios:

Demographic theories	*Executives*	*Non Executives*
Probability of death	Mortality rate tables(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 2014	Tables, divided according to sex, adopted in the INPS model for projections up to 2014
Probability of resignation	7.5% in each year	7.5% in each year
Probability of retirement	Achievement of the first of the pension requirements valid for Mandatory General Insurance	Achievement of the first of the pension requirements valid for Mandatory General Insurance
Probability for an employee of: -receiving advance payment of 70% of the accrued retirement allowance at the start of the year	3.0% in each year	3.0% in each year
Financial theories	*Executives*	*Non Executives*
Increase in the cost of life	2.00% per annum	2.00% per annum
Discounting rate	3.15% per annum	3.15% per annum
Increase in TFR retirement allowance	3.00% per annum	3.00% per annum

It should be noted that the Company has taken, as reference, the discount index iBoxx Eurozone Corporates AA 10+ at the reporting date. Following the modifications introduced to IAS 19, as of January 1, 2013 actuarial gains and losses deriving from the redetermination of liabilities are taken to 'Other components of the comprehensive income statement' and booked in the Company's net equity under item 'Retained earnings'.

18. Provision

	31.12.12	*Incr.*	*Decr.*	*31.12.13*	*Within 12 months*	*After 12 months*
Agents' termination indemnities provision	180	-	-	180	-	180
Product Warranty provision	86	92	(86)	92	92	-
Total	**266**	**92**	**(86)**	**272**	**92**	**180**

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 accrued 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, staff costs and costs of material used for warranty servicing, indicating the average impact of these costs incurred with respect to the pertinent turnover.

19. Liabilities related to derivate instruments

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

Below are the main figures of the derivative contracts:

		31.12.2013			31.12.2012		
	Maturity	Notional	Positive Fair value	Negative Fair value	Notional	Positive Fair value	Negative Fair value
IRS accounted for according to cash flow hedging	2016	2,600	-	75	3,196	-	120
IRS which do not reflect the requirements established by IAS 39 to qualify as hedging	2016	8,000	-	314	8,000	-	456
IRS accounted for according to cash flow hedging	2017	9,000	13	-	-	-	-
IRS which do not reflect the requirements established by IAS 39 to qualify as hedging	2017	3,000	-	35	-	-	-
Total derivatives for hedging against interest rate risk		**22,600**	**13**	**424**	**11,196**	**-**	**576**

20. Trade payables

	2013	2012
Domestic suppliers	13,078	11,753
Foreign suppliers	632	631
Payables towards subsidiaries	771	902
	14,481	**13,286**

Trade payables are non-interest bearing and are normally settled on a 90 day basis.
The increase in trade payables is due to the different time distribution of purchases.
For terms and conditions for related parties, see Note 32.
Domestic supplier payables at 31 December 2013 include 153 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:

	31.12.2013	31.12.2012	Variations
Auramo Oy	202	182	20
Bolzoni Auramo AB	2	5	(3)
Bolzoni Auramo GmbH	2	2	-
Bolzoni Sarl	18	14	4
Bolzoni Auramo SL	2	10	(8)
Bolzoni Auramo S.r.l.	-	3	(3)
Bolzoni Auramo BV	-	5	(5)
Bolzoni Ltd	23	21	2
Bolzoni Huaxin	126	-	126
Bolzoni Auramo Inc	1	3	(2)
Bolzoni Auramo Canada Ltd	1	3	(2)
Bolzoni Auramo Shanghai	-	7	(7)
Hans H. Meyer GmbH	133	293	(160)
LLC “Hans H. Meyer OOO”	9	17	(8)
Bolzoni Italia S.r.l.	252	337	(85)
Total	**771**	**902**	**(131)**

21. Other payables

	2013	2012
Payables to employees for wages	584	554
Payables to employees for matured but untaken holidays	123	107
Social security payables	648	588
Tax payables for employee wages	487	407
Other accrued expenses	97	20
Other short term liabilities	108	110
Sundry payables	26	26
Total	**2,073**	**1,812**

22. Payables for income taxes

	2013	2012
Debt for income tax	-	245
Total	**-**	**245**
- within the financial period	-	*245*
- after the financial period	-	-

In the financial statements at 31 December 2013 there are no debts for income tax for the year as advance payments are more than taxes calculated.

INCOME STATEMENT

23. Revenue

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

2012	Europe	North America	R.O.W.	Total
Revenue	51,459	5,992	4,875	62,326

2013	Europe	North America	R.O.W.	Total
Revenue	50,716	6,245	5,549	62,510

Compared to the previous year, revenue in Europe has decreased by 1.4%, compensated by a 4.2% increase in the U.S.A. and a 13.8% rise in the rest of the world. It should be noted that turnover in Italy in 2013 amounts to 12.2 million euros an increase of 0.1% compared to the previous year.

