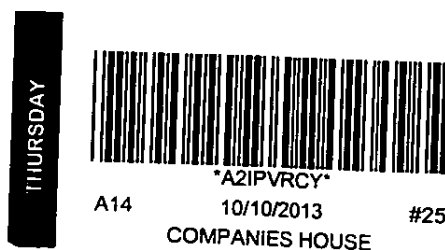


Allmark Limited
FINANCIAL STATEMENTS
for the year ended
31 December 2012



Allmark Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTOR

Mr R Gibellini

SECRETARY

Mr G Da Re

REGISTERED OFFICE

Phoenix House
Kinmel Park Ind Est
Bodelwyddan
Denbighshire
Wales
LL18 5TY

AUDITOR

Baker Tilly UK Audit LLP
Chartered Accountants
Steam Mill
Steam Mill Street
Chester
CH3 5AN

Allmark Limited

DIRECTOR'S REPORT

The director submits his report and financial statements of Allmark Limited for the year ended 31 December 2012.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was a holding company.

RESULTS AND DIVIDENDS

The loss for the year amounted to £21,771 (2011 - loss £100,222) The director has not recommended a dividend

FINANCIAL INSTRUMENTS

The company has very limited exposure to risk associated with its financial instruments. The risks are currency (exchange rate) and interest rate risks. The board reviews and agrees policies for the prudent management of these risks as follows

Currency risk

The Company has creditors in Euros and Sterling and any variation of the relationship between the two currencies is reflected in the profit and loss account. As the Reflex Group has strong cash inflows in Euros there is no advantage in hedging against movements in this currency

Interest rate risk

The Company is charged interest by a group undertaking on the outstanding balance of a long term loan. The rate of interest is linked to the Euribor rate and the resultant charge is reflected in the profit and loss account. The director is satisfied that the rate is good for the business and that the resulting cash flows from the investment in the subsidiary is sufficient to service the interest

DIRECTOR

The director who served the company during the year was as follows.

Mr R Gibellini

Qualifying third party indemnity provision is in place for the benefit of the director of the Company

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The director who was in office on the date of approval of these financial statements has confirmed, as far as he is aware, that there is no relevant audit information of which the auditor is unaware. The director has confirmed that he has taken all the steps that he ought to have taken as director in order to make himself aware of any relevant audit information and to establish that it has been communicated to the auditor.

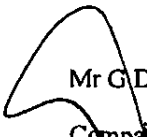
AUDITOR

Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

By order of the board

Mr G Da Re

Company Secretary


13 March 2013

Allmark Limited

DIRECTOR'S RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law)

Under company law the director must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period

In preparing those financial statements, the director is required to.

- a select suitable accounting policies and then apply them consistently,
- b. make judgements and accounting estimates that are reasonable and prudent,
- c prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 2006 The director is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALLMARK LIMITED

We have audited the financial statements on pages 5 to 10. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditor

As more fully explained in the Director's Responsibilities Statement set out on page 3, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Baker Tilly UK Audit LLP

GRAHAM BOND FCA (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

Steam Mill

Steam Mill Street

Chester CH3 5AN

15/3/13

Allmark Limited**BALANCE SHEET**

31 December 2012

	<i>Notes</i>	2012 £	2011 £
FIXED ASSETS			
Investments	5	<u>12,820,000</u>	<u>12,820,000</u>
CREDITORS			
Amounts falling due within one year	6	<u>(8,969,535)</u>	<u>(7,134,538)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,850,465	5,685,462
CREDITORS			
Amounts falling due after more than one year	7	<u>(2,326,903)</u>	<u>(4,140,129)</u>
		<u>1,523,562</u>	<u>1,545,333</u>
CAPITAL AND RESERVES			
Called up share capital	10	2,000,000	2,000,000
Profit and loss account	11	<u>(476,438)</u>	<u>(454,667)</u>
SHAREHOLDERS' FUNDS	12	<u>1,523,562</u>	<u>1,545,333</u>

The financial statements on pages 5 to 10 were approved and signed by the director and authorised for issue on 13 March 2013

Mr R Gibellini
Director

Allmark Limited
PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2012

	<i>Notes</i>	2012 £	2011 £
TURNOVER		—	—
Administrative expenses		—	(150)
OPERATING LOSS		—	(150)
Interest receivable	2	150,321	152,108
		<u>150,321</u>	<u>151,958</u>
Interest payable and similar charges	3	(172,092)	(252,180)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(21,771)</u>	<u>(100,222)</u>
Taxation	4	—	—
LOSS FOR THE FINANCIAL YEAR	11	<u>(21,771)</u>	<u>(100,222)</u>

The loss for the year arises from the company's continuing operations

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

Allmark Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

GOING CONCERN

The company has net current liabilities of £8,969,535 (2011 £7,134,538) and is reliant upon the support of its parent Reflex s.r.l and on its subsidiary company Reflex&Allen UK Limited, who are the company's only creditors. The company has obtained formal confirmation that both creditor companies will continue to support the company for at least the next 12 months from the date of signing the financial statements. The support of both companies is considered by the directors to be reliable, based on the support of the ultimate parent company Finlite s r l, whose support is also considered reliable.

CONSOLIDATION

The company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the EEA and in accordance with Section 400 of the Companies Act 2006, is not required to produce, and has not published, consolidated accounts. Therefore these accounts present information about the individual company and not the group.

CASH FLOW STATEMENT

The directors have taken advantage of the exemption in Financial Reporting Standards No 1 (Revised 1996) from including a cash flow statement in the financial statement on the grounds that the company is a wholly owned subsidiary and its parent publishes a consolidated cash flow statement.

FOREIGN CURRENCIES

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

FINANCIAL INSTRUMENTS

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

INVESTMENTS

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value. Income from other financial fixed asset investments together with any related tax credit is recognised in the profit and loss account in the year in which it is receivable.

Allmark Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2012

1 PARTICULARS OF EMPLOYEES

No salaries or wages have been paid to employees, including the director, during the year

2 INTEREST RECEIVABLE

	2012	2011
	£	£
Foreign currency gain on loan balance	<u>150,321</u>	<u>152,108</u>

3 INTEREST PAYABLE AND SIMILAR CHARGES

	2012	2011
	£	£
Interest on other loans payable to parent undertaking	<u>172,092</u>	<u>252,180</u>

4 TAXATION ON ORDINARY ACTIVITIES

Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 24% (2011 - 20%), as explained below

	2012	2011
	£	£
Loss on ordinary activities before taxation	<u>(21,771)</u>	<u>(100,222)</u>
Loss on ordinary activities by rate of tax	(5,225)	(20,044)
Effects of: Unrelieved tax losses	<u>5,225</u>	<u>20,044</u>
Total current tax	<u>-</u>	<u>-</u>

5 INVESTMENTS

	£
Cost	
At 1 January 2012 and 31 December 2012	<u>12,820,000</u>
Net book value	
At 1 January 2012 and 31 December 2012	<u>12,820,000</u>

Allmark Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2012

5 INVESTMENTS *(continued)*

Allmark Limited holds the equity share capital of the following companies:

Name of undertaking	Ordinary share capital % held	Country of incorporation	Nature of business
Reflex&Allen UK Limited	100%	England and Wales	Manufacture of commercial vehicle parts

The following companies are owned by Reflex&Allen UK Limited:

Allen Wuxi CV Parts Co Limited	100%	China	Manufacture of vehicle parts
PACO Allen Auto Private Limited	51%	India	Supply of fluid carrying systems
Allen Industrial Limited	100%	England and Wales	Dormant
Polydynamics Limited	100%	England and Wales	Dormant
Allmark (NI) Limited	100%	Ireland	Dormant
Energy Products Limited	100%	England and Wales	Manufacture of plastic products

	2012 £	2011 £
Aggregate capital and reserves Reflex&Allen UK Limited	14,321,879	12,479,685
Profit/(loss) for the financial year Reflex&Allen UK Limited	1,842,194	1,478,626

6 CREDITORS Amounts falling due within one year

	2012 £	2011 £
Amounts owed to parent undertaking	1,163,392	1,350,818
Amounts owed to subsidiary undertaking	7,806,143	5,783,720
	<u>8,969,535</u>	<u>7,134,538</u>

7 CREDITORS Amounts falling due after more than one year

	2012 £	2011 £
Amounts owed to parent undertaking	<u>2,326,903</u>	<u>4,140,129</u>

The loan repayable to the parent company is unsecured and repayable by half year instalments until 2015 and bears interest at the Euribor rate which at the year end was 1.011%

8 SECURED ASSETS

A deed of charge over shares was created on 6th September 2012 in the name of UniCredit S.p.A with full title guarantee and by way of first fixed charge over all rights, entitlements, benefits and interest in the shares and related assets of the company

9 RELATED PARTY TRANSACTIONS

The directors have taken exemption in accordance with Financial Reporting Standard 8 not to disclose related party transactions with other group companies

Allmark Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2012

10 SHARE CAPITAL

	2012 £	2011 £
Allotted, called up and fully paid 2,000,000 Ordinary shares of £1 each	<u>2,000,000</u>	<u>2,000,000</u>

11 PROFIT AND LOSS ACCOUNT

	2012 £	2011 £
At the beginning of the year	(454,667)	(354,445)
Loss for the financial year	<u>(21,771)</u>	<u>(100,222)</u>
At the end of the year	<u>(476,438)</u>	<u>(454,667)</u>

12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012 £	2011 £
Loss for the financial year	(21,771)	(100,222)
Opening shareholders' funds	<u>1,545,333</u>	<u>1,645,555</u>
Closing shareholders' funds	<u>1,523,562</u>	<u>1,545,333</u>

13 ULTIMATE PARENT COMPANY

The parent company is Reflex s.r.l., a company incorporated in Italy.

