Half Year Financial Report of Bolzoni Group as of 30 June 2014

Interim Financial Statements of Bolzoni Group as of 30 June 2014

CONTENTS

Corporate offices

At the present date the appointed corporate offices are as follows:

Board of Directors:

Name and Surname	Office	Date appointed
Emilio Bolzoni	Chairman (Executive)	27 April 2012
Roberto Scotti	C.E.O.	27 April 2012
Luigi Pisani	Non executive director	27 April 2012
Franco Bolzoni	Non executive director	27 April 2012
Karl-Peter Staack	Non executive director	27 April 2012
Pier Luigi Magnelli	Non executive director	27 April 2012
Paolo Mazzoni	Non executive director	27 April 2012
Claudio Berretti	Non executive, independent director	27 April 2012
Raimondo Cinti	Non executive, independent director	27 April 2012
Giovanni Salsi	Non executive, independent director	27 April 2012

Board of Statutory Auditors:

Name and Surname	Office	Appointed on
Giorgio Picone	Chairman	29 April 2013
Carlo Baldi	Effective statutory auditor	29 April 2013
Maria Gabriella Anelli	Effective statutory auditor	29 April 2013
Andrea Foschi	Alternate statutory auditor	29 April 2013
Claudia Catellani	Alternate statutory auditor	29 April 2013

Auditors:

Deloitte & Touche S.p.A.	Appointment effective until the approval of financial statements for 2020

Audit and risk committee:

Name and Surname	Office	Appointed on
Giovanni Salsi	Chairman	27 April 2012
Raimondo Cinti	Councillor	27 April 2012
Pier Luigi Magnelli	Councillor	27 April 2012

Remuneration Committee:

Name and Surname	Office	Appointed on
Giovanni Salsi	Chairman	27 April 2012
Pier Luigi Magnelli	Councillor	27 April 2012
Raimondo Cinti	Councillor	27 April 2012

Compliance Committee ex. DLgs 231/01 :

Name and Surname	Office	Appointed on
Raimondo Cinti	Chairman	27 April 2012
Pier Luigi Magnelli	Councillor	27 April 2012
Giovanni Salsi	Councillor	27 April 2012

Nomination Committee

Name and Surname	Office	Appointed on
Raimondo Cinti	Chairman	27 April 2012
Pier Luigi Magnelli	Councillor	27 April 2012
Giovanni Salsi	Councillor	27 April 2012

Group's activity

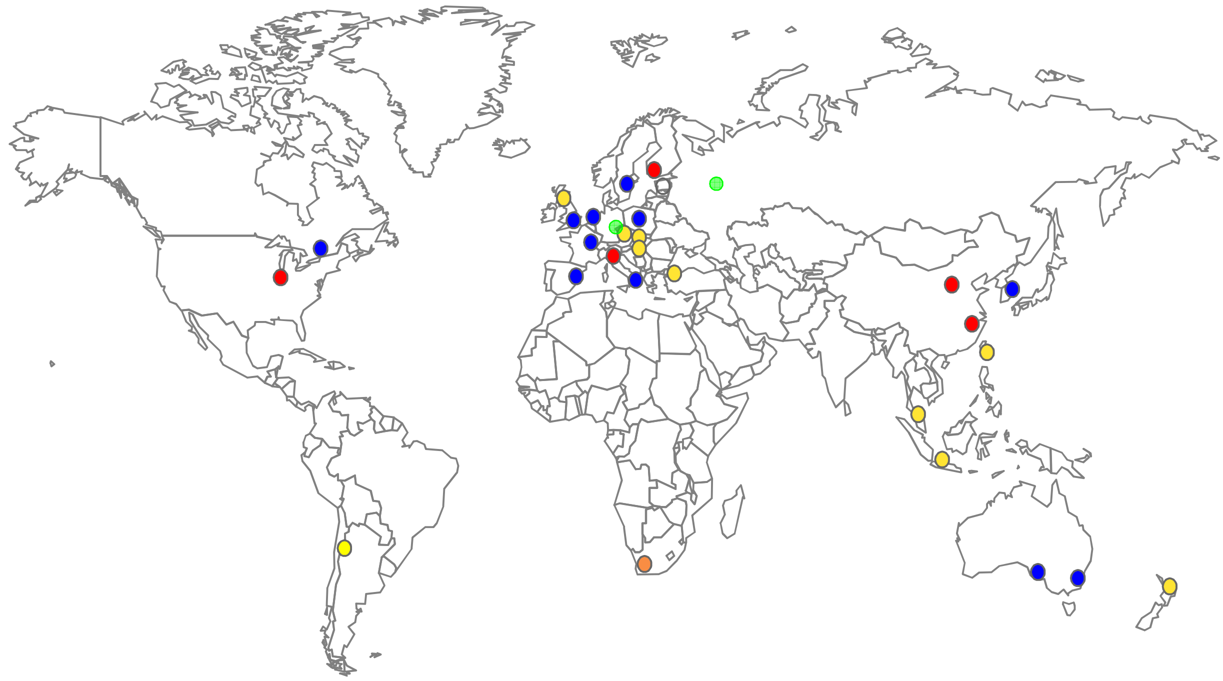
For over sixty years Bolzoni Group has been active in the design, production and distribution of lift truck attachments and industrial material handling equipment.

The Company therefore operates in a segment closely connected to logistics and its development worldwide.

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

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

The following diagram shows the various locations of the Group companies throughout the world:



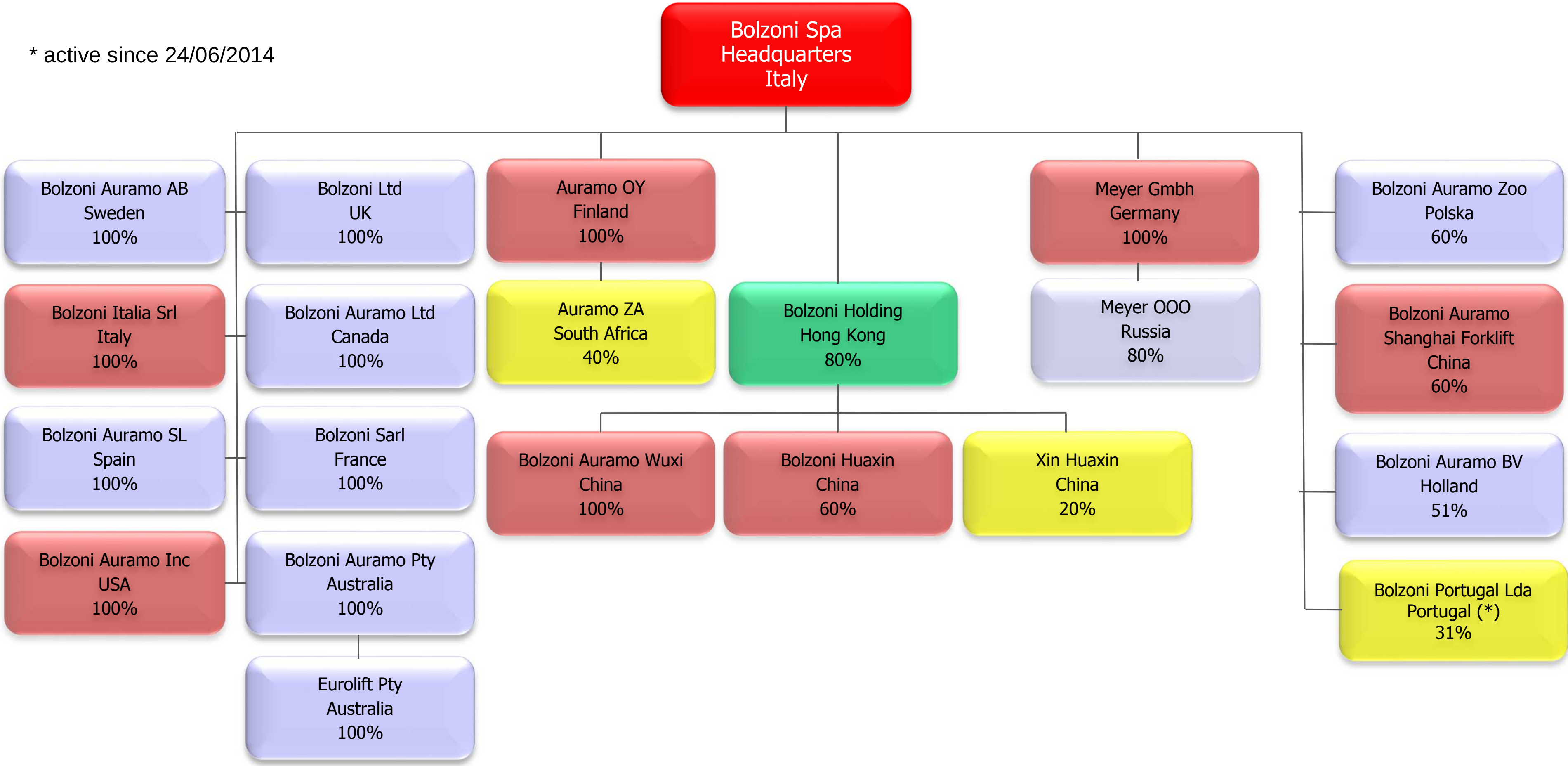
Production sites
Commercial subsidiary
Associated company
Indipendent distributor
Meyer Group

Exclusive Distributors

Group structure

Either directly or indirectly, Bolzoni S.p.A. controls 18 companies, directly or indirectly, located in various countries worldwide. Eight of these companies (including the Parent) are production plants situated in Italy, Germany, Finland, U.S.A. and China, ten have exclusively commercial and distribution activities by directly serving the principal logistics and material handling markets all over the world and one company acts solely as a financial holding company. Either through subsidiaries or associated companies, the Group is present in many countries which all together represent 80% of the specific world market.