24. Other revenue

	2013	2012
Sundry income	42	97
Gains on disposal	23	18
Other operating income	11	14
Total	**76**	**129**

25. Costs for raw material and consumable supplies

	2013	2012
Raw material	4,449	4,704
Commercial goods	2,167	2,263
Semi-finished products	23,673	23,720
Other purchases for production	1,867	1,818
Sundry purchases	112	96
Accessory expenses	96	85
Finished products	3,986	3,252
Total	**36,350**	**35,938**

Higher costs for commercial goods and consumable supplies is mainly the result of increased sales volumes.

26. Service costs

	2013	2012
Industrial services	5,181	5,636
Commercial services	2,313	2,213
General services	2,075	2,072
Costs related to use of third party assets	310	335
Total	**9,879**	**10,256**

Industrial service costs have decreased compared to the previous year, mainly due to the increase in sales volumes.

27. Personnel costs

	2013	2012
Wages and salaries	8,121	7,770
Social security	2,836	2,621
TFR retirement allowance (note 17)	605	356
Sundry costs	73	182
Total	**11,635**	**10,929**

The increase in personnel costs is the result of new staff additions and contractual wage increases.

The number of employees in Bolzoni S.p.A. at 31 December 2013 are**:**

	31.12.2013	31.12.2012	Variation
Top Managers	7	5	2
First-line managers	6	7	(1)
White collar	86	84	2
Blue collar	135	128	7
Total	**234**	**224**	**10**

28. Other operating costs

	2013	2012
Tax and duty	84	39
Losses on sale of fixed assets	19	6
Sundry	160	202
Total	**263**	**247**

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

29. Financial income and charges

	2013	2012
Financial expenses	889	1,171
Financial income	(1,538)	(1,121)
Gains and losses from exchange rates	45	25
Net financial income (expenses)	**(604)**	**75**

Compared to the previous financial year, there has been a substantial variation in net financial income/expenses mainly due to the higher dividends paid out by the subsidiary companies.

29.1 Financial charges	2013	2012
Interest on short-term payables (overdrafts and credit disinvestment)	37	75
Interest on medium/long term loan payables	593	523
Charges other than above	259	573
Total	**889**	**1,171**

The increase in interest on medium/long term loans is the result of the increase in debts towards financing bodies and the increase in spreads applied by banks.

The decrease in other charges is mainly due to the assessment of derivatives.

29.2 Financial income	2013	2012
Interest income from customers	34	44
Interest income from financial assets	40	2
Dividends from subsidiaries	1,464	1,075
	1,538	**1,121**

Dividends were paid out by the subsidiaries Bolzoni S.a.r.l. (210 thousand euros), Bolzoni Auramo Polska (35 thousand euros), Bolzoni Auramo AB (281 thousand euros), Auramo OY (900 thousand euros) and Bolzoni Auramo BV (39 thousand euros).

29.3 Currency exchange rate gains and losses	2013	2012
Currency exchange rate gains	467	450
Currency exchange rate losses	(512)	(475)
	(45)	**(25)**

Variations are essentially due to effects of fluctuations in the exchange rates of the US and GB currencies during 2013. 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.

30. Dividends

During the course of the financial year 2013 dividends for the amount of €1,299,695.75 (2012: €1,039,756.60) were approved and paid out. The proposal regarding dividends for approval by the Shareholders' meeting (not recognised as liabilities at 31 December) amount to € 909,787.03 (2012: €1,299,695.75). The proposed resolution regarding profits, if approved, will result in the payment of € 0.035 per share (2012: €0.05).

31. Commitments and contingencies

Capital commitments

As at December 31st 2013 and December 31st 2012 the value of the Company's commitments was not material.

Legal litigations

In the course of financial year 2008 the Tax Police made an inspection on financial years 2005 and subsequent. The notification report dated 3.7.2008 did not evidence any irregularities of a certain importance.

On December 14, 2010 the Tax Authorities 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 Tax Authorities of Piacenza prepared the tax assessment report n° 46881 concerning observations made by the Tax Police regarding financial year 2006 and the tax assessment report 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.

In relation to the tax assessment report n° 46881 and 44746, a tax collection notice was received at the end of December 2011, paid at the end of February 2012 and booked under non-current receivables for the amount of 164 thousand euros.

On January 30, 2014 the Company and the Tax Authorities signed a conciliation document covering all the assessment notices regarding the Tax Police report. The economic-equity effects, of modest entity, have already been included in the financial statements.