The majority shareholder in Reflex s.r.l. is Finlite s.r.l. incorporated in Italy. This is considered to be the ultimate parent company. The consolidated accounts of Finlite s.r.l. are filed in the UK in English and are available from Companies House.

Finlite s.r.l. is 99% owned by R Gibellini, who is considered to be the ultimate controlling party.

Allmark Limited
MANAGEMENT INFORMATION
for the year ended 31 December 2012

The following pages do not form part of the statutory financial statements
which are the subject of the independent auditor's report on page 4

Allmark Limited
DETAILED PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2012

	2012 £	2011 £
OVERHEADS		
Administrative expenses	—	150
OPERATING LOSS	—	(150)
Foreign currency gain on loan balance	150,321	152,108
	150,321	151,958
Interest on other loans payable to parent undertaking	(172,092)	(252,180)
LOSS ON ORDINARY ACTIVITIES	<u>(21,771)</u>	<u>(100,222)</u>

Allmark Limited

NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT for the year ended 31 December 2012

	2012 £	2011 £
ADMINISTRATIVE EXPENSES		
General expenses		
Sundry expenses	<u>—</u>	<u>150</u>
INTEREST RECEIVABLE		
Foreign currency gain on loan balance	<u>150,321</u>	<u>152,108</u>

FINLITE S.R.L.

Head office in Modena, via Valrighi n. 101/2, share capital €10,000

**CONSOLIDATED FINANCIAL STATEMENTS OF FINLITE GROUP AS AT 31ST
DECEMBER 2012**

ADDENDUM

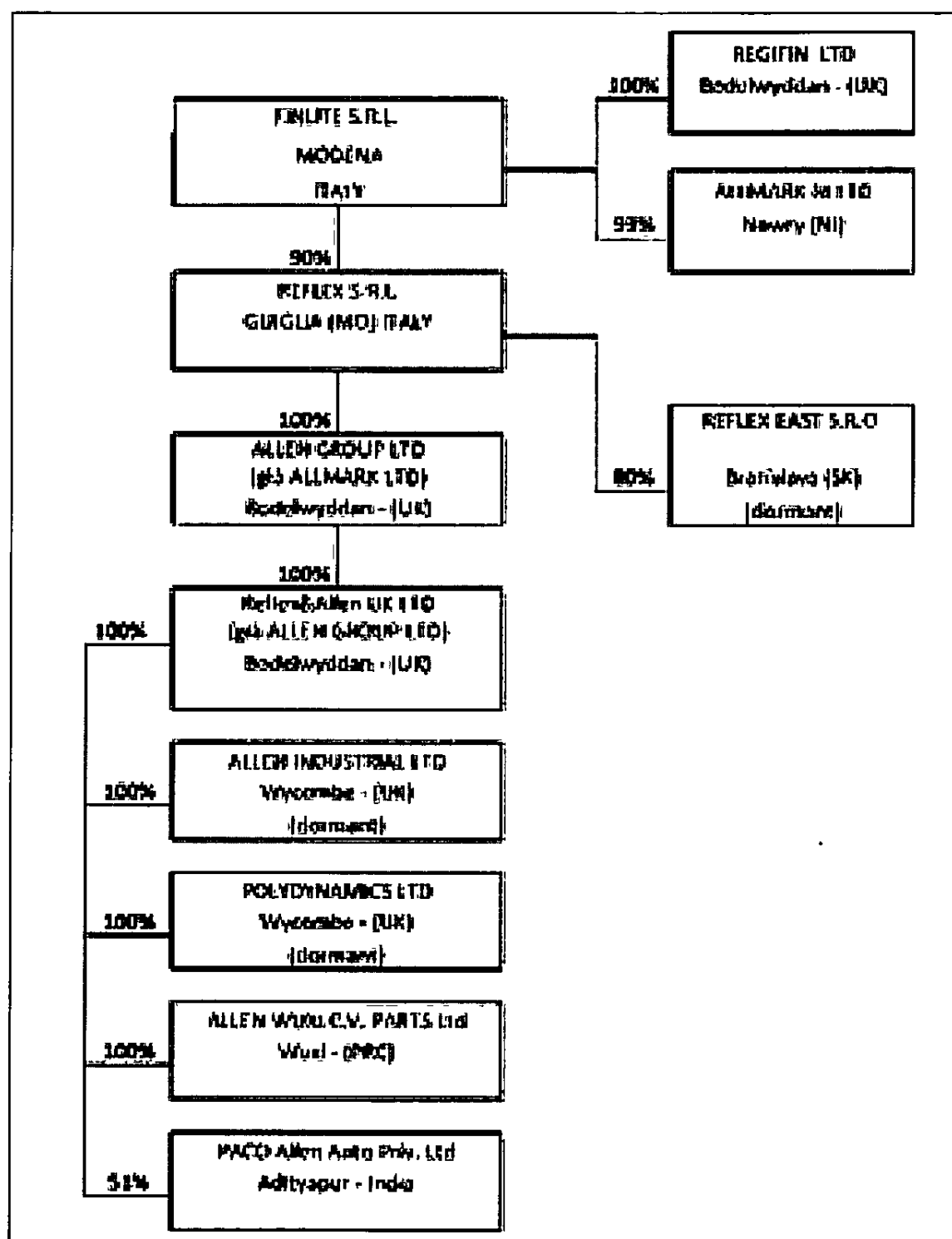
GROUP PROFILE

Through its stake in Reflex S.r.l., FINLITE S.r.l. is the head of a group of industrial enterprises operating in the engineering industry, which mainly manufacture components for commercial vehicles

Their products can be broken down into four divisions

- Reflex&Allen Pneumatic an extensive piping range for the automotive industry designed and built to meet the quality standards required by both vehicle manufacturers and the spare parts market (aftermarket),
- Reflex&Allen Electrical an extensive range of cables and electrical coils for the trade vehicles industry (trucks and trailers) available for a diversity of applications 7- and 15-pole, EBS, ADR cables and adapters,
- Reflex&Allen Fluid Power, subsystems and components for the transmission of fluids and air used for engine powering, cooling systems, fuel systems, brake systems and for emission control,
- Reflex&Allen Safety Devices an extensive range of signage panels and tapes, ADR devices, and accessories for fitting out commercial vehicles in general

As at 31st December 2012, FINLITE Group was comprised of the following businesses



The most significant data for the companies in the consolidation area can be summarised as follows

- ^ FINLITE S.r.l. - In 2012, the parent company recorded financial income totalling €32,652, the result was a profit of €10,277, while in 2011 a negative result of €8,064 had been recorded
- ^ REFLEX S.r.l. - In 2012, the company reported income from sales and services amounting to €7,556,736 and a negative net income of €141,004, after depreciation of tangible assets and amortisation of intangible assets amounting to €329,609. In 2011 the company had recorded a positive result of €61,321
- ^ REGIFIN Ltd - During the period from 1st June 2012 to 31st December 2012, the company reported income from sales and services amounting to €8,016,829 and a positive result of €1,961. Net result for the period from 18th May 2011 (date of incorporation) to 31st May 2012 was €11,428. However, due to the inclusion of a portion of the expected result in the 2011 consolidated financial statements (€378,129), an adjustment was made during the consolidation process
- ^ Allen Group Ltd (formerly Allmark UK Ltd) - In 2012, the company did not report any income from sales and services. It recorded a negative result of €26,849, while in 2011 a positive result of €115,479 had been recorded
- ^ Reflex&Allen UK USA Inc. – In 2012, the company reported income from sales and services amounting to €1,772,513 and a negative result of €883,935. The company has only been included in the consolidation process since the reported financial year, as the equity holding was acquired during 2012
- ^ Reflex&Allen USA Inc. – In 2012, the company reported income from sales and services amounting to €35,923,123 and a positive result of €2,322,514. In 2011 the company had recorded a positive result of €1,703,714
- ^ Allen Wuxi C.V. Parts Ltd - In 2012, the company reported income from sales and services amounting to €6,817,404 and a positive result of €436,493, while in 2011 a positive result of €1,517,248 had been recorded
- ^ PACO Allen Auto Priv. Ltd - During the period from 1st January 2012 to 31st December 2012, the company reported income from sales and services amounting to €602,750 and a positive result of €19,942, while in 2011 a positive net result of €43,053 had been recorded
- ^ Energi Products Ltd (UK) - In 2012, the company reported income from sales and services amounting to €1,555,692 and a negative result of €132,733. The company has only been included in the consolidation process since the reported financial year, as the equity holding was acquired during 2012
- ^ Allen Industrial Ltd - As at 31st December 2012, the company was dormant