* active since 24/06/2014



Half-Year Financial Statements as of 30 June 2014

For easier reading, unless otherwise specified, figures on all the tables and statements of the condensed half-year consolidated financial statements are indicated in thousands of euro.

Main results

Below are the main results for the interim report as of 30 June 2014 compared to the same period of 2013.

At the end of the tables we have added some comments to the figures.

	30.06.2014	*30.06.2013*	*Var. %*
Revenue	59,001	60,866	- 3.06%
Ebitda (*)	4,237	4,090	+ 3.59%
Ebit (*)	1,300	1,331	- 2.33%
Result before tax	653	359	+ 81.89%
Net result	146	(152)	N.R.
Inventory	25,637	24,622	+ 4.12%
Net financial position (*)	(32.083)	(29,159)	+ 10.03%

Trends in the benchmark market

To support the analysis on revenue, below we have included a table showing the trend in the sales of fork lift trucks in various areas, which constitutes our market of reference. The figures refer to the first six months of 2014, compared to the same period of 2013:

Geographic area	Variation
W. Europe	+ 13.74 %
North America	+ 9.84 %
China	+ 13.74 %
Rest of the World (China inc.)	+ 8.23 %
World	+ 9.34 %

Source: International association of lift truck manufacturers

It should be noted that the European market, where the majority of our Group's sales is concentrated, has shown a very positive trend.

In view of the difference between the market trend and the trend of our Group's turnover we have thought it useful to add the sales figures (backlog of orders) for months of June and July with the corresponding annual trend (obtained as a simple arithmetic average projected over a 12 month period):

June	11,073
July	11,643
Trend	129,439

If we compare these figures with those of the previous financial year (Euro 121,172) we find that, as logical, the sales trend has aligned itself with the market trend.

** explained below*

Exchange Rates

The exact exchange rate of the dollar which was 1.38 euros on 31 December 2013, on 30 June 2014 was 1.36, with an average exchange rate of 1.37 for the half-year.
In the first half-year the overall impact of exchange rates amounts to a positive 215 thousands of euros, compared to the negative effect of 431 thousands of euros in the same period of 2013.

EBITDA (*)

Below is an overview of the trend in Ebitda:

% Ebitda on turnover – financial year 2013 – 1st half-year	6.72%
% Ebitda on turnover – financial year 2014 – 1st half-year	7.18%

The half-year closes with an Ebitda of 4.237 thousands of euros (compared to 4.090 thousands of euros for the same period of last year).
The slight increase is even more significant if you consider that it was obtained despite the slight drop in turnover.

Result before tax
In the half-year result before tax has passed from a profit of 359 thousands of euros in 2013 to a profit of 653 thousands of euros in 2014, thanks to the exchange rate effect previously commented.

Net result
In the first half-year the Group's share of the net result has passed from 219 thousands of euros profit in 2013 to 653 thousands of euro profit in 2014.
This is the consequence of the extraordinary events described above.

(*) explained below

Definition of alternative performance indicators

As per CONSOB's release n° DEM/6064293 dated 28 July 2007, below are the definitions for the alternative performance indicators employed to illustrate the Group's performance in the equity, financial and economic areas:

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

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

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

Net financial position: represents the algebraic sum of cash and cash equivalent, current and non-current financial receivables and payables.

Performance indicators

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

Profitability indexes			
		30.6.2014	**30.6.2013**
ROE	*Return on equity*	+ 0.38%	- 0.75%
ROI	*Return on investment*	+ 1.83%	+ 3.83%

ROE: calculated as the ratio between net result and shareholder's equity. It expresses the profitability of the investment in the company's capital compared to investments of other nature.

ROI: this is calculated as the ratio between the operating result (Ebit) and the invested capital.

Both indicators have been recalculated as annual forecast based on the working weeks in the half-year**.**

Liquidity indexes			
		30.6.2014	**31.12.2013**
DI	*Availability index or quick ratio*	1.14	1.20
LS	*Liquidity index or current ratio*	0.63	0.75

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

LS**:** calculated as the ratio between current assets without inventory and current liabilities

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Indexes of financial solidity			
		30.6.2014	**31.12.2013**
CI	*Index of self-coverage of fixed assets*	0.79	0.82
LEV	*Leverage*	1.83	1.72
IN	*Indebtedness ratio*	0.83	0.72

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

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

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

Gross operating result (Ebitda), the Net Invested Capital and the **net Financial Position**, as described above, are measures used by the Group Management to monitor and assess the operating trend of the group itself and are not identified as an accounting measure within the IAS/IFRS; therefore, they should not be considered an alternative measure for the assessment of the Group's result trend.
As the composition of these measures is not regulated by the accounting standards of reference, the criteria for determination applied by the Group may not be in line with that adopted by others and therefore may not be comparable.

Principal risks and uncertainties

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

Risks connected to general economic context and to that of the sector
The crisis, which has progressively deteriorated the international financial and economic situation in 2009, has represented an element of risk for the Group and its effects are not over, particularly in Europe, the Group's main export market. Inflation in Europe near zero, with resulting deflation risk, lack of a European economic policy aimed at growth, theatres of war both in Europe and in nearby Middle East, can all have a negative impact on the evolution of global economic activity.
The Group has implemented activities for increasing sales volumes and limiting expenses which should, on the short-term, produce an improvement in its income results.

Financial risks
The current background of uncertainty risks limiting the cash flows generated by companies and their resulting self-funding capacities and may produce growing difficulties in the pursuance of normal and organized operations in the financial market.
The Group's Financial Management attends to the procurement of sources of funding and to the management of interest rates, exchange rates and counterpart risks, towards all the companies included in the consolidation area. The Group uses derivative financial instruments to reduce risks deriving from fluctuations in interest rates and exchange rates in relation to the nature of the debt and to the international activity. A close examination of this type of risk is to be found in the explanatory notes (note 28).

Legal risks
An update on the principal disputes in progress is contained in the explanatory notes (note 26).
The estimates and the evaluations used derive from available information and are in any case subject to systematic updates, with the help of consultants, and any changes are immediately accounted for in the financial statements.

Insurance contracts
In the interest of all the Group subsidiaries insurance policies have been taken out with primary insurance companies to cover possible risks on persons and property, in addition to risks of civil liability towards third parties. All policies have been negotiated as part of a framework agreement to ensure a

balance between the probabilities of risk occurring and the resulting damage for each one of the subsidiaries.

Relations with related parties

With regards to relations with related parties please refer to the contents of the explanatory notes (note 27).

Absence of management and coordination activity

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

The Parent's relations with Bolzoni S.p.A. are limited to normal exercise of administrative and equity rights of the parent, typical of its shareholder status.

Corporate Governance

In compliance with mandatory requirements, each year the "Report on Corporate Governance" is drawn up which, in addition to providing a general description of the corporate governance system adopted by the Group, also gives information on the ownership and on the compliance to the corporate governance code and resulting obligations. The above-mentioned Report is available for consultation in the Corporate Governance section of the web-site www.bolzoni-auramo.com.

Other information

With regards to events after the end of the first half-year and the expected evolution of the second half-year please refer to the explanatory notes under the section "Events after 30 June 2014".

BOLZONI The Material Handling Group

CONSOLIDATED BALANCE SHEET as of 30 June 2014 and 31 December 2013

€/000	**Notes**	**30.06.2014**	**31.12.2013**
ASSETS			
Non-current assets			
Property, plant and equipment	1	29,616	29,270
Goodwill	2	10,618	10,618
Intangible assets	3	3,698	3,605
Investments accounted for under the equity method	4	2.021	1,987
Receivables and other assets		117	179
Deferred tax assets	5	3,366	3,334
Total non-current assets		**49,436**	**48,993**
Current assets			
Inventory	6	25,637	22,430
Trade receivables	7	24,297	24,538
- of which with associated companies	*27*	*132*	*93*
Tax receivables	8	1,120	1,128
Other receivables	8	773	608
Financial assets available for sale		12	11
Cash and cash equivalent	9	5,756	11,039
Total current assets		**57,595**	**59,754**
TOTAL ASSETS		**107,031**	**108,747**

CONSOLIDATED BALANCE SHEET as of 30 June 2014 and 31 December 2013

€/000	Notes	30.06.2014	31.12.2013
GROUP EQUITY			
Share capital	10	6,498	6,498
Reserves		27,927	28,860
Net result of the period		219	123
TOTAL GROUP EQUITY		**34,644**	**36,481**
NON-CONTROLLING INTERESTS			
Capital, reserves and retained earnings		4,306	4,470
Net result of the period		(73)	(18)
TOTAL EQUITY		**38,877**	**39,933**
LIABILITIES			
Non-current liabilities			
Long term financial liabilities	11	12,883	13,900
Employee benefits - TFR retirement allowance	12	2,336	2,665
Deferred tax liabilities	13	1,223	1,187
Long-term provisions	14	180	180
Liabilities for derivatives	11	530	411
Other long-term liabilities	15	599	601
Total non-current liabilities		**17,751**	**18,944**
Current liabilities			
Trade payables	16	18,072	17,400
- *of which with associated and related parties*	*27*	*296*	*259*
Finan. short-term liabilities and current portion of long term loans	11	24,438	25,519
Other current payables	17	7,354	6,527
Payables for income taxes	18	214	123
Current provision	14	325	301
Total current liabilities		**50,403**	**49,870**
TOTAL LIABILITIES		**68,154**	**68,814**
TOTALE EQUITY AND LIABILITIES		**107,031**	**108,747**

CONSOLIDATED STATEMENT OF INCOME for the periods as of 30 June 2014 and 30 June 2013

