

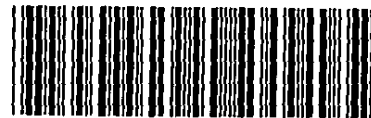
SEPARATOR SHEET



Nikolaus Bagnara SPA-AG

PARENT ACCOUNT 8
CLIFFORD LTD.
4649060

THURSDAY



A4LY5T96

A17 10/12/2015 #268
COMPANIES HOUSE

WED

A4IISCJE

A25 21/10/2015 #272
COMPANIES HOUSE

AUDITOR'S REPORT PURSUANT TO ART 14 OF LEG. DECREE
OF 27th JANUARY 2010 n. 39

**To the Shareholders Meeting of
NIKOLAUS BAGNARA S.P.A.**

1 I have audited the financial statement of company NIKOLAUS BAGNARA S.P.A. submitted on 31st December 2014. The responsibility for compiling the financial statement in compliance with the regulations that define its execution criteria lies with NIKOLAUS BAGNARA S.P.A.'s management. My responsibility is to provide a professional opinion about the financial statement based on the findings of the audit.

2 My analysis has been conducted in accordance with the auditing principles as defined by law. As stated by such principles, the audit was run with a view to acquire all the elements required to ascertain whether the financial statement is in any way marred by significant errors and whether it can be - as a whole - considered fair and correct. The auditing procedure was conducted consistently with the company's size and organisational set-up. This includes the analysis on a random sampling basis of audit evidence which supports the balances and information shown in the financial statement, an analysis of the appropriateness and correctness of the accounting criteria used, as well as of the fairness of the estimations made by the management. It is my belief that the work that was carried out provides a reasonable basis upon which to rest my professional judgment.

As for the judgment relating to the previous financial statement, the data of which were presented for comparative purposes as required by law, we refer to the report I issued on 14/04/2014.

3 It is my opinion that the above mentioned financial statement complies with the norms regulating the execution criteria; I can therefore confirm that it has been executed in a clear manner and that it faithfully and correctly represents the balance of assets and the economic performance of NIKOLAUS BAGNARA S.P.A. for the financial year ending on 31st December 2014.

4 The responsibility for the execution of the management report in compliance with the law, rests with the management of NIKOLAUS BAGNARA S.P.A. My remit is to express a judgment on the cohesiveness of the report with the financial statement, as stated by article 14, comma 2, letter e) of Leg. Decree number 39, of 27th January 2010. With this objective in mind, I have applied the procedures described by the auditing standards n. PR 001 issued by the Italian National Council of Chartered Accountants and Accountancy Experts and recommended by CONSOB. It is my opinion that the management report is consistent with the financial statement of NIKOLAUS BAGNARA S.P.A. as of 31st December 2014.

Bolzano, 14th April 2015

THE LEGAL AUDITOR

Walter Pison

NIKOLAUS BAGNARA S.P.A. – A.G.

Offices at Via Madonna del Riposo, 34, Appiano sulla Strada del Vino

Paid-up share capital of €516,500.00

Registered with the BOLZANO Chamber of Commerce, Industry, Crafts and Agriculture

Tax Code and Companies Registry entry no. 00211420211

VAT no.: 00211420211 - Economic and Administrative Index no.: 77007

Balance Sheet at 31/12/2014

STATEMENT OF ASSETS AND LIABILITIES

ASSETS	31/12/2014	31/12/2013
A) RECEIVABLES FROM SHAREHOLDERS FOR UNPAID CONTRIBUTIONS		
Total subscribed capital still unpaid (A)	0	0
B) FIXED ASSETS		
I – Intangible assets		
3) Industrial patent and intellectual property rights	47,469	17,342
4) Concessions, licences, trademarks and similar rights	18,387	23,250
7) Other	27,875	41,791
Total intangible assets (I)	93,731	82,383
II – Tangible assets		
1) Land and buildings	10,747,896	10,313,253
2) Plant and machinery	531,420	394,607
3) Industrial and commercial equipment	157,126	141,409
4) Other assets	340,129	350,280
5) Assets being acquired and payments on account	44,759	119,566
Total material assets (II)	11,821,330	11,319,115
III – Financial assets		
1) Shareholding		
a) Subsidiary companies	769,207	769,206
b) Associate companies	369,309	369,309
d) Other companies	11,197	11,197
Total holdings (1)	1,149,713	1,149,712
Total financial assets (III)	1,149,713	1,149,712

Total fixed assets (B)**13,064,774****12,551,210****C) CURRENT ASSETS****I) Stock**

1) Raw materials, subsidiary materials

and consumables

10,423,570

10,380,259

5) Payments on account

299,658

213,637

Total stock (I)

10,723,228

10,593,896

II) Receivables

1) From customers

Due within the next financial year

6,300,288

5,638,951

Total receivables from customers (1)