[^] Polydynamics Ltd - As at 31st December 2012, the company was dormant

These two companies are not included in the consolidation area

[^] Allmark NI Ltd – The company underwent a special operation, i.e. its corporate business was assigned in full to Reflex&Allen UK LTD. As at 31st December 2012, the company was dormant, as the management had decided not to close it in order to protect its trademark

[^] Reflex East Sro – The company exists but is currently dormant. In 2011, the company reported income from sales and services amounting to €6,446 and a positive result of €42.00

STRUCTURE AND CONTENT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements as at 31st December 2012 have been prepared in accordance with the standards introduced by Legislative Decree n. 127 dated 9th April 1991, which implements EEC Directive VII, and thus consists of a balance sheet (drafted according to the format envisaged by articles 2424 and 2424-bis of the Italian Civil Code), profit and loss account (drafted according to the format envisaged by articles 2425 and 2425 of the Italian Civil Code), and this addendum.

The reference date of the Consolidated Financial Statements, i.e. 31st December 2012, is the date of parent company Finlite S.r.l.'s financial statements. The financial statements used for consolidation purposes are those dated 31.12.2012.

These financial statements have been adjusted, where necessary, to adapt them to the accounting standards applied throughout the group. The financial statements of foreign subsidiaries have been reclassified to render the presentation format compliant with requirements for national companies. The financial statements annexed hereto include the amounts for the corresponding items in 2011¹.

The addendum, an integral part of these financial statements, serves to illustrate and analyse, and in some cases to supplement, the consolidated financial statements and contains the information required by civil law and accounting standards concerning consolidated financial statements. In addition, any complementary information deemed necessary to provide a truthful and correct portrayal of the situation, even when not specifically required by legal provisions, is also provided.

The consolidated financial statements as at 31st December 2012 include the financial and economic data, at that date, of the parent company, i.e. FINLITE S.r.l., and all other companies controlled directly or indirectly thereby, at that date, approved by the governing bodies.

The reconciliation between the amounts of net equity and the net result for the year ending 31st December 2012, inferrable from FINLITE S.r.l.'s financial statements and the consolidated financial statements as at

¹ For PACO Allen Private Auto Ltd and REGIFIN Ltd, whose financial year ends on 31st March 2011 and 31st May 2011, it was decided to reconstruct a record of the period dating from 1st January 2011 to 31st December 2011.

the same date, is reported in a specific table, annexed under the letter "A", commenting on the consolidated net equity

CONSOLIDATION PRINCIPLES

The main consolidation criteria adopted when drafting the financial statements are stated below

- The book value of equity investments in consolidated subsidiaries has been cancelled out by the corresponding portion of net equity resulting from the assets and liabilities recorded, as established by the global integration method. The differences between the acquisition cost and the current net equity values of the controlled companies at the time of acquisition have been recorded under assets if positive or liabilities if the lower price paid was due to future losses expected to be reported by the controlled companies. In the case of negative differences, wherever possible they have been entered under assets in the balance sheet, while where they consisted of a higher price paid for goodwill, they have been recorded as intangible fixed assets which will be amortised over 10 years
- Gains and losses not yet realised with third parties at the date of the financial statements and originating from transactions between consolidated companies have been removed, as have the all the accounts payable and receivable and all the other transactions between the companies included in the consolidation area
- The share of net equity attributable to minority shareholders of the consolidated subsidiaries has been entered as a separate item, under consolidated net equity, called "*Minority capital and reserves*". The share of the net result attributable to the minority shareholders is entered under the heading "*Net profit (loss) for the year attributable to minority interests*"
- The financial statements of foreign companies prepared in a foreign currency (€) have been converted by applying the year-end exchange rate to the assets and liabilities and the average yearly exchange rate to the profit and loss account items. The difference between the results for the year resulting from conversion at average exchange rates and that resulting from the conversion based on the year-end rate is entered under the specific net item "*Profit/(loss) for the year - Exchange Diff*"

The following exchange rates have been applied

	2012	
	Exchange rate	Average
	as at	exchange
	31 12 2012	rate
US Dollar	1 3194	1 2848
Pound Sterling	0 8161	0 8109
Indian Rupee	72 5600	68 5973
Chinese Yuan	8 2207	8 1052

CONSOLIDATION AREA

The companies included in the consolidation area, consolidated using the global integration method, and the percentages of equity held are shown in the chart below

Controlling company

<u>Name</u>	<u>Registered office</u>	<u>Currency</u>	<u>Share capital</u>
FINLITE S R L	MODENA - ITA	EUROS	10,000

Fully consolidated, directly controlled companies

Name	Registered office	Currency	Share capital	Share held by member companies
REFLEX S R L	Guiglia (MO) - ITA	EUR	500,000	90 00%
REGIFIN LTD	Bodelwyddan - (UK)	GBP	2	100 00%

Fully consolidated, indirectly controlled companies

Name	Registered office	Currency	Share capital	Share held by group companies
ALLEN GROUP LTD (formerly ALLMARK LTD)	Bodelwyddan - (UK)	GBP	2,000,000	100 00%
REFLEX&ALLEN UK LTD	Bodelwyddan - (UK)	GBP	11,933	100 00%
REFLEX&ALLEN USA INC	Carmel – Indiana (USA)	USD	10,000	100 00%
ALLEN WUXI C V PARTS LTD	Wuxi - PRC	CNY	21,713,248	100 00%
PACO ALLEN AUTO PRIV LTD	Adityapur - India	INR	7 090 000	51 00%
ALLMARK NI LTD	Bodelwyddan - (UK)	GBP	100	100 00%
ALLEN INDUSTRIAL LTD	Wycombe - (UK)	GBP	1	100 00%
POLYDYNAMICS LTD	Wycombe - (UK)	GBP	1	100 00%

Unconsolidated, indirectly controlled companies

Name	Registered office	Currency	Share capital	Share held by group companies
REFLEX EAST Sro	Bratislava - (SK)	EUR	50,000	80 00%

EVALUATION CRITERIA

The consolidated financial statements have been prepared in compliance with applicable legal provisions, interpreted and supplemented with the accounting standards specified by the Italian National Board of Accountants and Bookkeepers, as amended by the OIC (Italian Accounting Authority) following application of the new standards introduced by Legislative Decree n. 6/2003 concerning the reform of company law and, in the absence thereof, those issued by the International Accounting Standards Board (IASB)

The evaluation method adopted for the financial statement entries uses the general principle of prudence and accrual-basis accounting and the going concern concept

The application of the prudence principle entails the evaluation of the individual elements comprising the single liability or asset items or entries, to prevent making up the difference between losses, which must be recognised, and profits which have not yet been realised and so must not be recognised

In compliance with the principle of accrual basis accounting, the impact of the transactions and other events was recorded in the accounts and therefore has been attributed to the business year to which the said transactions and events refer, not the year in which the relative cash transactions (collections and payments) were actually carried out

The ongoing application of the criteria over time represents a necessary condition for the comparability of the company's financial statements for the various years

More specifically, the following evolution criteria have been adopted in the preparation of the financial statements

Intangible fixed assets

These include amounts which, by nature, have benefits spanning several years. They have been entered at their acquisition price (including additional, directly attributable costs) and have been systematically amortised at a constant rate over their estimated useful lives. If, regardless of the amortisation already posted, there is a lasting loss of value, the fixed asset has been devalued accordingly. If, during subsequent years, the devaluation criteria requirements have not been met, the original entry has been written back.

Tangible fixed assets

These have been recorded at historical cost, including additional costs directly attributable to the goods, adjusted for currency appreciation. The assets resulting from revaluations have been allocated to the revaluation reserve included in net equity. The cost includes all additional charges and the direct and indirect costs for the share reasonably attributable to the fixed asset.