€/000	**Notes**	**30.06.2014**	**30.06.2013**
Net sales	19	59,001	60,866
- *of which with associated companies*	27	*910*	*259*
Other revenues		650	283
Total revenues		**59,651**	**61,149**
Cost of raw material and consumables	20	(26,900)	(27,540)
- *of which with associated companies*	27	*(998)*	*(1,803)*
Cost of services	21	(10,511)	(11,589)
- *of which with related parties*	27	*(236)*	*(324)*
Personnel costs	22	(17,536)	(17,505)
Other operating expenses		(469)	(424)
Result of associated companies accounted for under equity method	4	2	(1)
Gross operating result		**4,237**	**4,090**
Depreciation and amortization	1 - 3	(2,672)	(2,433)
Accruals and impairment losses		(265)	(326)
Operating result		**1,300**	**1,331**
Financial income and expenses	23	(862)	(541)
Currency exchange gains and losses	23	215	(431)
Result before income tax		**653**	**359**
Income taxes	24	(507)	(511)
Net result		**146**	**(152)**
Attributable to :			
Group		219	(97)
Non-controlling interests		(73)	(55)
Result per share	25		
- basis, for result of the financial year attributable to Parent's ordinary shareholders		0.008	(0.004)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the periods as of 30 June 2014 and 30 June 2013

€/000	Notes	30.06.2014	30.06.2013
Profit/Loss for the period (A)		**146**	**(152)**
Components which will be subsequently reclassified in net result			
Cash flow hedge		(67)	96
Tax effect on cash flow hedge		18	(26)
Profit/loss resulting from translation of financial statements of foreign companies		(153)	23
Total other Profit/Loss (B)		**(202)**	**93**
Totale overall Profit/Loss (A + B)		**(56)**	**(59)**
Attributable to :			
Group		68	(4)
Non-controlling interests		(124)	(55)

STATEMENT OF CHANGES IN EQUITY for half-year ended 30 June 2014 and 30 June 2013

	Share capital	Addition paid in capital	Legal Reserve	Cash flow hedge Reserve	Retain. earning	For.curr. transl. adjust-ments	Net income	Group Shareh. Equity	Minority interests	Net inc, attrib.to Min.Int.	Total Sharehold Equity
Balance as of 31.12.2012 * restated	**6,498**	**17,544**	**1,378**	**- 86**	**10,531**	**- 938**	**1,948**	**36,875**	**4,314**	**- 62**	**41,127**
Result for the period	-	-	-	-	-	-	- 97	- 97	-	- 55	- 152
Other comprehensive income	-	-	-	70	-	23	-	93	-	-	93
Total comprehensive income	-	-	-	70	-	23	- 97	- 4	-	- 55	- 59
Allocation of net income 2012	-	-	167	-	1,781	.	- 1,948	-	- 62	62	-
Dividends	-	-	-	-	- 1,300	-	-	- 1,300	- 61	-	- 1,361
Change exch.rates translation	-	-	-	-	-	42	-	42	83	-	125
Other variations	-	-	-	-	99	-	-	99	364	-	463
Balance as of 30.06.2013	**6,498**	**17,544**	**1,545**	**- 16**	**11,111**	**- 873**	**- 97**	**35,712**	**4,638**	**- 55**	**40,295**
Balance as of 31.12.2013	**6,498**	**17,544**	**1,462**	**(44)**	**11,244**	**(1,346)**	**123**	**35,481**	**4,470**	**(18)**	**39,933**
Result for the period	-	-	-	-	-	-	219	219	-	(73)	146
Other income	-	-	-	(49)	-	(102)	-	(151)	(51)	-	(202)
Total comprehensive income	-	-	-	(49)	-	(102)	219	68	(51)	(73)	(56)
Allocation of net income 2013	-	-	52	-	71	-	(123)	-	(18)	18	-
Dividends	-	-	-	-	(910)	-	-	(910)	(95)	-	(1,005)
Change exch.rates translation	-	-	-	-	-	-	-	-	-	-	-
Other variations	-	-	-	-	5	-	-	5	-	-	5
Balance as of 30.06.2014	**6,498**	**17,544**	**1,514**	**(93)**	**10,410**	**(1,448)**	**219**	**34,644**	**4,306**	**(73)**	**38,877**

(*) following the adoption of amendment to IAS 19 from 1 January 2013 (retrospective application), the figures at 31 December 2012 provided for comparative purposes have been restated as established by IAS 1.

CONSOLIDATED CASH FLOWS STATEMENT 30 June 2014 and 30 June 2013

€/000	*Notes*	**30.06.2014**	**30.06.2013**
Net result of the period		**146**	**(152)**
Adjustments to reconcile net profit with cash flow provided by (used in) operating activities::			
Depreciation and amortization	1 – 3	2,672	2,433
Accrual to Employee benefits - TFR retirement allowance and financial charges	12	381	368
Services paid	12	(710)	(479)
Accrual of provision	14	115	162
Net change of other long-term liabilities	15	(2)	(11)
Net change in provisions	14	(91)	(263)
Change in derivative value	11	119	(140)
Net change in deferred tax	5 – 13	4	(87)
Net change in investments accounted for under equity method	4	(34)	(13)
Changes in operating assets and liabilities:			
Decrease (Increase) in Inventory	6	(3,207)	(2,859)
Decrease (Increase) in Trade receivables	7	241	(384)
Decrease (Increase) in Other receivables	8	(165)	32
Increase (Decrease) in Trade payables	16	672	2.065
Increase (Decrease) in Other payables	17	827	618
Increase (Decrease) in Current Tax payables	18	91	(175)
Decrease (Increase) in Current Tax receivables	8	6	(68)
NET CASH FLOW FROM OPERATING ACTIVITIES	a)	**1,065**	**1,047**
Cash flow from investing activities:			
Gross investments paid in tangible assets	1	(2,631)	(2,897)
Gross disinvestment in tangible assets	1	220	349
Net investments paid in intangible assets	3	(698)	(612)
NET CASH FLOW FROM INVESTING ACTIVITIES	b)	**(3,109)**	**(3,160)**
Cash flows from financing activities:			
New loans (repayment) and transfer of short term portions to current liabilities	11 *	(4,107)	10,139
Net change of other financial assets		61	53
Dividends paid		(1,005)	(1,300)
Share capital increase		-	-
Monetary flows from share capital increase and stock options		(197)	620
CASH FLOWS FROM (USED BY) FUNDING ACTIVITIES	c)	**(5,248)**	**9,512**
INCREASE(DECREASE) IN CASH AND CASH EQUIVALENT	a)+b)+c)	**(7,292)**	**7,399**
NET CASH AND CASH EQUIVALENT AT START OF PERIOD	9	8,252	827
NET CASH AND CASH EQUIVALENT AT END OF PERIOD	9	960	8,226
CHANGE		(7,292)	7,399
ADDITIONAL INFORMATION:			
Interests paid		911	574
Income tax paid		434	827

* *Except for changes in Bank Overdrafts, Trade Advances and Advances on Foreign Business which are included in Net Cash and Cash Equivalent.*

EXPLANATORY NOTES TO THE CONSOLIDATED ACCOUNTING STATEMENTS

A. BASIC INFORMATION

Bolzoni S.p.A. is a joint stock company incorporated and situated in Podenzano (PC), località "I Casoni".

The main object of the activity of Bolzoni S.p.A. and the companies under its control (hereinafter jointly referred to as "Bolzoni Group" or "the Group") is the production and sale of attachments for lift trucks.

Bolzoni S.p.A. is a company listed in the STAR segment of the Italian Screen Based Market handled by Borsa Italiana.

The publication of the Group's condensed consolidated financial statements for the half-year ended 30 June 2014 has been authorised in accordance with the resolution of the directors passed on 27 August 2014.

As of 30 June 2014 the majority of Bolzoni S.p.A.'s share capital is held by Penta Holding S.p.A. with registered offices in Podenzano, località I Casoni (Piacenza), acting as a holding of industrial shares.

The amounts indicated in the following notes are expressed in thousands of euros, unless otherwise specified.

B. BASIS OF PREPARATION AND ACCOUNTING PRINCIPLES

Basis of preparation and conformity to IFRS

This condensed consolidated statements for the half-year ended 30 June 2014 has been drawn up in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and adopted by the European Union and, in particular, in accordance with the dispositions contained in the international accounting principle for interim financial reporting (IAS 34 *Interim Financial Reporting)* which requires a lower level of reporting compared to the preparation of the annual financial reports whenever a report complete with all the disclosures established by IFRS has been previously made public. More precisely, the Groups has decided to present the consolidated accounting statements with the same degree of detail as the annual report (i.e. fully and not abbreviated) and to prepare the explanatory notes in compliance with IAS 34.

By IFRS we also intend all the "International Financing Reporting Standards" ("IFRS"), all the "International Accounting Standards" ("IAS"), all the interpretations by the International Financial Reporting Interpretations Committee ("IFRIC"), previously known as Standing Interpretation Committee ("SIC") officially endorsed by the European Union at the date of approval of this half-year financial report by the parent's Board of Directors and contained in the related U.E. rulings published at the said date and in force on 30 June 2014.

This half-year condensed consolidated financial statements as of 30 June 2014 has been prepared on a going concern basis. Indeed the Group has estimated that, despite a difficult economic and financial context, there is no significant uncertainty regarding the continuity of its activity, also considering the actions undertaken in previous years to adjust to the altered levels of demand, the industrial and financial flexibility of the Group itself, the availability of bank loans, as well as the economic and financial outlook reflected in the business plan for years 2014-2017 as approved by the Board of Directors.

Accounting standards

The accounting standards adopted for the preparation of the half-year condensed consolidated financial statements are consistent with those adopted for the preparation of the Group's Annual Financial Statements for the year ended 31 December 2013, to which reference is made, except for the following standards and interpretations which are effective since 1 January 2014.

Accounting Standards, Amendments and Interpretations adopted from January 1, 2014

The following accounting standards, amendments and interpretations were first adopted by the Group starting January 1, 2014.