6,300,288

5,638,951

2) From subsidiary companies

Due within the next financial year

2,008,930

1,891,842

Total receivables from subsidiary companies (2)

2,008,930

1,891,842

3) From associate companies

Due within the next financial year

3,230,948

3,029,223

Total receivables from associate companies (3)

3,230,948

3,029,223

4-bis) Tax credits

Due within the next financial year

7,451

10,761

Due after the next financial year

137,216

111,567

Total tax credits (4- bis)

144,667

122,328

4 -ter Prepaid taxes

Due within the next financial year

67,590

97,460

Total prepaid taxes (4-ter)

67,590

97,460

5) Other accounts receivable

Due within the next financial year

111,294

39,666

Total other accounts receivable (5)

111,294

39,666

Total receivables (II)

11,863,717

10,819,470

III. Financial activities which are not considered assets

Total financial activities which are not considered assets (III)

0

0

IV - Cash balances

1) Bank and postal deposits

130,804

54 681

3) Cash and securities in hand

34

1,549

Total cash balances (IV)

130,838

56,230

Total current assets (C)**22,717,783****21,469,596**

D) ACCRUALS AND DEFERRALS

Accrued income and deferred charges	279,195	334,744
Total accruals and deferrals (D)	279,195	334,744
TOTAL ASSETS	36,061,752	34,355,550

STATEMENT OF ASSETS AND LIABILITIES

LIABILITIES	31/12/2014	31/12/2013
A) NET ASSETS		
I - Capital	516,500	516,500
II - Reserve from shares issue surplus	0	0
III - Write-up reserve	6,106,688	6,106,688
IV - Legal reserve	103,300	103,300
V – Statutory reserves	0	0
VI - Reserve for own shares (held in portfolio)	0	0
VII- Other reserves, separately indicated		
Extraordinary or optional reserve	3,977,664	3,765,667
Payments in capital account	287,481	287,481
Reserve from reduction of company capital	130,000	130,000
Various other reserves	258,141	279,755
Total other reserves (VII)	4,653,286	4,462,903
VIII- Profits (losses) carried forward	0	0
IX - Profit (loss) for the financial year		
Profit (loss) for the financial year	1,083,921	332,134
Residual profit (loss)	1,083,921	332,134
Total net assets (A)	12,463,695	11,521,525
B) FUNDS FOR RISKS AND CHARGES		
2) For taxes including deferred	630,801	632,675
3) Others	105,295	0
Total funds for risks and charges (B)	736,096	632,675
C) RESERVE FOR SEVERANCE INDEMNITIES	743,908	699,063
D) PAYABLES		
3) Payables to shareholders for financing		
Payables after the next financial year	517,000	520,000
Total payables to shareholders for financing (3)	517,000	520,000
4) Payables to banks		

Financial statements as at 31/12/2014

NIKOLAUS BAGNARA S P A - A G

Payable during the next financial year	8,114,775	7,009,357
Payable after the next financial year	6,371,077	7,456,255
Total payables to banks (4)	14,485,852	14,465,612
6) Payments on account		
Payable during the next financial year	223,153	378,307
Total payments on account (6)	223,153	378,307
7) Payables to suppliers		
Payable during the next financial year	5,843,707	4,958,114
Total payable to suppliers (7)	5,843,707	4,958,114
9) Payables to subsidiary companies		
Payable during the next financial year	41,150	208,122
Total payables to subsidiary companies (9)	41,150	208,122
10) Payables to associate companies		
Payable during the next financial year	306,513	113,222
Total payables to associate companies (10)	306,513	113,222
12) Tax liabilities		
Payable during the next financial year	130,334	275,979
Total tax liabilities (12)	130,334	275,979
13) Contributions to welfare and social security institutions		
Payable during the next financial year	147,249	142,162
Total contributions to welfare and social security institutions (13)	147,249	142,162
14) Other liabilities		
Payable during the next financial year	380,201	353,790
Payable after the next financial year	11,685	0
Total other liabilities (14)	391,886	353,790
Total liabilities (D)	22,086,844	21,415,308
E) ACCRUALS AND DEFERRALS		
Accrued liabilities	31,209	86,979
Total accruals and referrals (E)	31,209	86,979
TOTAL LIABILITIES	36,061,752	34,355,550

SUSPENSE ACCOUNTS

31/12/2014 31/12/2013

Business risks taken on
Sureties

Financial statements as at 31/12/2014	NIKOLAUS BAGNARA S P A - A G	
To subsidiary companies	500,000	500,000
Total sureties	500,000	500,000
Other risks		
Total business risks taken on	500,000	500,000
Other suspense accounts		
Total other suspense accounts	1,082,034	1,985,523
TOTAL SUSPENSE ACCOUNTS	1,582,034	2,485,523