Fixed assets have been systematically depreciated each year at a constant rate applying economic/technical rates based on the remaining possible use of the goods. If, regardless of the depreciation already posted, there is a lasting loss of value, the fixed asset has been devalued accordingly. If, during subsequent years, the devaluation criteria requirements have not been met, the original entry has been written back.

Tangible fixed assets acquired through finance leases have been reported in the financial statements in accordance with the financial criteria envisaged by IAS 17

Routine maintenance costs have been entered in full in the profit and loss account

Incrementing maintenance costs have been posted under the assets to which they relate and amortised over their remaining useful lives

Equity investments (posted under financial fixed assets)

The non-consolidated companies in which the group holds a significant stake have been valued using the net equity method. Other equity investments have been recorded at their historical acquisition or subscription cost, including any additional costs, which have been reduced by lasting losses of worth where the holdings have suffered losses and are not expected to offset them with immediate future profits. The original value has been written back in subsequent years if the reasons for the write-down no longer existed. The payables posted under fixed assets have been valued at their presumed realisable value.

Inventory

Remaining stocks of raw materials, separate parts, and finished products have been entered at the lowest cost of either the specific purchase/production cost (established using the weighted average cost method) or the presumed realisable value inferable from the market's progress, this lower value has been written back in subsequent years if the reasons for the write-down no longer existed. Semi-finished products have been posted at the processing cost for the year. The cost includes all additional charges and the direct and indirect costs for the share reasonably attributable to the asset. Obsolete and slow-moving inventory items have been written down based on their possible use or realisable value, by entering specific devaluation funds, with inventory items subsequently deducted directly therefrom.

Receivables

Trade and non-trade receivables have been posted at their presumed realisable value.

Cash funds

These have been entered at their nominal value.

Deferrals and accruals

In accordance with accruals-basis accounting, these include the shares of costs and earnings spanning two or more years.

Funds for risks and charges

Provisions have been made for risks and charges to cover certain existing or probable losses or payables, whose amount or occurrence date were, nevertheless, impossible to establish accurately at the year end

The funds reflect the best possible estimate, based on the information available

The risks which make the manifestation of liabilities simply a possibility have been outlined in the addendum, without provision being made for risks and charges

Reserve for employee termination indemnities

Severance pay has been set aside to cover all accrued liability to employees, as required by applicable legislation and collective labour agreements and arrangements with the company. As envisaged by laws in force, this liability is subject to revaluation using certain indexes/ratios

Payables

Payables have been entered at their nominal value

Payables for holiday leave accrued by employees and deferred remunerations, including the sums due to social security institutions, have been allocated according to the amount that would be payable in the event of termination of employment on the date of the financial statements were closed

Conversion of values in foreign currency

Receivables and payables originally given in non-EU currencies have been converted into euros at the historical exchange rate in force at the date on which the relative transactions were carried out. The differences realised upon collection of receivables and payment of payables in foreign currencies have been posted in the profit and loss account

As required by accounting standards, short-term receivables and payables in foreign currencies, whether arising from finance or trade, have been converted and displayed at the exchange rate in force at the date of the financial statements

During the financial statements approval stage and subsequent allocation of the results, any profits originating from adjustment of items in foreign currency at the year end due to exchange differences and remaining after covering operating losses, have been entered in a non-distributable reserve until the profit is subsequently realised

Income tax

Income tax has been calculated in accordance with the principle of accrual-basis accounting and therefore includes

- Provisions for tax settled or to settle for the reporting year, calculated at the applicable rates and

according to laws in force,

- The sum of deferred tax or tax which was prepaid as a result of temporary differences originating or cancelled out during the year,

As required by accounting standards, deferred tax assets and liabilities have also been entered according to the temporary differences between taxable income and income before income taxes. The deferred taxes are not recorded if it can be demonstrated that they are unlikely to be paid, entry of prepaid tax depends on whether or not it is reasonably certain that it will be recouped in the future. The deferred tax assets and deferred tax liabilities are offset if they relate to offsettable taxes.

Commitments and memorandum accounts

These show the amount of the guarantees and commitments, at their nominal value or at the value of the bonds in existence at year end.

Recognition of income and costs

Income, earnings, costs, and charges have been posted according to the principle of prudence and/or accruals-basis accounting.

Income has been stated net of returns, discounts, allowances, and premiums. Income from product sales, in particular, has been recognised at the time of change of ownership, which - as a rule - occurs upon delivery or despatch of the goods.

Costs have been stated net of returns, discounts, allowances, and premiums.

Income and expenses of a financial nature have been reported on an accruals basis.

OTHER INFORMATION

Exclusions envisaged by article 2423, section 4, of the Italian Civil Code.

Please note that none of the exclusions envisaged by article 2423, section 4, of the Italian Civil Code have been applied in the consolidated financial statements.

Expression of monetary amounts

Unless stated otherwise, all the amounts in this addendum are stated in thousands of euros.

***BREAKDOWN OF CORRESPONDING LIABILITIES AND ASSETS ENTRIES*ASSETS**

B) FIXED ASSETS

B.1) INTANGIBLE FIXED ASSETS

At 31st December 2012, the intangible fixed assets amounted to €2,930,000 and included capitalised costs.

with benefits lasting several years

	Start-up costs	Research, Development and advertising costs	Industrial patent & intell prop. rights	Goodwill	Fixed assets in progress	Others
Original value	26		816	3,957	2	752
Devaluations	0		0	0	0	0
Amortisation fund	(10)		(363)	(1,305)	0	(442)
As at 31 12 2011	16		453	2,673	2	310
Original value of acquisitions	0	24	35	0	19	2
Original value of disposals	0	0		0	2	0
Original value of reclass	0	0	0	0	0	0
Amortisation fund - increases	(5)	0	(68)	(450)	0	(78)
Amortisation fund – decreases	0	0	0	0	0	0
Amortisation fund – reclassifications	0	0	0	0	0	0
Devaluations	0	0	0	0	0	0
Translation difference	0		0	0	0	0
Original value	26	24	851	3,957	19	754
Devaluations	0	0	0	0	0	0
Amortisation fund	(15)	0	(431)	(1,755)	0	(520)
As at 31 12 2012	11	24	420	2,222	19	234

The entries are broken down as follows

The post "Industrial patent and intellectual property rights" refers mainly to EDP programs for the group's new ERP system (Microsoft Dynamics AX) whose implementation - begun in the previous year - was completed in 2011. €207,000 of the "Goodwill" comes from the merger by incorporation in 2009 (whereby IMA International S r l , was incorporated into controlled company Reflex S r l), while €350,000 originates from the acquisition for consideration, again made by the controlled company Reflex Srl in 2010, of the company owned by MAD Reflex S a r l based in Monlucon (France), and the remaining €3,400,000 is the consolidation difference arising from the elimination of the "equity investments" entry and its replacement with the assets and liabilities of the consolidated group "Reflex & Allen UK Limited" (formerly "Allen Group Limited") as at 31 12 2009. This difference has been amortised at a rate of 10% per annum.

B) II) TANGIBLE FIXED ASSETS

As at 31st December 2012, these amounted to €8,247,000, broken down as follows

	Land and Buildings	Plants and Machinery	Industrial and commerc equipment	Other assets	Fixed assets in progress and advances	Total Tangible fixed assets
Original value	7,077	9,446	674	962	12	18,171
Revaluations	0	0	0	0	0	0
Devaluations	0	0	0	0	0	0
Depreciation fund	(2,106)	(6,436)	(472)	(603)	0	(9,618)
As at 31 12 2011	5,065	3,202	210	368	11	8,856
Original value of acquisitions	4	242	112	135	1	494
Original value of sales	0	(15)	0	(11)	0	(26)
Original value of reclass	0	0	0	0	0	(0)
Write-back of original value of acquisitions	0	0	0	0	0	0
Amortisation fund - increases	(262)	(568)	(165)	(75)	0	(1,070)
Amortisation fund – disposals	0	0	0	0	0	0
Amortisation fund – reclassifications	0	0	0	0	0	0
Translation difference	94	192	5	6		297
Original value	7,081	9,673	786	1,086	12	18,638
Revaluations	0	0	0	0	0	0
Devaluations	0	0	0	0	0	2
Depreciation fund	(2,368)	(7,004)	(637)	(678)	0	(10,687)
As at 31 12.2012	4,807	2,861	154	417	11	8,250

The total decrease of almost €610,000 for the year was mainly attributable to the depreciation for the year

The fund for depreciation refers to the actual economic/technical deterioration of the assets