- On May 12, 2011, the 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 Separate financial statements and shall establish how equity investments are to be accounted for in separate financial statements. The key changes introduced by this new principle are as follows:

    - 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);
    - 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;
    - 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;
    - 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;
    - 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.
  The standard is applicable retrospectively from January 1, 2014.
  The adoption of this new principle had 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 introduces a differentiation between joint venture and joint operation. According to IFRS 11, the existence of a separate vehicle alone is not sufficient to classify a joint arrangement as a joint venture. Under the standard, the consolidated financial statements of joint ventures, which give parties to the arrangement rights to the net assets of the arrangement only, must be prepared using the equity method. For joint operations, which give the parties direct rights to the assets and obligations for the liabilities of the arrangement, assets, liabilities, costs and revenues derived from the joint operation must be recognised pro-quota directly in the consolidated financial statements (and in the separate financial statements).
  The new standard is applicable retrospectively from January 1, 2014.
  Generally speaking, IFRS 11 application involves a high degree of judgement in certain business sectors in order to differentiate between joint ventures and joint operations. After the new IFRS 11 was issued, IAS 28 – Investments in Associates was amended to include interests

in jointly-controlled entities in its scope of application, as of the effective date of the new standard.
The adoption of this new principle had no impact on the scope of consolidation of the Group.

- On May 12, 2011, IASB issued IFRS 12 – *Disclosure of interests in other entities*, a new comprehensive 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. The standard is applicable retrospectively from January 1, 2014. The adoption of this new principle had no impact on the disclosures included in the notes to the Group's consolidated financial statements.

- 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. The amendments are applicable retrospectively from January 1, 2014.
The adoption of this new principle had no impact on the consolidated financial statements of the Group.

- On June 28, 2012, the 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 and their reference standards are applicable from January 1, 2014.

- 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 their investees provide them with services related to their investment activities. Under these amendments, investment entities must measure their investments in subsidiaries on a fair value basis. In order to classify as investment entities and use the exemption mentioned above, companies must meet the following criteria:
  - obtain funds from one or more investors for the purpose of providing them with professional investment management services;
  - commit to their investors that their business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
  - measure and evaluate the performance of substantially all of their investments on a fair value basis.

  These amendments and their reference standards are applicable from January 1, 2014.

- 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 or cash-generating units for which an impairment loss was recognised or reversed during the reporting period. The amendments are applicable retrospectively from January 1, 2014.

  The adoption of these amendments had no impact on the consolidated financial statements of the Group.

- 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 in the specific case in which the derivative is novated to a Central Counterparty (CCP) following the introduction of a new act or regulation. The amendments are applicable retrospectively from January 1, 2014. The adoption of these amendments had no impact on the consolidated financial statements of the Group.

- On May 20, 2013, IFRIC interpretation 21 – *Levies* was issued. The interpretation clarifies when an entity should recognise a liability for government levies (other than income taxes). This

standard addresses both 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.
The adoption of this new interpretation had no impact on the Group consolidated financial statements.

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 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, 2018, 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 (effective on January 1, 2018). 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 anymore;
    - 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 published document Annual Improvements to IFRSs: 2010-2012 Cycle, amending standards as part of the annual improvement process. Key amendments are as follows:
    - IFRS 2 *Share Based Payments – Definition of vesting condition*. The definitions of "vesting condition" and "market condition" were amended, and the definitions of "performance condition" and "service condition" were added (previously they were included in the definition of "vesting condition")
    - IFRS 3 *Business Combination – Accounting for contingent consideration*. This amendment clarifies that a *contingent consideration* classified as a financial asset or liability must be remeasured at fair value at each reporting date, and any changes in fair value are recognised in profit or loss or in other comprehensive income as required by IAS 39 (or IFRS 9).
    - IFRS 8 *Operating segments – Aggregation of operating segments*. These amendments require an entity to disclose information on the judgements made by management in applying the aggregation criteria to allow two or more operating segments to be aggregated, including a description of the operating segments aggregated and of the economic indicators taken into account in determining whether such operating segments have "similar economic characteristics".

- IFRS 8 *Operating segments – Reconciliation of total of the reportable segments' assets to the entity's assets*. These amendments clarify that reconciliation of the total of the operating segments' assets to the total of entity's assets is only required when the total of the operating segments' assets is regularly reviewed by the chief operating decision-maker.
- IFRS 13 *Fair Value Measurement – Short-term receivables and payables*. The Basis for Conclusions of this standard was amended to clarify that, following the issuance of IFRS 13 and the subsequent amendments to IAS 39 and IFRS 9, it is still possible to account for short-term trade receivables and payables without discounting, if the effect of not discounting is immaterial.
- IAS 16 *Property, plant and equipment and IAS 38 Intangible Assets – Revaluation method: proportionate restatement of accumulated depreciation/amortisation*. The amendments remove inconsistencies in the accounting for accumulated depreciation/amortisation when a tangible or intangible asset is revalued. The new requirements clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account recognised impairment losses.
- IAS 24 *Related Parties Disclosures – Key management personnel*. The amendments clarify that an entity (not an individual) providing key management personnel services to a reporting entity is to be treated as a related party of the reporting entity.

These amendments are applicable to periods beginning on or after July 1, 2014. Early adoption is allowed.

- On December 12, 2013 the IASB published document Annual Improvements to IFRSs: 2011-2013 Cycle, amending standards as part of the annual improvement process. Key amendments are as follows:
  - IFRS 1 *First-time Adoption of International Financial Reporting Standards – Meaning of "effective IFRS"*. The amendment clarifies that a first-time adopter may choose to apply either a current standard or a new standard that is designed to replace it but that is not yet mandatory at the reporting date of the entity's first IAS/IFRS financial statements. This is only allowed when the new standard permits early application. In addition, either the current or the new standard must be applied consistently throughout the periods presented in the entity's first IAS/IFRS financial statements.
  - IFRS 3 *Business Combinations – Scope exception for joint ventures*. This amendment clarifies that, under paragraph 2(a) of IFRS 3, IFRS 3 does not apply to the formation of all types of joint arrangement as defined by IFRS 11.
  - IFRS 13 *Fair Value Measurement – Scope of portfolio exception* (par. 52). This amendment clarifies that the *portfolio exception* provided for by paragraph 52 of IFRS 13
    applies to all contracts that are within the scope of IAS 39 (or IFRS 9) regardless of whether those contracts meet the definitions of financial assets and financial liabilities under IAS 32 or not.
  - IAS 40 *Investment Properties – Interrelationship between IFRS 3 and IAS 40*. This amendment clarifies that IFRS 3 and IAS 40 are not mutually exclusive and that an entity must determine whether a purchase of property falls within the scope of IFRS 3 or IAS 40 based on the specific indications provided by each standard.

These amendments are applicable to periods beginning on or after July 1, 2014. Early adoption is allowed.

- On January 30, 2014, IASB issued "IFRS 14 Regulatory Deferral Accounts" that allows only first-time adopters to continue to account for balances relating to *rate-regulated activities* based on the previous accounting standards. In order to improve comparability with entities that adopt IFRSs and do not recognise these balances, the standard requires that the *rate regulation* effect be presented as a separate line item. This standard is applicable from January 1, 2016. Early adoption is allowed.

- On May 6, 2014 IASB issued some amendments to IAS 16 *Property, plant and equipment* and to IAS 38 *Intangible Assets*. The amendments to IAS 16 *Property, plant and Equipment* establish that depreciation criteria based on revenue are not appropriate. The amendment clarifies that the

revenues generated by an asset including revenue generated by using that asset generally reflect factors other than the economic benefits that are being consumed through use of the asset. The amendments to IAS 38 *Intangible Assets* introduce a presumption that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate for the same reasons outlined in the amendments to IAS 16 *Property, plant and Equipment.* For intangible assets, this presumption can be rebutted in certain limited circumstances.
The amendments are applicable from January 1, 2016. Early adoption is allowed.

- On May 12, 2014 IASB issued some amendments to IFRS 11 *Joint Arrangements* to address the accounting for acquisitions of interests in joint operations in which the activities of the joint operation constitute a business as defined by IFRS 3. The amendments require that the principles set out by IFRS 3 relating to recognition of the effects of a business combination be applied.
The amendments are applicable from January 1, 2016. Early adoption is allowed.

- On May 28, 2014 IASB issued "IFRS 15 Revenue from Contracts with Customers" that will supersede IAS 18 *Revenue*, IAS 11 *Construction Contracts*, IFRIC interpretations 13 *Customer Loyalty Programmes*, 15 *Agreements for the Construction of Real Estate*, and 18 *Transfers of Assets from Customers*, as well as SIC 31 *Revenues-Barter Transactions Involving Advertising Services*. The new revenue recognition model will apply to all contracts with customers except for those falling within the scope of other IASs/IFRSs, such as lease, insurance and financial instrument contracts. The key steps to be applied under the new revenue accounting model are as follows:
    - identify the contract with a customer;
    - identify the *performance obligations* under the contract;
    - determine the price;
    - allocate the price to the *performance obligations* under the contract;
    - recognise revenue as and when the entity satisfies a *performance obligation*.

  This standard is applicable from January 1, 2016. Early adoption is allowed.

- On June 30, 2014 IASB issued some amendments to IAS 16 *Property, plant and equipment* and to IAS 41 *Agriculture*. The amendments require that *bearer plants,* i.e. fruit trees expected to bear produce on an annual basis (such as grape vines and nut bearing plants) be accounted for in accordance with IAS 16 (rather than IAS 41). This means that these assets must be measured at cost rather than at fair value less costs to sell (however, the *revaluation method* proposed by IAS 16 to measure such assets is still allowed). The proposed amendments only apply to plants used to bear produce on a seasonal basis and not to plants held to be sold as *living plants* or to be harvested as agricultural produce. These plants will fall under the scope of IAS 16 also during their biological maturation, i.e. until they are capable of bearing agricultural produce.
The amendments are applicable from January 1, 2016. Early adoption is allowed.

Basis of presentation

The consolidated financial statements are made up of the Consolidated Balance Sheet, the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement.