Guarantees granted

Bolzoni S.p.A. has granted the following guarantees at 31st December 2013:

- it has destined some land and buildings as guarantee against two bank loans (see note 16);
- it has granted comfort letters to a bank on a loan given to the subsidiary Bolzoni Auramo Inc. for the amount of US$ 910,000 (2012: US$ 910,000);
- it has granted a surety to a bank for the amount of € 800,000 (2012: € 800,000) in favour of the subsidiary Bolzoni Auramo GmbH;
- it has granted a surety to a bank for the amount of € 1,600,000 (2012: € 1,600,000) in favour of the subsidiary Bolzoni Auramo S.l.;
- it has granted a surety to a bank for the amount of € 1,500,000 (2012: € 1,500,000) in favour of the subsidiary Hans H. Meyer GmbH.;
- it has granted a surety to a bank for the amount of € 650,000 (2012: € 650,000) in favour of the subsidiary Bolzoni Italia S.r.l.;
- it has granted a surety to a bank for the amount of € 2,700,000 (2012: € 2,000,000) in favour of the subsidiary Auramo OY;
- it has granted a surety to a bank for the amount of € 630,000 (2012: € 630,000) in favour of the subsidiary Bolzoni S.a.r.l.;
- it has granted a surety to a bank for the amount of € 304,898 (2012: € 304,898) in favour of the subsidiary Bolzoni S.a.r.l.;
- it has granted a surety to a supplier for the amount of € 100,000 (2012: € 100,000) in favour of the subsidiary Bolzoni Auramo Shanghai;
- it has granted a surety to a bank for the amount of € 950,000 (2012: € 950,000) in favour of the subsidiary Hans H. Meyer GmbH.;
- it has granted a surety to a bank for the amount of € 1,800,000 (2012: € 1,800,000) in favour of the subsidiary Hans H. Meyer GmbH.;
- it has granted a surety to a bank for the amount of € 1,800,000 (2012: € 1,800,000) in favour of the subsidiary Hans H. Meyer GmbH.;
- it has granted a surety to a bank for the amount of € 500,000 (2012: € 500,000) in favour of the subsidiary Hans H. Meyer GmbH;
- it has granted a surety to a bank for the amount of € 2,000,000 (2012: € 0) in favour of the subsidiary Hans H. Meyer GmbH;
- it has granted a surety to a bank for the amount of € 225,000 (2012: € 225,000) in favour of the subsidiary Bolzoni Italia S.r.l.;
- it has granted a surety to a bank for the amount of € 1,100,000 (2012: € 0) in favour of the subsidiary Bolzoni Auramo Wuxi; and
- it has granted a surety to a supplier for the amount of € 500,000 (2012: € 500,000) in favour of another supplier.

32. Disclosure on related parties

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

Related parties		*Operating and Financial Revenue*	*Operating and Financial expenses*	*Financial and trade receivables*	*Related parties payables*
Subsidiaries	2013	20,134	4,241	11,778	4,746
	2012	20,905	3,595	10,246	6,326
Associates	2013	172	-	37	-
	2012	427	-	545	-
Other related companies :	2013	-	-	-	
Intesa-Sanpaolo Group	2012	-	81	477	2,344

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 10, 13, 16 and 20.

Associated companies

The Company has two associated companies: 40.0% interest in Auramo South Africa (2012: 40.0%) held through Auramo Oy and 20.0% interest in XinHuaxin (2012: 20.0%) held through Bolzoni Holding Hong Kong.

Transactions with other related parties

Other related parties

During the first semester of 2013 the Intesa-Sanpaolo Group reduced its stake in the share capital of Bolzoni S.p.A. to under 2% and therefore it is no longer considered a related party (2012: under 5%). A manager of the Intesa-Sanpaolo group (Davide Turco) is a member of the Board of Directors of the company.

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 2013 the Company has not made any provision for doubtful debts referring to amounts owed by related parties (2012: Euro 0).

33. 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
2013	0.25 BPS	(25)
	-0.25 BPS	25
2012	0.25 BPS	(48)
	-0.25 BPS	48

At December 31, 2013 loans hedged against interest rate risks amounted to 22.6 million euros.

The Company has four 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. Two IRS contract do not appear to observe the hedging parameters established by the IFRS (see Note 19).