B III) FINANCIAL FIXED ASSETS

RECEIVABLES FROM OTHERS

As at 31st December 2012, this item totalled €110,000

OTHER SECURITIES

As at 31st December 2012, these were entered as €231,000 and consisted of bonds held by subsidiary Reflex S r l and pledged to Hypo Alpe Adria Bank S p A as security for the obligations undertaken with the financial leasing agreement concerning the real property which the company uses as its premises

C) CURRENT ASSETS

C I) INVENTORY

This entry is itemised below

	As at 31.12.2012	As at 31.12.2011
Raw materials, ancillaries, and consumables	8,390	6,182
Work in progress and semifinished products	1,228	1,090
Finished products and goods	2,956	3,709
Fund for obsolete inventory	(188)	0
TOTAL	12,387	10,981

The values shown are net of the "Fund for obsolete and slow-moving inventory", which totalled €188,000 ²

III) RECEIVABLES

This entry is itemised below

TRADE RECEIVABLES FROM THIRD PARTIES

As at 31st December 2012, trade receivables from third parties amounted to €11,105,000, broken down as follows

	As at 31 12 2012	As at 31 12 2011
Gross value	10,276	10,810
Fund for devaluation of bad debts	(80)	(50)
TOTAL	10,196	10,760

The provision for writing down bad debts seems suitable given the presumed future collection risk

During the FY 2012, the fund for the devaluation of bad debt amounted to €44,000, while uses amounted to €14,000

Please note that there are no trade receivables recorded with a residual lifetime of over a year

The geographical breakdown of trade receivables, gross of the fund for the devaluation of bad debt accounts, is

² As at 31/12/2011, the fund amounted to €266,000

as follows

	As at 31 12 2012	As at 31 12 2011
Italy	1,088	1,257
EURO area	4,504	2,601
EU, non-euro area	1,605	3,682
non-EU area	2,999	3,220
TOTAL	10,196	10,760

SUNDRY RECEIVABLES

These amount to €386,000 and are itemised below

	as at 31 12 2012	as at 31.12 2011
from /Public Administration	8	2
from/Employees/Agents	6	57
Advances to suppliers	5	0
from/Others	367	117
TOTAL	386	176

The receivables stated above are due as follows

	as at 31 12 2012	as at 31 12 2011
Within the year end	320	108
From 1 to 5 years	66	68
Beyond 5 years		0
	386	176

TAX RECEIVABLES

These amounted to €177,000, including €141,000 by the controlling company Finlite Srl, €2,000 by the subsidiary Reflex S r l , while the remainder is receivable by the Reflex&Allen Indian subsidiary

PREPAID TAX

As at 31st December 2012, this was entered as €176,000 This post mainly relates to the subsidiary Reflex S r l and consists of the tax benefits for costs that will become deductible in subsequent years

Prepaid tax, in particular, has been entered according to all the temporary differences between taxable income and profit before tax, assuming that the future taxable income is sufficient to offset the temporary differences stated below in the time span contemplated

PREPAID TAX 2012	TAXABLE AMOUNT	TAX
Obsolete inventory	124	37
Fund for devaluation of bad debt	70	19
Leasing portion concerned by grace period	228	63
Depreciations/ Goodwill	152	47
Exchange rate losses not incurred	37	10
Miscellaneous	0	0
TOTAL	611	176

C IV)- CASH FUNDS

The amount recorded at year-end was €734,000, which consisted of the cash funds available as at 31st December 2012, €612,000 of which relates to bank and postal deposits, €283,000 to bills receivables, and €122,000 to cash, cheques and cash equivalents

D) ACCRUED INCOME AND PREPAID EXPENSES

These amounted to €73,000 and relate to items allocated on an accruals basis

LIABILITIES

A) NET EQUITY

On 31st December 2012, net equity amounted to €8,441,000, €7,242,000 of which is attributable to the group

The share capital of the parent company amounted to €10,000

Net equity	Balance	Transfers	Other	Operating	Balance
	as at 31/12/2011	Result	activity	result	as at 31/12/2012
<i>attributable to the group</i>					
Capital	10,000				10,000
Legal reserve	2,000				2,000
Special reserve	1,984,763	(8,064)			1,976,699
Payments to cover losses	4,060				4,060
Translation reserve on consolidation	391,287		(144,658)		246,629
Consolidation reserve	2,676,763	2,419,866			5,096,629
Profits (losses) brought forward	0				0
Profit (loss) for reporting year	2,289,006	(2,289,006)		(94,004)	(94,004)
Total NE of the group	7,357,879	---	---	---	7,242,013
<i>attributable to minorities</i>					
Minority capital and reserves	983,908	230,286			1,214,197
Minority profit (loss)	233,898	(233,898)	(25,402)	10,334	(15,068)
Total NE of minorities	1,217,806	0	---	---	1,199,129
Total	8,575,685	119,184	(170,060)	(83,670)	8,441,142

B) FUNDS FOR RISKS AND CHARGES

These amounted to €452,000, itemised as follows

as at	as at
31 12 2012	31 12 2011

For retirement indemnities and similar requirements	25	22
Fund for tax	362	358
Other funds	64	28
	452	408

Fund for tax

This amounted to €362,000 and relates to deferred tax including the tax effects of consolidation accounts. This post, in particular, mainly relates to the subsidiary Reflex S r l and consists of the deferred tax effects of the accounting of financial leasing agreements in accordance with IAS 17.

Other funds

As at 31st December 2012, this fund for future risks amounted to €64,000. The amount entered here is intended to cover the estimated losses or liabilities from pending or potential disputes.

C) EMPLOYEE TERMINATION INDEMNITIES

As at 31st December 2012, this was entered at €259,000 and consisted of the amount payable for this reason to the persons employed by the member companies.

Activity during the year concerning the debt to employees for severance pay, can be broken down as follows:

	as at 31/12/2011	Increases	Decreases	as at 31/12/2012
Fund for severance pay	224	112	(77)	259

D) PAYABLES

PAYABLES TO MEMBERS FOR LOANS

These amounted to €175,000 and refer to a loan granted to the Indian subsidiary.

DUE TO BANKS

These amounted to €9,922,000 and consist of short-term and medium-term payables to banks/credit institutes. In particular, the short-term exposure due to business transactions amounted to €4,415,000.

	As at 31.12 2012	As at 31 12 2011
Payables to banks for ordinary transactions	4,275	5,800
Total payables to banks for ordinary transactions	4,275	5,800

Payables to "Banca Popolare Em Romagna" bank	247	530
Payables to Unicredit bank with collateral	5,400	7,200
Total payables to banks for loans	5,507	7,730
Total payables to banks	9 922	13,530
Payables to banks for loans are due as follows		
	as at 31 12 2012	as at 31 12 2011,
Within 1 year	1,907	2,009
From 1 to 5 years	3,600	5,721
Beyond 5 years	0	0
TOTAL	5,507	7,730

The characteristics of existing loans from banks as at 31st December 2012 are summarised in the following chart

	31/12/2012	Due	Due	Due	Guarantees
		within 1 year	From 1 to 5 years	beyond 5 years	
UNICREDIT	5,400,000	1,800,000	3,600,000	0	Pledge on shares
Banca Popolare Em Rom	246,782	139,823	106,959	0	
Total loans from banks	5,646,782	1,939,823	3,706,959	0	

PAYABLES TO OTHER FINANCERS

These amounted to €1,906,000, itemised as follows

	as at 31 12 2012	as at 31 12 2011
Payables to Hypo Alpe Adria Bank	1,856	2,678
Payables to Credem Leasing	4	78
Payables to others	46	78
TOTAL	1,906	2,834

These sums fall due as follows

	as at 31 12 2012	as at 31 12 2011
Within 1 year	380	463
From 1 to 5 years	1,526	2,371
Beyond 5 years	0	0
TOTAL	1,906	2,834

The characteristics of existing loans from other financiers as at 31st December 2012 are summarised in the following chart

	31/12/2012	Due	Due	Due	Guarantees
		within 1 year	From 1 to 5 years	beyond 5 years	
HYPO ALPE ADRIA BANK		330	1,526	0	
CREDEMLEASING		4	0	0	
OTHERS		46	0	0	
Total loans from other financiers		380	1,526	0	

ADVANCES FROM CUSTOMERS

These refer to the Chinese subsidiary Wuxi

TRADE PAYABLES TO THIRD PARTY SUPPLIERS

These amounted to €12,521,000, including €115,000 due beyond the year end

The chart below breaks down payables to suppliers (except those from the euro area) by geographic area

	As at 31 12 2012	As at 31.12 2011
Italy	1,461	1,304
EURO area	4,447	3,153
EU, non-Euro area	6,520	3,303
Non-EU area	93	817
TOTAL	12,521	8,577