In particular,

- in the *Consolidated Balance Sheet* current assets and liabilities and non-current assets and liabilities are indicated separately as established by the latest version of IAS 1 and in accordance with the definitions contained therein;

- in the *Consolidated Income Statement* the analysis of costs is performed according to their nature. In accordance with the revised IAS 1 the Statement of Income includes the comparative Statement of Comprehensive Income presented in two separate sheets. Please note that the lay-out adopted for the Income Statement highlights the following interim results as the

Group's Management believes that this is important information for understanding the Group's economic results:

- gross operating result (Ebitda): this is made up of net result of the period including financial components, gains from sale of stakes, taxes and economic components related to assets for sales, amortization, provisions and depreciation;
- operating result (Ebit): this is made up of the net result of the period including taxes and the economic components related to assets to be sold.

The operating result and the gross operating result cannot be identified as an accounting measure within the IFRS and therefore cannot be considered an alternative for assessing the progress of the Group's results. Furthermore, the criteria for determining the operating result and the gross operating result may not be consistent with those adopted by other Groups and therefore not comparable.

- in the Cash Flow Statement the indirect method is used, by means of which the profit or loss for the annual period is adjusted by the effects of non-monetary operations, any deferment or accrual of previous or future collections or operating payments and by elements of income or costs connected to financial flows deriving from investment or financial activities. The Cash Flow Statement highlights the financial flows during the annual period, classifying them among operating, investment and funding activities. The requirements for the presentation of the statement of cash flows are described in IAS 7. For the translation of cash flows of foreign subsidiaries the average exchange rates have been applied.

With reference to CONSOB resolution n° 15519 of 27/7/2006 regarding the format for the financial statements, it should be noted that specific sections have been included representing relevant relations with related parties, in addition to specific items in the statement of income aimed at highlighting, where they exist, significant non-recurring operations performed during the normal activity of the Group.

Scope of consolidation

The consolidated half-year financial statements include the financial statements of Bolzoni S.p.A. and its subsidiaries.
With respect to the situation at 31 December 2013 the scope of consolidation has not changed. For a detailed description please consult the Consolidated Annual Financial Report at 31 December 2013.
It should be noted that:

- Bolzoni Auramo GmbH has been merged by incorporation into Hans H. Meyer GmbH; this merger does not have any effect on the consolidated half-year financial statement as of June 30, 2014;
- the closure of Bolzoni Auramo S.r.l. has been completed;
- In June 2014 a minority share (31%) was subscribed in the sales company Bolzoni Portugal for the amount of 15 thousand euros.

Foreign currency translation

The consolidated half-year condensed financial statement is presented in thousands of euros, which is the Company's functional and presentation currency. Each entity in the Group determines its own operating currency and the items included in the financial statements of each entity are measured using that operating currency. Transactions in foreign currency are initially recorded at the exchange rate (of the operating currency) on the transaction date. Monetary assets and liabilities denominated in foreign currencies, are retranslated to the operating currency at the exchange rate effective at the balance sheet date.

All exchange rate differences are taken to profit or loss. Non-monetary items measured in terms of historic cost in a foreign currency are translated using the exchange rates effective at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined.

The subsidiaries using an operating currency other than the euro are as follows:

Bolzoni Auramo Inc.	US dollar
Bolzoni Auramo Canada	Canadian dollar
Bolzoni Ltd	Pound sterling
Bolzoni Auramo AB	Swedish crown
Bolzoni Auramo Pty Ltd	Australian dollar
Bolzoni Auramo Sp Zoo	Polish zloty
Bolzoni Auramo Shanghai Forklift	Chinese renminbi (Yuan)
Bolzoni Holding Hong Kong	Hong Kong dollar
Bolzoni Auramo Wuxi	Chinese renminbi (Yuan)
Bolzoni Huaxin	Chinese renminbi (Yuan)
Meyer OOO Russia	Russian ruble

At the interim reporting date, the assets and liabilities of these subsidiaries are translated into euros at the exchange rate ruling on that day and their income statements are translated using the average exchange rates for the year. The exchange rate differences arising from the translation are taken to equity under the item "Other profits/(losses)" in the comprehensive income statement and to a separate component of the specific equity reserve. On possible disposal of a foreign company, the cumulative exchange rate differences, taken to equity on the basis of that particular foreign company, are recognized in the income statement.

C. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATIONS

Judgements

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

Untaxed reserves in the equity of the subsidiaries

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

Judgements and accounting estimations

In accordance with IAS/IFRS principles, the preparation of the financial statement requires estimates and assumptions on behalf of the management which have an effect on the value of assets and liabilities and on their disclosure at the date of the statement. The actual results could however differ from these estimates. The estimates are used for measuring depreciation, write-downs and recovery of value of investments, benefits to employees, taxes and accrual to provisions for contingencies and risks. It should also be noted that certain assessment processes, particularly the more complex ones such as the determination of possible impairment of non-current assets, are generally performed in a complete form only during the preparation of the annual financial statements except in those cases where the impairment indicators require an immediate assessment of the impairment.

Estimations of the Bad Debt Provision and the Inventory Obsolescence Provision are based on the losses expected by the Group and on specific analyses of recoverability and, with regards to inventory, movement of articles.

Estimates and assumptions are reviewed from time to time and the effects of each variation can be seen in the Statement of Income in the period in which the review is performed, if the review itself involves only this period, or else in the subsequent periods if the review involves both the current and following years.

With reference to the calculation of liability related to employee benefits, the Group maintains unchanged the actuarial estimations during the preparation of the condensed half-year financial statement.

Impairment of Goodwill

At least on an annual basis, goodwill is checked for any possible impairment; this requires an estimation of the value in use of the cash-generating units to which goodwill is allocated, in turn based on the estimation of the current value of the expected cash flows from the cash-generating unit and their discounting on the basis of a suitable discount rate.

The carrying amount of goodwill at 30 June 2014 was 10,618 thousand euros (2013: 10,618 thousand euros). More details are given in Note 2.

Amortization and depreciation (for assets with definite useful life)

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

D. SEASONAL TREND OF THE ACTIVITY

The segment in which the Group operates (attachments for internal material handling) is not subject to any particular seasonal trends.

E. SEGMENT INFORMATION

Information is given below on the operating segments, which correspond to the following geographical areas: "Europe", "North America" and 'Rest of World'. Sales to external customers disclosed in geographical segments are based on the customers' location. With regards to gross operating result and operating result, costs have been allocated according to their origin as the Group's business model and the reporting system as this is the system adopted for management.

The following tables provide figures according to the Group's geographical areas for the half-years which ended on 30 June 2014 and 2013.

30 June 2014	Revenue	Group sales	Revenue	Gross Oper. Result	Oper. Result	Finan. Income/ Charges	Comp. results at NE	Result before tax	Tax for the period
Europe	61,286	(16,818)	44,468	4,639	2,233	-	2	-	-
North America	11,037	(4,167)	6,870	(213)	(391)	-	-	-	-
Rest of World	9,837	(2,174)	7,663	(189)	(542)	-	-	-	-
Items not allocated or adjusted	-	-	-	-	-	(647)	-	653	(507)
Total	**82,160**	**(23,159)**	**59,001**	**4,237**	**1,300**	**(647)**	**2**	**653**	**(507)**

30 June 2013	Revenue	Group sales	Revenue	Gross Oper. Result	Oper. Result	Finan. Income/ Charges	Comp. results at NE	Result before tax	Tax for the period
Europe	62,713	(17,322)	45,391	4,323	2,243	-	(1)	.	.
North America	11,731	(5,009)	6,722	(277)	(740)	-	-	.	.
Rest of World	11,929	(3,176)	8,753	44	(172)	-	-	.	.
Items not alocated or adjusted	-	-	-	-	-	(972)	-	359	(511)
Total	**86,373**	**(25,507)**	**60,866**	**4,090**	**1,331**	**(972)**	**(1)**	**359**	**(511)**

The following tables provide figures in relation to the Group's geographical areas for the half-year ending June 30, 2014 compared to figures at December 31, 2013:

30 June 2014	Segment assets	Invest. in Assoc.	Total assets	Amortiz.	Invest. tang. assets	Invest. intang assets
Europe	64,590	-	64,590	2,216	1,935	499
North America	8,194	-	8,194	104	141	-
Rest of the World	32,226	2,021	34,247	352	555	235
Total	**105,010**	**2,021**	**107,031**	**2,672**	**2,631**	**734**

31 December 2013	Segment assets	Invest. in Assoc.	Total assets	Amortiz.	Invest. tang. assets	Invest. intang assets
Europe	68,671	-	68,671	4,187	2, 521	956
North America	7,963	-	7,963	209	607	-
Rest of the World	30,126	1,987	32,113	507	1,464	628
Total	**106,760**	**1,987**	**108,747**	**4,903**	**4,592**	**1,584**

COMMENTS TO ITEMS IN THE FINANCIAL STATEMENT

CONSOLIDATED ASSETS AND LIABILITIES

1. Property, plant and machinery

	31.12.13	Purch.	Deprec.	Disposal	Reclass.	Changes exch. rates	30.06.14
Lands	721	-		-	-	-	721
Buildings	21,180	149	-	-	293	(59)	21,563
Land lease right	888	-	-	-	(17)	(13)	858
Plant and machinery	37,003	684	-	(159)	(307)	(26)	37,195
Equipment	6,892	184	-	(184)	23	8	6,923
Other assets	13,690	1,133	-	(402)	-	22	14,443
Fixed assets in progress	9	481	-	-	-	-	490
Historical cost	**80,383**	**2,631**	**-**	**(745)**	**(8)**	**(68)**	**82,193**
Lands	-	-	-	-	-	-	-
Buildings	(7,690)	-	(328)	-	31	-	(7,987)
Land lease right	(20)	-	-	-	-	-	(20)
Plant and machinery	(27,083)	-	(1,051)	116	10	(7)	(28,015)
Equipment	(5,999)	-	(108)	179	(3)	(8)	(5,939)
Other assets	(10,321)	-	(578)	330	(30)	(17)	(10,616)
Fixed assets in progress	-	-	-	-	-	-	-
Depreciation provision	**(51,113)**	**-**	**(2,065)**	**625**	**8**	**(32)**	**(52,577)**
Lands	721	-	-	-	-	-	721
Buildings	13,490	149	(328)	-	324	(59)	13,576
Land lease right	868	-	-	-	(17)	(13)	838
Plant and machinery	9,920	684	(1,051)	(43)	(297)	(33)	9,180
Equipment	893	184	(108)	(5)	20	-	984
Other assets	3,369	1,133	(578)	(72)	(30)	5	3,827
Fixed assets in progress	9	481	-	-	-	-	490
Net carrying amount of property, plant and machinery	**29,270**	**2,631**	**(2,065)**	**(120)**	**-**	**(100)**	**29,616**

The investments made during the first half-year of 2014 mainly involve the purchase of assets aimed at maintaining modernization in order to increase productivity and efficiency, particularly in Finland and the Chinese subsidiaries.
The amount indicated in the Statement of Cash Flows at the item “Gross disinvestments in tangible assets” is the result of the sum of “Decreases” and “Exchange rate changes”.