Foreign currency risk

The Company has identified its exposure to foreign currency risks mainly in connection with future collection of amounts in foreign currency (mainly 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*
2013	*USD*	+ 5%	(141)	(103)
	USD	- 5%	157	114
	GBP	+ 5%	(12)	(9)
	GBP	- 5%	13	9
	$ CAN	+ 5%	(6)	(4)
	$ CAN	- 5%	6	5
2012	*USD*	+ 5%	(193)	(140)
	USD	- 5%	214	155
	GBP	+ 5%	(15)	(11)
	GBP	- 5%	17	12
	$ CAN	+ 5%	(4)	(3)
	$ CAN	- 5%	5	4

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 2013 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. The Company has 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, 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 Company

Liquidity risk

The liquidity risk is linked to the difficulty of finding funds to meet the company commitments. It can be caused when available resources are insufficient to meet the financial obligations, according to the established terms and due dates, if a credit line is suddenly revoked or if the Company needs to fulfil its financial payables before their natural due date. Thanks to a careful and cautious financial policy and to continue monitoring of both the balance between the credit lines granted and used, and the balance between short term and medium-long term debts, the Company is provided with lines of credit adequate in quality and quantity to meet its financial needs.

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.

The Company therefore performs a continue check of the estimated financial requirements so that any necessary actions can be promptly taken (finding additional lines of credit, increases in share capital, etc.).

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 statements, divided according to category:

	Carrying amount		*Fair value*	
	2013	*2012*	*2013*	*2012*
Financial assets				
Financial receivables	5,172	1,200	5,172	1,200
Cash in hand	5,981	1,036	5,981	1,036
Financial liabilities				
Bank overdrafts and advance on notes to be collected	(946)	(1,299)	(946)	(1,299)
Advance on foreign business	(500)	(400)	(500)	(400)
Loans:				
at variable rates	(31,087)	(22,908)	(31,087)	(22,908)
at fixed rates	-	-	-	-
Forward currency contracts	-	-	-	-

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 2013

Fixed rate	<1 year	>1<2 yrs	>2<3 yrs	>3<4 yrs	>4<5 yrs	> 5 yrs	Total
Simest loan	-	-	(810)	-	-	-	(810)

Variable rate	<1 year	>1<2 yrs	>2<3 yrs	>3<4 yrs	>4<5 yrs	> 5 yrs	Total
Liquid funds	5,976	-	-	-	-	-	5,976
Overdraft on bank accounts	-	-	-	-	-	-	-
Advance on foreign business	(500)	-	-	-	-	-	(500)
Advance on collectable bills subject to final payment	(946)		-	-	-	-	(946)
Derivatives appraisal	-	(423)	-	-	-	-	(423)
Carisbo loan	(500)	-	-	-	-	-	(500)
Carisbo loan	(500)	(250)	-	-	-	-	(750)
Banca di Piacenza loan	(249)	(256)	(132)	-	-	-	(637)
Banca di Piacenza Morg.loan	(222)	(221)	(223)	(223)	(223)	(216)	(1,328)
Banca di Piacenza loan	(642)	(658)	(686)	-	-	-	(1,986)
Unicredit loan	(747)	(769)	(393)	-	-	-	(1,909)
Unicredit loan	(8,912)	-	-	-	-	-	(8,912)
Cariparma loan	(691)	-	-	-	-	-	(691)
Cariparma Mortgage loan	(442)	(446)	(461)	(470)	(479)	(243)	(2,541)
GE Capital loan	(498)	(498)	(250)	-	-	-	(1,246)
Banca Nazionale del Lavoro loan	(670)	-	-	-	-	-	(670)
Banca Popolare loan	-	-	(500)	(1,487)	-	-	(1,987)
Deutsche Bank loan	(989)	(991)	(750)	-	-	-	(2,730)
Non-discounted interest rates	(752)	-	-	-	-	-	(752)

34. Remuneration of Directors and Statutory Auditors

The following table indicates the remuneration of the directors and statutory auditors for the year 2013:

Name	Amount	Description
Emilio Bolzoni	230	Director's fee
Roberto Scotti	290	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
Claudio Berretti	28	Director's fee
Total	**772**	
Giorgio Picone	25	Statutory Auditor's fee
Carlo Baldi	14	Statutory Auditor's fee
Maria Gabriella Anelli	14	Statutory Auditor's fee
Total	**53**	

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.

35. 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 April 2012. 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 audit company for auditing services;

b) by the audit 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.

Type of service	*Subject providing the service*	*Fees (thousands of euros)*
Audit	Parent's auditors	61
Tax assistance services	Parent's auditors	7

36. 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 2013 no events occurred and no non-recurring operations were carried out.

37. 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 2013 no transactions were made deriving from uncharacteristic and/or unusual operations.

38. Events after the balance sheet date

No significant events have occurred since the balance sheet date.