TAX PAYABLES

These amounted to €859,000, €510,000 of which is due beyond the financial year end and is attributable to income tax for the year

PAYABLES TO SOCIAL SECURITY INSTITUTES

These amounted to €196,000 There are no payables due beyond the year end

OTHER PAYABLES

These amounted to €677,000, itemised as follows

	As at 31 12 2012	As at 31 12 2011
To employees	99	91
To others	578	608
TOTAL	677	699

Payables to employees mainly originated from holiday leave and bonuses accrued

The items in Other Payables are due as follows

	As at 31 12 2012	As at 31 12 2011
Within 1 year	673	699
From 1 to 5 years	4	0
Beyond 5 years	0	0
TOTAL	677	699

E) ACCRUED EXPENSES AND DEFERRED INCOME

This item amounted to € 495,000 and mostly concerned accrued expenses for utilities and various services

MEMORANDUM ACCOUNTS

These accounts amounted to €7,769,000, including €1,002,000 for collateral granted by the parent company in relation to a loan made by the subsidiary Reflex S r l on 23 12 2008, with a pool of banks in order to acquire, through the subsidiary Allmark Ltd, 100% of the capital of the subsidiary Reflex & Allen UK Ltd (formerly Allen Group Ltd), €4,345,000 for guarantees granted by the subsidiary Reflex Srl to controlled companies and €2,422,000 for leases due to expire

EXAMINATION OF THE PROFIT AND LOSS ACCOUNT POSTS

A) VALUE OF PRODUCTION

INCOME FROM SALES AND SERVICES

In the current year, income from sales and services amounted to €51,602,000 and can be broken down as follows

	31 12 2012	31 12 2011
Italy		
Sale of Goods	4,681	4,895
Other income from sales/services	64	67
	4,745	4,962
Europe, EU		
Sale of Goods	33,794	35,456
Other income from sales/services	-	-
	33,794	35,456
Other non-EU countries		
Sale of Goods	12,063	12,612
Other income from sales/services	-	-
	12,618	12,618
TOTAL INCOME FROM SALES AND SERVICES TO THIRD PARTIES	50,602	53,036

The section below shows a breakdown of the "Sale of goods and products" to third parties provided by the individual companies in the group

	31 12 2012		31 12 2011	
REFLEX S r l	7,431	14 68%	8,483	15 99%
REFLEX&ALLEN UK LIMITED	32,306	63 84%	33,688	63 52%

ALLEN WUXI C V Parts Ltd	6,897	13.63%	7,365	13.89%
PACO Allen Auto Priv Ltd	1,640	3.24%	1,913	3.61%
REFLEX&ALLEN USA	1,722	3.40%		
ENERGI LTD	607	1.20%		
ALLMARK NI Ltd	0	0%	1,587	2.99%
	50,602	100.00%	53,036	100.00%

OTHER INCOME OR EARNINGS

Other income and earnings amounted to €103,000, broken down as follows

	31 12 2012	31 12 2011
Gains on assets	0	3
Compensation	20	9
Subsidies for operating expenses	3	15
Other costs recouped	0	0
Other income	80	40
TOTAL	103	67

B) COSTS OF PRODUCTION

PURCHASES OF RAW MATERIALS, ANCILLARIES, AND CONSUMABLES

On 31st December 2012, purchases of raw materials, ancillaries, and consumables amounted to €34,722,000

EXPENDITURE FOR SERVICES

These were comprised of expenses and services relating to the industrial and commercial area, as well as those of a general nature, and amounted to €5,619,000

This entry is itemised below

	31 12.2012	31.12 2011
Utilities and Energy	787	850
Outwork	228	246
Maintenance and repairs	681	736
Travel expenses	441	476
Transport on purchases	31	34
Transport on sales	1,080	1,167
Advertising and promotion	166	179
Emoluments and remuneration to Admin (incl national social security contributions)	181	195
Emoluments and remuneration to auditors and auditing firms	62	67
Consultancy and freelance work	687	742
Commission and royalties	181	196
Insurance	156	168
Cleaning and disposal services	99	107
Sundry others	840	907
TOTAL COSTS FOR SERVICES FROM THIRD PARTIES	5,619	6,070

The Sole Director of FINLITE S r l does not receive remuneration for providing similar services to other

companies in the group

COSTS FOR LEASING

These amounted to €531,000 and concerned building rents and fees for machinery and vehicles on lease

LABOUR COST

This amounted to €8,683,000 and comprised, in addition to salaries and wages paid, accrued expenses relating to year-end bonuses, holiday leave, severance pay, and contributions

	31 12 2012	31 12 2011
Wages and salaries	7,875	7,777
Social security contributions	735	872
Provision for employee termination indemnities	61	69
Retirement indemnities and similar requirements	0	0
Other costs	14	0
TOTAL	8,683	8,718

STAFF INFORMATION

The average number of staff employed by the group (with reference to the companies included in the scope of consolidation as at 31 12 2012) is 335 units, broken down by category as follows

Personnel	Average as at 31 12 2012	Average as at 31 12 2011
Top management	23	10
White collar	64	69
Blue collar	248	241
TOTAL	335	320

AMORTISATION OF INTANGIBLE FIXED ASSETS

This entry, which amounted to €602,000, reported the amortisation portion for the year. The amount included the amortisation portion of the consolidation difference arising from the acquisition of Reflex & Allen UK Limited by the subsidiary Reflex S r l (10% of €3,400,000), which amounted to €340,000

DEPRECIATION OF TANGIBLE FIXED ASSETS

This amounted to €1,068,000 and consisted of ordinary depreciation calculated at the maximum tax rates applicable, which reflects the actual deterioration of the assets concerned

DEVALUATION OF RECEIVABLES INCLUDED IN THE CURRENT ASSETS

These amounted to €34,000

Provisions for risks

These amounted to €44,000, itemised as follows

	31 12 2012	31.12 2011
Risks from pending legal proceedings	44	0
Others	0	4
TOTAL	44	4

SUNDRY OPERATING EXPENSES

These amounted to €186,000, itemised as follows

	31 12 2012	31 12 2011
Other charges	137	109
Non-income tax	49	57
TOTAL SUNDRY OPERATING EXPENSES	186	166

C) FINANCIAL EARNINGS AND CHARGES

EARNINGS FROM EQUITY INVESTMENTS

No earnings from equity investments were recorded during the financial year

OTHER FINANCIAL EARNINGS

These amounted to €13,000, itemised as follows

	31 12 2012	31 12 2011
Interest from receivables from others entered under fixed assets	-	-
Interest from securities entered under fixed assets which do not constitute equity investments	7	9
Interest from securities entered under current assets which do not constitute equity investments	-	-
Other earnings	5	9
OTHER FINANCIAL EARNINGS	13	18

FINANCIAL CHARGES

Financial charges amounted to €439,000, itemised as follows

	31 12 2012	31 12 2011
Interest payable to banks	538	600
Interest payable to other financiers	1	74
Others	0	0
FINANCIAL CHARGES	539	674

GAINS AND LOSSES FROM FOREIGN EXCHANGES

During the year, gains on foreign exchanges amounted to €142,000

The distinction between net gains and losses, both realised and unrealised, i.e. those originating from adjustment of entries in foreign currency at the year-end exchange rates, is shown in the table below

	31 12 2012	31 12 2011
Profits/(Losses) realised	(187)	(9)
Profits/(Losses) not realised	259	88
GAINS FROM FOREIGN EXCHANGES	142	79

D) ADJUSTMENTS OF FINANCIAL ASSETS

No value adjustments were made to financial assets during the year

E) EXTRAORDINARY INCOME AND CHARGES

The net extraordinary income and charges were negative and amounted to €50,000, itemised as follows

	31 12 2012	31 12 2011
Contingency for release of provision for losses on receivables	0	2
Gains on disposals of fixed assets	0	-
Contingent assets	98	34
TOTAL EXTRAORDINARY EARNINGS	98	36
Tax for previous years	(18)	(1)
Losses on disposals of fixed assets	(-)	(20)
Penalties from customers	0	0
Losses on receivables	0	0
Other contingent liabilities	(30)	(24)
TOTAL EXTRAORDINARY CHARGES	(48)	(45)
TOTAL EXTRAORDINARY EARNINGS/CHARGES	(50)	(9)

TAX ON COMPANY PROFITS

These amounted to €650,000 and, in addition to €638,000 for current income tax, in accordance with accruals-basis accounting, the entry takes into account the allocation of deferred and prepaid tax, amounting to €12,000

RESULT FOR REPORTING YEAR

The result was negative and amounted to €109,000, €94,000 of which is attributable to the group

These financial statements are a true and accurate portrayal of the account books and records

Modena, 23rd May 2013

Finlite S r l
Antonella Bortolomasi,
Sole Director

I, THE UNDERSIGNED ANTONELLA BORTOLOMASI, HEREBY DECLARE THAT THE COMPUTERISED DOCUMENT IN XBRL FORMAT CONTAINING THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT, AS WELL AS THIS ADDENDUM IN PDF/A FORMAT, ARE TRUE COPIES OF THE ORIGINAL DOCUMENTS FILED WITH THE COMPANY.