2. Goodwill

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

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

	31.12.2013	Addition	Disposal	Exch. rate differences	30.06.2014
Auramo Oy	8,150	-	-	-	8,150
Bolzoni Auramo GmbH	181	-	(181)	-	-
Hans H. Meyer GmbH	2,287	181	-	-	2,468
Total	**10,618**	**181**	**(181)**	**-**	**10,618**

During the first half-year the merger of Bolzoni Auramo GmbH into Hans H. Meyer GmbH became effective with the subsequent transfer of goodwill for the amount of 181 thousand euros.
The trend of Auramo Oy and Meyer GmbH in the first half-year, even though lower than expected, has recorded cash flows which do not indicate permanent signs of impairment.
With regards to the assumptions used for the performance of the impairment tests made at 31 December 2013 please refer to note 5 of the Consolidated Financial Report for that period.

3. Intangible fixed assets

	31.12.2013	Purch.	Deprec.	Reclass.	Exch.rate variations	30.06.2014
Development costs	2,017	524	(258)	-	(7)	2,276
Trademarks and Patent rights	710	6	(126)	-	(7)	583
Licences	831	197	(209)	-	(20)	799
Sundry	47	7	(14)	-	-	40
Net carrying amount of intangible fixed assets	**3,605**	**734**	**(607)**	**-**	**(34)**	**3,698**

Investments made during the first half-year of 2014 mainly refer to "development costs" generated internally and to the development of the new ERP (SAP) for the Group companies, mainly the Chinese subsidiaries.

The amount indicated in the Cash Flow Statement at the item "Net investments in intangible fixed assets" is the sum of "Purchases", "Reclassifications" and "Changes in exchange rates".

4. Interests in associated companies

The Group owns the following interests in associated companies:

	30.06.2014	31.12.2013
Auramo South Africa	376	374
Xin Huaxin China	1,630	1,613
Bolzoni Portugal	15	-
Total interests in associated companies	**2,021**	**1,987**

In June 2014 a minority investment was made in the sales company Bolzoni Portugal which will deal with exclusive sale in Portugal of Group products. During the first half-year of 2014, applying the equity method, Auramo OY, owner of the shares, adjusted its interest in the associated company Auramo South Africa.

The balance at 30 June includes 3 euros produced by exchange rate differences in the period.

5. Deferred tax assets

	30.06.2014	31.12.2013
Tax losses carried forward	2,346	2,234
Obsolescence provision	82	74
Offsetting infra-group's profit in stock	664	586
Non-deductible tax provisions	89	80
Minor balances on subsidiaries	139	198
Exchange rate changes	-	45
Sundry	46	117
Total deferred tax income	**3,366**	**3,334**

With reference to the main item it should be noted that some of the Group's subsidiaries have produced tax losses amounting to 11,226 thousand euros (2013: 11,273 thousand euros) that are available indefinitely to offset future taxable profits of those same companies where the losses have been produced. Deferred tax assets related to those losses have been recognized according to expected earnings, established on the basis of the business plans drawn up for each company over a time frame of three future annual periods. The deferred tax assets on these losses carried to the balanced sheet amount to 2,346 thousand euros (2013: 2,234 thousand euros). The amount of available tax losses for deferred tax assets at 30 June 2014 have been depreciated amount to 6.645 thousand euros, corresponding to deferred tax amounting to 2,094 thousand euros.

6. Inventory

	30.06.2014	31.12.2013
Raw material	10,237	8,880
Obsolescence provision for raw material	(304)	(308)
Net raw materials	**9,933**	**8,572**
Semi-finished products	6,424	5,155
Obsolescence provision for semi-finished products	(391)	(363)
Net semi-finished products	**6,033**	**4,792**
Finished products	10,444	9,946
Obsolescence provision for finished products	(994)	(912)
Net finished products	**9,450**	**9,034**
Prepayments	**221**	**32**
Total inventory at lesser between cost and net realizable value	**25,637**	**22,430**

The increase in inventory is basically linked to the expected increase in turnover for which the Group is preparing itself.

Increases in stock are mainly concentrated on the market for lift truck forks in all the Group companies whereas for the other products, they involve US, China and Australia.

7. Trade receivables

	30.06.2014	31.12.2013
Trade receivables	19,930	20,065
Notes	4,737	4,834
Bad debt provision	(502)	(454)
Total third party receivables	**24,165**	**24,445**
Auramo South Africa	132	93
Total associate receivables	**132**	**93**
Total trade receivables	**24,297**	**24,538**

Trade receivables are basically in line with trend in turnover.

It should be noted that these sums are covered by a credit insurance for 90% of their nominal value therefore overdue receivables do not represent a risk.

8. Tax receivables and other receivables

Tax receivables (for direct taxes)	30.06.2014	31.12.2013
IRES receivables claimed by Parent	452	561
Sundry	668	567
Total	**1,120**	**1,128**

Other receivables	30.06.2014	31.12.2013
VAT receivables	435	238
Sundry	338	370
Total	**773**	**608**

9. Cash and cash equivalents

	30.06.2014	31.12.2013
Cash and short term bank deposits	5,756	11,039
Total cash and cash equivalents	**5,756**	**11,039**

Short term deposits have a variable interest rate.

For the purpose of the cash flow statement, at 30 June the item 'Cash and cash equivalents' is made up of the following:

	30.06.2014	31.12.2013
Bank deposits on sight and cash in hand	5,756	11,039
Bank overdrafts and advance on notes to be collected	(4,796)	(2,787)
Total	**960**	**8,252**

Decrease in deposits is due to the use of availability of funds obtained through medium term loans given last year.

10. Equity and minority interest

The Parent's share capital, which amounts to 6,498,478.25 euros, is divided into 25,993,915 ordinary shares with a nominal value of 0.25 euros each, and has been entirely subscribed and fully paid-up.

In the "Statement of changes in equity" all variations to the various items making up the Equity of the Group and minority interests have been analysed.

11. Financial liabilities

		Actual interest rate %	Maturity	30.06.2014	31.12.2013
Short term					
Bank overdrafts			On request	3	10
Trade advances			30-90 dys	2,294	2,277
Advance on foreign business				2,500	500
Loans to subsidiaries				7,000	7,670
Euro 10,000,000 unsecured loan	(1)	Euribor + 1.30	2014	2,008	2,492
Euro 6,000,000 mortgage loan	(2)	Euribor + 1.50	2014	668	664
Euro 5,000,000 unsecured loan	(3)	Euribor + 1.50	2014	1,646	1,633
Euro 2,000,000 unsecured loan	(4)	Euribor + 1.60	2014	-	670
Euro 2,000,000 unsecured loan	(5)	Euribor + 2.30	2014	349	691
Euro 9,000,000 unsecured loan	(6)	Euribor + 2.50	2014	7,970	8,912
				24,438	**25,519**

		Actual interest rate %	Maturity	30.06.2014	31.12.2013
Medium/long term					
Euro 2,000,000 unsecured loan	(1)	Euribor +1.30	2014	-	-
Euro 2,000,000 unsecured loan	(1)	Euribor +1.30	2015	-	250
Euro 6,000,000 unsecured loan	(1)	Euribor +1.30	2016	1,790	2,299
Euro 810,000 unsecured loan	(7)	7.00	2016	810	810
Euro 5,000,000 unsecured loan	(3)	Euribor +1.50	2016	2,261	3,084
Euro 6,000,000 unsecured loan	(8)	Euribor +2.00	2017	2,950	1,986
Euro 6,000,000 mortgage loan	(2)	Euribor +1.50	2019	2,870	3,205
Other loans				2,202	2,266
				12,883	**13,900**

Bank overdrafts, advances subject to final payment and foreign advances

Bank overdrafts, advances subject to final payment and foreign advances refer mainly to the Parent, the Spanish subsidiary and the Italian subsidiary.

Foreign subsidiaries' loans

Following are the short term loans to foreign subsidiaries:

- a loan of € 0.4 million obtained by the subsidiary Bolzoni Auramo Inc.
- a loan of € 1.1 million obtained by the subsidiary Auramo OY
- a loan of € 0.9 million obtained by the subsidiary Bolzoni Auramo Wuxi
- a loan of € 0.7 million obtained by the subsidiary Bolzoni Huaxin
- a loan of € 3.9 million obtained by the subsidiary Hans H. Meyer GmbH.

All the above loans are unsecured.

Unsecured bank loans for the amount of Euro 10,000,000 (1)

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

Mortgage loans for the amount of Euro 6,000,000 (2)

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

Unsecured bank loans for the amount of Euro 5,000,000 (3)

The loans are unsecured and repayable in quarterly instalments.