ANTONELLA BORTOLOMASI - (DIGITAL SIGNATURE)

Annex A

Reconciliation between the amounts of net equity and the net result for the year ending 31st December 2012

(Amounts in euros) Description	2012	
	Result for the period	Net equity
FINLITE S.r.l.'s net equity and the net result for the year	10,277	2,003,036
Difference between the value of the net assets of the consolidated companies and the corresponding book value of the equity investment + result of the controlled companies	161,647	5,724,531
<i>Adjustments made in consolidation</i>		
- translation reserves		246,629
- amortisation of goodwill	-340,049	-1,360,196
- leases reported using IAS 17 method	74,121	628,013
Total consolidation adjustments	-104,281	5,238,977
Result and net equity attributable to the group	-94,004	7,242,013
Result and net equity attributable to minorities	-15,068	1,199,129
Consolidated result and net equity	-109,072	8,441,142

I, THE UNDERSIGNED ANTONELLA BORTOLOMASI, HEREBY DECLARE THAT THE COMPUTERISED DOCUMENT IN XBRL FORMAT CONTAINING THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT, AS WELL AS THIS ADDENDUM IN PDF/A FORMAT, ARE TRUE COPIES OF THE ORIGINAL DOCUMENTS FILED WITH THE COMPANY

ANTONELLA BORTOLOMASI (DIGITAL SIGNATURE)

FINLITE S.R.L.

Head office at VIA VALDRIGHI 101/2 - 41124 - MODENA - MO
Tax Id code 02736760360 - Economic and Administrative Register n MO 326502
VAT n 02736760360
Share capital €10,000 = fully paid up
Legal status PRIVATE LIMITED COMPANY

Consolidated Financial Statements as at 31/12/2012

The amounts herein are stated in euros

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Balance Sheet

Assets	2012 12-31	2011 12-31
A) Receivables from members for payments still due		
Part called in	-	-
Part to call in	-	-
Total receivables from members for payments still due (A)	-	-
B) Fixed assets		
I - Intangible fixed assets		
1) start-up costs	10,521	15,782
2) research, development and advertising expenditure	24,343	-
3) industrial patent and intellectual property rights	420,302	338,167
4) concessions, licenses, trademarks, and similar rights	-	-
5) goodwill	2,221,662	2,673,081
Consolidation difference	-	-
6) advances and fixed assets in progress	19,000	1,971
7) others	233,760	424,592
Total intangible fixed assets	2,929,588	3,453,593
II - Tangible fixed assets		
1) land and buildings	4,806,942	5,064,717
2) plants and machinery	2,861,129	3,202,010
3) industrial and commercial equipment	153,662	210,046
4) other assets	414,378	368,275
5) advances and fixed assets in progress	10,461	11,046
Total tangible fixed assets	8,246,572	8,856,094
III - Financial fixed assets		
1) equity investments in		
a) controlled companies	-	-
b) affiliated companies	-	-
c) parent companies	-	-
d) other companies	2	750,000
Total equity investments	2	750,000
2) receivables		
a) from controlled companies		
due by the end of the following business year	-	-
due after the end of the following business year	-	-
Total receivables from controlled companies	-	-
b) from affiliated companies		
due by the end of the following business year	-	-
due after the end of the following business year	-	-
Total receivables From affiliated companies	-	-
c) from parent companies		
due by the end of the following business year	-	-
due after the end of the following business year	-	-
Total receivables from parent companies	-	-

d) from others	110,341	228,170
due by the end of the following business year		
due after the end of the following business year	-	-
Total receivables from others	110,341	228,170
Total receivables	110,341	228,170
3) Other securities	231,000	231,000
4) Treasury shares	-	-
treasury shares, total nominal value (memorandum account)	-	-
Total financial fixed assets	341,343	1,209,170
Total fixed assets (B)	11,517,503	13,518,857
C) Current assets –		
I Inventory		
1) raw materials, ancillaries, and consumables	8,301,415	6,182,485
2) work in progress and semifinished products	1,213,703	1,089,965
3) works in progress under contract	-	-
4) finished products and goods	2,871,997	3,709,044
(5) advances	-	-
Total inventory	12,387,115	10,981,494
II - Receivables		
1) from customers		
due by the end of the following business year	10,195,130	10,759,732
due after the end of the following business year	-	-
Total receivables from customers	10,195,130	10,759,732
2) from controlled companies		
due by the end of the following business year	-	-
due after the end of the following business year	-	-
Total receivables from controlled companies	-	-
3) from affiliated companies		
due by the end of the following business year	-	-
due after the end of the following business year	-	-
Total receivables from affiliated companies	-	-
4) from parent companies		
due by the end of the following business year	-	-
due after the end of the following business year	-	-
Total receivables from parent companies	-	-
4-bis) tax receivables		
due by the end of the following business year	176,841	69,358
due after the end of the following business year	-	-
Total tax receivables	176,841	69,358
4-ter) prepaid tax		
due by the end of the following business year	176,419	144,946
due after the end of the following business year	-	-
Total prepaid tax	176,419	144,946
5) From others		
due by the end of the following business year	319,951	107,304
due after the end of the following business year	66,424	68,544
Total receivables from others	386,375	175,848
Total receivables	10,935,565	11,149,884
III - Financial assets which do not constitute fixed assets		
1) equity investments in controlled companies	-	-
2) equity investments in affiliated companies	-	-
3) equity investments in parent companies	-	-
4) other equity investments	-	-
5) treasury shares	-	-
treasury shares, total nominal value (memorandum account)	-	-

6) other securities	-	-
Total financial assets which do not constitute fixed assets	-	-
IV - Cash funds		
1) bank and post office deposits	612,275	1,425,568
2) cheques	120,987	282,648
3) cash and cash equivalents	643	7,550
Total cash funds	733,905	1,715,766
Total current assets (C)	24,056,585	23,847,144
D) Deferrals and accruals		
Accrued income and prepaid expenses	72,538	27,742
Charges on loans	-	-
Total accrued income and prepaid expenses (D)	72,538	27,742
Total assets	35,646,626	37,393,743
Liabilities		
A) Net equity		
I - Capital stock	10,000	10,000
II - Share premium reserve	-	-
III - Revaluation reserves	-	-
IV - Legal reserve	2,000	2,000
V - Statutory reserves	-	-
VI - Reserve for treasury shares held	-	-
VII - Other reserves, listed separately		
Special or optional reserve	1,976,699	1,984,763
Reserve for plant and machinery refurbishment	-	-
Reserve for accelerated depreciation	-	-
Reserve for acquisition of treasury shares	-	-
Reserve from exceptions envisaged by Art. 2423 of the Italian Civil Code	-	-
Reserve for shares/stocks in parent companies	-	-
Non-distributable reserve from revaluation of equity investments	-	-
Payments into capital account for increases	-	-
Payments into capital account for future increases	-	-
Payments into capital account	-	-
Payments to cover losses	4,060	4,060
Reserve from reduction of share capital	-	-
Merger surplus reserve	-	-
Exchange rate profit reserve	-	-
Difference from rounding to the nearest euro	-	-
Reserve from tax amnesties		
Reserve from amnesty pursuant to Law n. 823 dated 19th December 1973,	-	-
Reserve from amnesty pursuant to Law n. 516, dated 7th August 1982,	-	-
Reserve from amnesty pursuant to Law n. 413 dated 30th December 1991,	-	-
Reserve from amnesty pursuant to Law n. 289 dated 27th December 2002,	-	-
Total reserve from tax amnesties	-	-
Miscellaneous other reserves		
Translation reserve on foreign consolidation	246,629	391,287
Consolidation reserve	5,096,629	2,676,763
Total other reserves	7,324,017	5,056,873
VIII - Profits (losses) brought forward	-	-
IX - Profit (loss) for reporting year		
Profit (loss) for reporting year	-94,004	2,289,006
Interim dividends	-	-
Partial coverage of loss for reporting year	-	-
Remaining profit (loss)	-94,004	2,289,006
Total net equity	7,242,013	7,357,879
Minority interests		
Minority capital and reserves	1,214,197	983,908
Profit (loss) for reporting year attributable to minorities	-15,068	233,898

Total minority interests	1,199,129	1,217,806
Total net consolidated shareholders' equity	8,441,142	8 575,685
B) Funds for risks and charges		
1) for retirement indemnities and similar requirements	25,205	21,521
2) for tax, including deferred tax, for consolidation due to future risks and charges	361,996	358,550
3) others	64,328	28,150
Total funds for risks and charges	451,529	408,221
C) Reserve for employee termination indemnities (severance pay)	259,032	224,096
D) Payables		
1) bonds		
due by the end of the following business year	-	-
due after the end of the following business year	-	-
Total bonds	-	-
2) convertible bonds		
due by the end of the following business year	-	-
due after the end of the following business year	-	-
Total convertible bonds	-	-
3) payables to members for loans		
due by the end of the following business year	-	15,000
due after the end of the following business year	175,648	92,741
Total payables to members for loans	175,648	107,741
4) payables to banks		
due by the end of the following business year	6,214,675	7,808,694
due after the end of the following business year	3,706,959	5,721,319
Total payables to banks	9,921,634	13,530,013
5) payables to other funders		
due by the end of the following business year	380,392	463,076
due after the end of the following business year	1,526,039	2,371,413
Total payables to other funders	1,906,431	2,834,489
(6) advances		
due by the end of the following business year	31,955	14,481
due after the end of the following business year	-	-
Total advances	31,955	14,481
7) trade payables		
due by the end of the following business year	12,116,516	8,566,190
due after the end of the following business year	114,540	10,844
Total trade payables	12,231,056	8,577,034
8) payables consisting of negotiable instruments		
due by the end of the following business year	-	-
due after the end of the following business year	-	-
Total payables consisting of negotiable instruments	-	-
9) payables to controlled companies		
due by the end of the following business year	-	-
due after the end of the following business year	-	-
Total payables to controlled companies	-	-
10) payables to affiliated companies		
due by the end of the following business year	-	-
due after the end of the following business year	-	-
Total payables to affiliated companies	-	-
11) payables to parent companies		
due by the end of the following business year	-	-
due after the end of the following business year	-	-
Total payables to parent companies	-	-
12) tax payables		
due by the end of the following business year	350,269	1,283,691
due after the end of the following business year	509,712	-
Total tax payables	859,981	1,283,691
13) payables to pension funds and social security institutions		
due by the end of the following business year	196,374	193,374
due after the end of the following business year	-	-
Total payables to pension funds and social security institutions	196,374	193,374

14) other payables	673,133	699,240
due by the end of the following business year		
due after the end of the following business year	3,611	-
Total other payables	676,744	699,240
Total payables	25,999,823	27,240,063
E) Deferrals and accruals		
Accrued expenses and deferred income	495,100	945,678
Premiums on loans granted	-	-
Total deferrals and accruals	495,100	945,678
Total liabilities	35,646,626	37,393,743

Memorandum accounts

	2012-12-31	2011-12-31
Risks undertaken by the company		
Guarantees	4,345,056	-
to controlled companies		
to affiliated companies	-	-
to parent companies	-	-
to companies controlled by parent companies	-	-
to other companies	-	-
Total guarantees	4,345,056	-
Avals		
to controlled companies	-	-
to affiliated companies	-	-
to parent companies	-	-
to companies controlled by parent companies	-	-
to other companies	-	-
Total avals	-	-
Other personal guarantees		
to controlled companies	-	-
to affiliated companies	-	-
to parent companies	-	-
to companies controlled by parent companies	-	-
to other companies	-	-
Total other personal guarantees	-	-
Collateral securities		
to controlled companies	-	-
to affiliated companies	-	-
to parent companies	-	-
to companies controlled by parent companies	-	-
to other companies	1,001,849	1,001,849
Total collateral securities	1,001,849	1,001,849
Other risks		
receivables assigned without recourse	-	-
others	-	-
Total other risks	-	-
Total risks undertaken by the company	5,346,905	1,001,849
Commitments undertaken by the company		
Total commitments undertaken by the company	-	-
Third-party assets held by the company		
goods under processing	-	-
assets held by the company for storage or loan purposes	-	-
assets held as a pledge or security	-	-
Other	-	-
Total third-party assets held by the company	-	-
Other memorandum accounts		
Total other memorandum accounts	2,421,701	2,557,251
Total memorandum accounts	7,768,606	3,559,100

Profit and loss account

	2012 12-31	2011 12-31
A) Value of production		
1) income from sales and services	50,601,638	53,036,009
2) Stock change of works in progress, semifinished and finished goods	-396,747	1,169,520
3) Change in works in progress under contract	-	-
4) Increases in internally generated fixed assets	-	-
5) other income or earnings		
subsidies for operating expenses	0	14,894
others	102,731	51,925
Total other income or earnings	102,731	66,819
Total value of production	50,307,622	54,272,348
B) Costs of production		
6) for raw materials, ancillaries, consumables and goods	34,317,405	35,472,591
7) for services	5,619,265	6,070,447
8) for use of third-party assets	530,716	168,260
9) for personnel		
a) wages and salaries	7,874,680	7,776,786
b) social security contributions	734,593	872,221
c) severance pay	60,556	69,014
d) retirement indemnities and similar requirements	-	-
e) other costs	13,433	-
Total costs for personnel	8,683,262	8,718,021
10) depreciations and write-downs		
a) amortisation of intangible fixed assets	602,303	630,862
b) depreciation of tangible fixed assets	1,067,790	1,145,400
c) other write-downs of fixed assets	-	-
d) write-downs of receivables included in the current assets and cash funds	33,940	21,279
Total depreciations/amortisations and write-downs	1,704,033	1,797,541
11) changes of inventory of raw materials, ancillaries, consumables and goods	-1,652,891	-2,113,841
12) provisions for risks	44,078	4,495
13) other provisions	-	-
14) sundry operating expenses	186,269	166,292
Total costs of production	49,432,137	50,283,806
Difference between value and costs of production (A-B)	875,485	3,988,542
C) Financial earnings and charges		
15) earnings from equity investments		
from controlled companies	-	-
from affiliated companies	-	-
others	-	14,777
Total earnings from equity investments	-	14,777
16) other financial earnings		
a) from receivables entered under fixed assets		
from controlled companies	-	-
from affiliated companies	-	-
from parent companies	-	-
others	-	-
Total financial earnings from receivables entered under fixed assets	-	-
b) from securities entered under fixed assets which do not constitute equity investments	7,434	8,813
c) from securities entered under current assets which do not constitute equity investments	-	-
d) other earnings		
from controlled companies	-	-
from affiliated companies	-	-
from parent companies	-	-
Others	5,586	8,976
Total other earnings	5,586	8,976
Total other financial earnings	13,020	17,789

17) Interest and other financial charges		
to controlled companies	882	-
to affiliated companies	-	-
to parent companies	-	-
Others	538,418	674,140
Total interest and other financial charges	539,300	674,140
17-bis) profits and losses on exchange rates	141,976	78,948
Total financial earnings and charges (15+16-17+-17-bis)	-384,304	-562,626
D) Value adjustments of financial assets		
18) revaluations		
a) of equity investments	-	-
with the net equity method	-	-
others	-	-
b) of financial fixed assets which do not constitute equity investments	-	-
c) of securities entered under current assets which do not constitute equity investments	-	-
Total revaluations	-	-
19) write-downs		
a) of equity investments	-	-
with the net equity method	-	-
others	-	-
b) of financial fixed assets which do not constitute equity investments	-	-
c) of securities entered under current assets which do not constitute equity investments	-	-
Total write-downs	-	-
Total value adjustments of financial assets (18-19)	-	-
E) Extraordinary earnings and charges		
20) earnings		
capital gains from assignments with income which cannot be entered under item n 5	-	-
Difference from rounding to the nearest euro		
Others	97,752	35,945
Total earnings	97,752	35,945
21) charges		
capital losses from assignments whose effects cannot be entered under item n 14	-	19,545
tax for previous years	42	761
Difference from rounding to the nearest euro	-	-
others	48,047	24,194
Total charges	48,089	44,500
Total of extraordinary items (20-21)	49,663	-8,555
Result before tax (A - B + - C + - D + - E)	540,844	3,417,361
22) Income tax for reporting year: current, deferred, and prepaid tax		
Current tax	638,138	863,845
Deferred tax	-	-
Prepaid tax	-11,778	-30,612
earnings (charges) from application of the tax consolidation/ tax transparency regime	-	-
Total income tax for reporting year: current, deferred, and prepaid tax	649,916	894,457
23) Profit (loss) for reporting year	-109,072	2,522,904
Profit (loss) for reporting year attributable to minorities	-15,068	233,898
Profit (loss) for reporting year attributable to the group	-94,004	2,289,006