Unsecured bank loan for the amount of Euro 2,000,000 (4)

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

Unsecured bank loan for the amount of Euro 2,000,000 (5)

The loan is unsecured and repayable in quarterly instalments.

Unsecured bank loan for the amount of Euro 9,000,000 (6)

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

Unsecured bank loan for the amount of Euro 810,000 (7)

The loan is secured by a bank guarantee amounting to 340,000 euros and is repayable on maturity.

Unsecured bank loan for the amount of Euro 6,000,000 (8)

The loan, 2,000,000 euros of which have already been disbursed at 30.6.2014, is not secured and is repayable in half-yearly instalments.

Other loans

These consist of:

- a € 1,9 million loan obtained by the subsidiary Hans H. Meyer GmbH
- loans totalling € 0.3 million obtained by the other Group companies

All loans obtained by the subsidiaries are secured by comfort letters given by the Parent.

The net financial position: is made up of the following:

	30.06.2014	31.12.2013	Variat.
A. Cash in hand	15	11	4
B. Current bank deposits	5,741	11,028	(5,287)
D. Cash and cash equivalents	**5,756**	**11,039**	**(5,283)**
E. Financial receivables	12	11	1
F. Current bank debts	(11,746)	(10,342)	(1,404)
G. Current part of non-current debt	(12,692)	(15,177)	2,485
I. Current financial debts	**(24,426)**	**(25,508)**	**1,082**
J. Current net financial position	**(18,670)**	**(14,469)**	**(4,201)**
Financial assets held until maturity	-	-	-
K. Non current financial debts	(13,413)	(14,311)	898
N. Non-current net financial position	**(13,413)**	**(14,311)**	**898**
NET FINANCIAL POSITION (NET FINANCIAL DEBT)	**(32,083)**	**(28,780)**	**(3,303)**

Net financial debt has increased from Euro 28,780 at 31 December 2013 to Euro 32,083 at 30 June 2014.
The increase is explained by the payment of dividends for the amount of Euro 1 million and by the Euro 3.207 increase in inventory

Some loans are subject to the following covenants:

Loan (residual amount at 30/06/2014)	Covenants	30.06.2014	Limit
11,792 €/000	Net financial debts /Equity	0.93	1.50
11,792 €/000	Net financial debts/Gross operating result	3.87	3.50

As can be seen from the above table, one of the two covenants has not been observed.

Failure to observe one of the covenants, in accordance with the terms of the contract, would give the other party the right to declare that the Company no longer has the right to benefit from the term, only for the amount of 8 million euros, and this could therefore require the advance repayment of the loan. Consequently this loan has been reclassified as short term.

On August 26, 2014 the Bank issued a letter authorizing the covenant to be exceeded for the first half-year 2014, without requesting modifications to the contract or repayments in advance.

At 30 June 2014 the Group has four derivative contracts on group interest rates. Of these, only two have all the characteristics for classification as hedging according to the related standards. These contracts have been directly accounted for at equity ("cash flow hedge reserve" see Changes in Equity) whereas for the remaining two contracts, the fair value assessment has been accounted for in the Income Statement

The following table contains a summary of the key figures for the contracts in discussion:

		30.06.2014			31.12.2013		
	Matur.	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	-	68	2,600	-	75
IRS not meeting requirements established by IAS 39 for qualification as hedging	2016	8,000	-	312	8,000	-	314
IRS accounted for according to cash flow hedging	2018	8,000	-	61	9,000	13	-
IRS not meeting requirements established by IAS 39 for qualification as hedging	2018	3,000	-	89	3,000	-	35
Total derivatives for hedging against interest rate risk		**21,600**	**-**	**530**	**22,600**	**13**	**424**

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

Below are the changes to this fund:

	30.06.2014	31.12.2013
T.F.R. retirement allowance at start of period	**2,665**	**3,032**
Current service cost	350	971
Interest cost	31	58
Actuarial gains/losses	-	(204)
Benefits paid/transfer of funds	(710)	(1,192)
T.F.R. retirement allowance at end of period	**2,336**	**2,665**

This fund is part of those plans with defined benefits.
Liabilities have been determined using the Projected Unit Credit Cost method which can be broken down into the following phases:

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

Following tables provide details of the assumptions adopted by the Parent for calculating staff benefits:

Demographic assumptions	Executives	Non Executives
Probability of death	Mortality rate tables (named RG 48) for the Italian population as measured by General State Accounting Office	Mortality rate tables (named RG48) for the Italian population as measured by General State Accounting Office.
Probability of disablement	Tables, divided according to sex, adopted in the INPS model for projections up to 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 assumptions	**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 Group has used the discounting index iBoxx Eurozone Corporates AA 10+ as reference at the date of evaluation

13. Deferred tax liability

	30.06.2014	31.12.2013
Capitalisation of internal costs	27	27
Pensions	4	4
Variation in evaluation of Parent's inventory	8	8
Gains on sale of fixed assets deferred over 5 years	6	6
Fair value assessment of Meyer's tangible fixed assets	603	609
Fair value assessment of Meyer trademark	194	212
Sundry	381	321
Total deferred tax liability	**1,223**	**1,187**

14. Provision for contingencies and charges

	31.12.2013	Incr.	Decr.	30.06.2014	Within 12 mths	After 12 mths
Agents' termination indemnities provision	180	-	-	180	-	180
Product warranty provision	272	196	(152)	316	316	-
Other provisions	29	15	(35)	9	9	-
Total provision contingencies and charges	**481**	**211**	**(187)**	**505**	**325**	**180**

Agents' termination indemnities provision

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

Product warranty provision

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

15. Other long term payables

The other long term payables amounting to 599 thousand euros (31.12.2013: 601 thousand euros) refer to debts belonging to the German subsidiary Meyer GmbH for benefits awarded to employees after termination of labour contract. This value cannot be classified as TFR retirement allowance.

16. Trade payables

	30.06.2014	31.12.2013
Advance from customers	79	29
Domestic suppliers	11,400	12,708
Foreign suppliers	6,593	4,663
Total trade payables	**18,072**	**17,400**

The increase in trade payables is due to rise in purchases to support the future increase in turnover.

17. Other payables

	30.06.2014	31.12.2013
Payables to employees for wages	2,064	1,614
Payables to employees for holidays matured but not taken	1,025	648
Tax collection for employees pay	355	355
Other accrued expenses	971	849
VAT	44	107
Other short term payables	2,109	1,849
Social security payables	786	1,105
Total other payables	**7,354**	**6,527**

The increase in payables to employees for wages is due to the accrual for both the year-end bonus and holiday bonuses pertaining to the period.

18. Payables for income taxes

	30.06.2014	31.12.2013
Debt for income tax	214	123
Total payables for income taxes	**214**	**123**

19. Revenue

Please refer to "Segment Information" (Note E) for a detailed analysis of the Group's revenues.

20. Costs for raw materials and consumable supplies

	30.06.2014	30.06.2013
Raw materials	13,832	12,303
Commercial goods	951	1,172
Semi-finished goods	5,393	7,427
Other purchases for production	2,604	2,543
Accessory expenses	310	373
Finished products	3,810	3,722
	26,900	**27,540**

Decrease in raw material costs is linked to lower sales volumes.

21. Service costs

	30.06.2014	30.06.2013
Industrial services	4,501	5,401
Commercial services	1,996	1,822
General services	2,787	3,227
Costs related to minority assets	1,227	1,139
	10,511	**11,589**

Decrease in service costs has also been obtained through a careful monitoring of industrial costs, whereas commercial costs have increased to prepare for expected future growth and also due to the exhibition held in Hannover in May.

22. Personnel costs

	30.06.2014	30.06.2013
Wages and salaries	13,316	13,332
Social security	3,258	3,222
TFR retirement allowance (note 19)	350	289
Sundry costs	612	662
	17,536	**17,505**

23. Financial income/expenses and foreign currency translation differences

The variation in the financial income/expenses item (compared to the same period last year) is explained by the increase in financial indebtedness.

The first half-year presents a exchange rate gain of 251 thousand euros. The same period in 2013 showed a negative effect of 431 thousand euros. The difference is mainly due to the trend of the Australian Dollar.

24. Taxes

The main components of income taxes at 30 June 2014 and 2013 are:

	30.06.2014	30.06.2013
Current taxes		
Current taxes	539	598
Deferred taxes		
Related to origination and reversal of temporary differences	(32)	(87)
Income taxes on the consolidated statement of income	**507**	**511**

25. Earnings per share

Basic net result of the year per share is calculated by dividing the financial year's net result attributable to ordinary shareholders of the parent company by the weighted average number of the ordinary shares in circulation during the year.

Below are given income and information on the shares used for calculating basic earnings per share:

Basic earnings/loss per share	30.06.2014	30.06.2013
Group's net result of the period attributable to ordinary shareholders	219	(97)
Average number of ordinary shares (nr./000)	25,994	25,994
Basic earnings per ordinary share	0,008	(0,004)

26. Capital commitments

At 30 June 2014 and at 31 December 2013 the value of commitments was not material.

Legal litigations

In the course of financial year 2008 the Tax Police made an inspection on financial years 2006 and subsequent. The notification report dated July 3, 2008 did not evidence any irregularities of a certain importance.

On December 14, 2010 the Tax authority of Piacenza prepared the assessment notice n° 97036 concerning the observations by the Tax Police regarding financial year 2005. On February 11, 2011 the Parent prepared an appeal to the Provincial Tax Commission requesting the cancellation of the observations.

On June 9, 2011 the Tax Authorities of Piacenza prepared assessment report n° 46881 concerning observations made by the Tax Police regarding financial year 2006 and assessment report n° 44746 concerning observations made by the Tax Police regarding financial year 2007. On September 20, 2011 the Parent prepared two appeals to the Provincial Tax Commission requesting the cancellation of the majority of the observations.

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

On June 16, 2014 the Customs Authorities of Piacenza made an inspection on the Parent company regarding years 2010 – 2011 – 2012 and 2013. The notification report dated June 19, 2014 highlighted the failure to confirm exportations, both within and outside Europe, towards a limited number of customers and which has been forwarded to the Tax Authorities for suitable action. Considering the type of transactions involved, the Directors are confident they will easily be able to provide confirmation of exportation.

At 30 June 2014 no new relevant facts have emerged with respect to 31 December 2013.

27. Disclosure on related parties

The following table shows the overall value of transactions performed with related parties for the relevant financial periods:

Related parties		Sales to related parties	Costs towards related parties	Receivables from related parties	Payables to related parties
Associated companies:					
Auramo South Africa	*2014*	287		132	
	2013	259	-	93	-
Longxin Precise Forging	*2014*		121		296
	2013		145	-	198
Hebei Jing County Huaxin	*2014*		472		
	2013	-	861	-	-
Jing County Xin Huaxin	*2014*	623	405		
	2013		797	-	61
Related parties:	*2014*		236		
	2013	-	324	-	-
Total associated and related companies	*2014*	910	1,234	132	296
	2013	259	2,127	93	259

Transactions with other related parties

Other related parties

Auramo OY, entirely controlled group company, rents the property situated in Vantaa (Finland) where its offices and production plant are located, from Kiinteisko OY Auran Pihti, a company controlled by Mr Karl-Peter Otto Staack, a member of the board of directors. The contract establishes the payment of an annual rent of approximately 236 thousand euros.

Terms and conditions of transactions between related parties

Transactions between related parties are performed at standard market prices and conditions. Outstanding balances at year end are unsecured, interest free and settled in cash. No guarantees have been provided or received for any related party receivables or payables. For the period ended June 30 2014, the Group has not made any provision for doubtful debts relating to amounts owed by related parties.

28. Financial risk management: objectives and policies

Other than derivatives, the Group's principal financial instruments include bank loans, financial leases, short term deposit. The main purpose of these financial instruments is to fund the Group's operations. The Group has various other financial instruments, such as trade payables and receivables, which are a direct result of its operations.

During the first half-year of 2014 the Group has also entered into derivative transactions, mainly including forward currency contracts. The purpose is to hedge against the interest rate and currency risks arising from the Group's operations and from its sources of finance.

The main risks generated by the Group's financial instruments are those in connection with interest rates, liquidity, exchange rates and credits. The Board of Directors reviews and establishes the policies for handling each of these risks and they are summarised below.

Interest rate risk

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

Below is shown the effect that a variation of 25 basis points (BPS) in interest rates could have:

	Variations in presumptions	Effect on gross profit before tax
30.06.2014	0,25 BPS	- 39
	(0,25) BPS	39
30.06.2013	0,25 BPS	- 40
	(0,25) BPS	40

At 30.6.2014 the loans hedged against interest rate risks amounted to 10.6 million euros.

The Group has four Interest Rate Swap contracts running which envisage the exchange of a difference between variable and one or more pre-established fixed interest amounts calculated by reference to an agreed-upon notional principal amount .

Foreign currency risk

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

The financial statements of the subsidiaries prepared in currencies other than Euro, are translated using the exchange rates published on the web site of the Italian Exchange Rate Office.

Below is a table showing the effects of possible variations to exchange rates (+5% and -5%) on the main items of financial statements for the subsidiaries operating outside the Euro zone.

	Currency	Change in equity *	Change in receivables/ payables	Change in Turnover	Change in profit before tax
30.06.2014	USD	+ 13 / - 15	- 219 / + 242	- 269 / + 297	+ 13 / - 15
	SEK	- 4 / + 4	- 16 / + 17	- 95 / + 105	- 6 / + 7
	GBP	- 8 / + 9	- 57 / + 63	- 148 / + 164	- 11 / + 12
	$ AUS	- 4 / + 5	- 134 / + 149	- 82 / + 91	- 6 / + 7
	RMB	+ 22 / - 24	- 333 / + 368	- 200 / + 221	+ 22 / - 24
	SLOTY	- 2 / + 2	- 34 / + 37	- 63 / + 69	- 3 / + 3
	$ CAN	= / =	- 23 / + 25	- 41 / + 46	- 1 / + 1
30.06.2013	USD	+ 5 / - 6	- 382 / + 423	- 282 / + 312	+ 5 / - 6
	SEK	- 3 / + 3	= / =	- 89 / + 99	- 7 / + 8
	GBP	- 2 / + 2	- 42 / + 47	- 127 / + 140	- 2 / + 2
	$ AUS	+ 14 / - 16	- 137 / + 152	- 94 / + 104	+ 14 / - 16
	RMB	+ 21 / - 23	= / =	- 205 / + 226	+ 21 / - 23
	SLOTY	- 1 / + 1	- 19 / + 21	- 40 / + 44	- 1 / + 1
	$ CAN	+ 3 / - 3	- 24 / + 26	- 37 / + 40	+ 4 / - 5

* net of the theoretical tax effect.

The theoretical tax effect in the single countries home to the various subsidiaries has been considered. Furthermore for those subsidiaries presenting negative results no tax effects have been considered.
The Parent has entered into derivative financial contracts which hedge against exchange rate risks produced by cash flow from payments received in foreign currency transactions with its American subsidiary Bolzoni Auramo Inc: more specifically, the instruments used are essentially forward currency contracts and Put options.
Following the expansion of its activities towards Asian markets, the Company is also exposed to foreign currency risks related to purchases of raw materials settled in both Chinese Yuan (RMB) and US Dollars (USD); the volume of these operations is however minimal.

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

Risk of variations in price of raw material

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

Credit risk

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

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

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

Liquidity risk

The 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 Group 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 Group is provided with lines of credit adequate in quality and quantity to meet its financial needs.

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

The Group therefore performs a continual 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.).

Interest rate risk

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

Period ended 30 June 2014

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

Variable rate	<1 year	>1<2	>2<3	>3<4	>4<5	> 5	Total
Liquid funds	5,756	-	-	-	-	-	5,756
Financial receivables	12	-	-	-	-	-	12
Liabilities due to derivatives	-	(530)	-	-	-	-	(530)
Overdrafts on bank accounts	(3)	-	-	-	-	-	(3)
Advance on notes not yet due	(2,294)	-	-	-	-	-	(2,294)
Foreign advances	(2,500)	-	-	-	-	-	(2,500)
Subsidiary loans	(7,000)	(2,202)	-	-	-	-	(9,202)
Carisbo bank loan	(250)	-	-	-	-	-	(250)
Carisbo bank loan	(250)	-	-	-	-	-	(250)
B.ca di Piacenza bank loan	(253)	(260)	-	-	-	-	(513)
B.ca di Piacenza mortgage loan	(222)	(220)	(223)	(223)	(223)	(104)	(1,215)
B.ca di Piacenza bank loan	(652)	(662)	(345)	-	-	-	(1,659)
Unicredit loan	(758)	(777)	-	-	-	-	(1,535)
Unicredit loan	(7,970)	-	-	-	-	-	(7,970)
Cariparma bank loan	(349)	-	-	-	-	-	(349)
Cariparma mortgage loan	(446)	(443)	(466)	(474)	(483)	-	(2,312)
GE Capital loan	(498)	(497)	(250)	-	-	-	(1,245)
Banco Popolare bank loan	-	(1,481)	(1,500)	-	-	-	(2,981)
Deutsche Bank bank loan	(993)	(991)	(250)	-	-	-	(2,234)

Additional information

The Parent has not performed any operations aimed at encouraging the purchase or subscription of shares in compliance with article 2358, paragraph 3 of the Civil Code.

Important non-recurring events and operations

In accordance with Consob's Release N° DEM/6064293 dated 28 July 2006, we state that during the first half-year 2014 there have been no non-recurring events or operations.

Transactions deriving from uncharacteristic and/or unusual operations

In accordance with Consob's Release N° DEM/6064293 dated 28 July 2006, we state that during the first half-year 2014 there have been no transactions deriving from untypical and/or unusual operations.

Events after 30 June 2014 and expected evolution of management

We would like to point out the improved trend in the Euro-Dollar exchange rate with positive effects also on other currencies even though it is clearly impossible to foresee future developments.

In July the purchase of 20% stake in Bolzoni Huaxin from the minority shareholder became official. Our interest passes from 60% to 80%. The cost of the purchase has been determined on the basis of the company's Equity value.

There are no other important facts to be highlighted.

BOLZONI
The Material Handling Group

ATTESTATION ON THE CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENTS

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

1. The undersigned Roberto Scotti, C.E.O., and Marco Bisagni, manager responsible for the preparation of the corporate accounting documents for Bolzoni S.p.A., also taking into account the provisions contained in art. 154-bis, paragraphs 3 and 4 of the legislative decree n° 58 of 24 February 1998, do hereby attest:

   ✓ the appropriateness in relation to the company's characteristics and

   ✓ the actual application,

   of the administrative and accounting procedures behind the preparation of the consolidated interim condensed financial statements for the period 1 January 2014 – 30 June 2014.

2. In this respect, we declare that no important aspects have emerged.

3. We also attest that these consolidated interim condensed financial statements:

   ❖ have been prepared according to applicable international accounting standards acknowledged by the European Union in compliance with ruling (CE) n° 1606/2002 passed by European Parliament and Council on 19 July 2002;

   ❖ reflect the results in the accounting ledgers and books;

   ❖ provide a true and fair view of the economic and financial situation of the issuer and the companies included in the consolidation;

   ❖ include a reliable analysis of significant events mentioned in the report that occurred during the first six months of the financial year and their impact on the consolidated interim condensed financial statements, together with a description of the main risks and uncertainties for the remaining six months of the financial year. The interim management report also includes a reliable analysis of information concerning relevant operations with related parties.

Casoni di Podenzano, 27th August 2014

Roberto Scotti
(C.E.O.)

Marco Bisagni
(C.F.O.)