PROFIT AND LOSS ACCOUNT

	31/12/2014	31/12/2013
A) VALUE OF PRODUCTION:		
1) Revenues from sales and services	30,796,865	29,541,349
5) Other revenues and proceeds		
Other	705,672	673,350
Contributions for the fiscal year	39,500	114,380
Total other revenues and proceeds (5)	745,172	787,730
Total value of production (A)	31,542,037	30,329,079
B) PRODUCTION COSTS:		
6) For raw materials, auxiliary materials, consumables and goods	15,073,716	12,906,731
7) For services	9,656,140	9,070,516
8) For utilisation of a third party's assets	691,061	967,081
9) For personnel		
a) Wages and salaries	2,178,080	1,995,384
b) Social security contributions	775,572	734,789
c) Reserve for severance indemnities	158,683	150,337
e) Other costs	14,800	7,672
Total personnel costs (9)	3,127,135	2,888,182
10) Amortisation and write-downs		
a) Amortisation for intangible assets	36,306	40,357
b) Amortisation for tangible assets	249,650	208,943
d) Loan write-off, current assets and cash balances	51,130	81,311
Total amortisations and write-downs (10)	337,086	330,611
11) Changes in stocks of raw materials, auxiliary materials, consumables and goods	-43,311	1,785,124

12) Provisions for liabilities	32,489	0	
14) Various management charges	449,804	548,488	
Total production costs (B)	29,324,120	28,496,733	
Difference between production value and production costs (A – B)	2,217,917	1,832,346	
C) FINANCIAL INCOME AND CHARGES			
16) Other financial income			
a) From receivables entered in assets			
Others	35,541	34,958	
Total financial income from receivables entered in assets	35,541	34,958	
d) Income different from the foregoing			
Other	13,897	18,088	
Total income different from the foregoing (d)	13,897	18,088	Total
other financial income (16)	49,438	53,046	
17) Interest and other financial charges			
Other	586,168	580,016	
Total interest and other financial charges (17)	586,168	580,016	
17 bis) Foreign currency exchange gains and losses	91,948	- 70,197	
Total financial income and charges (C) (15 + 16 – 17 + - 17.bis)	- 444,782	- 597,167	
D) VALUATION ADJUSTMENTS TO FINANCIAL ASSETS:			
Total valuation adjustments to financial assets (D) (18 – 19)	0	0	
E) EXTRAORDINARY INCOME AND CHARGES:			
20) Income			
Difference from Euro rounding-up	2	1	
Other	16,066	31,277	
Total income (20)	16,066	31,277	
21) Charges			
Capital losses on disposal of assets, whose accounting are not ascribable to N 14	0	293,764	
Other	87,040	130,114	
Total charges (21)	87,040	423,878	
Total extraordinary items (E) (20 – 21)	-70,974	-392,601	
PROFIT / LOSS BEFORE TAX			

Financial statements as at 31/12/2014

NIKOLAUS BAGNARA S P A - A G

(A – B +- C +- D +- E)

1,702,161

842,578

22) Tax on income for the financial year,
current, deferred and prepaid

Current tax

632,301

532,805

Prepaid tax

14,061

22,361

Total tax on income for the financial year (22)

618,240

510,444

23) PROFIT (LOSS) FOR THE FINANCIAL YEAR

1,083,921

332,134

Chairman of the Board of Directors
(Bagnara Bruno)

NIKOLAUS BAGNARA S.P.A. - A.G.

Offices at Via Madonna del Riposo, 34, Appiano sulla Strada del Vino

Paid-up share capital of €516,500.00

Registered with the BOLZANO Chamber of Commerce, Industry, Crafts and Agriculture

Tax Code and Companies Registry entry no. 00211420211

VAT no.: 00211420211 - Economic and Administrative Index no.: 77007

Notes to the Financial Statements closed as at 31/12/2014

Introduction

The financial statements closed as at 31/12/2014, of which these notes form an integral part pursuant to article 2423, section 1, of the Civil Code, relate to the results of the accounting instruments regularly kept and are drawn up in accordance with articles 2423, 2423-ter, 2424, 2424-bis, 2425 and 2425-bis of the Civil Code, according to the principles on preparation provided for by article 2423-bis, section 1, of the Civil Code and valuation criteria referred to in article 2426 of the Civil Code.

The valuation criteria referred to in article 2426 of the Civil Code comply with those used in preparing the financial statements for the previous financial year, and no exceptional events have occurred making it necessary to have recourse to departures referred to in articles 2423-bis, section 2, and 2423, section 4, of the Civil Code

Where applicable, the principles and recommendations published by the Organismo Italiano di Contabilità (OIC) [*Italian Accountancy Authority*] have also been observed, supplemented, where lacking, by the IAS/IFRS issued by the IASB, in order to provide a true and fair view of the asset, financial and economic position

There are no items in the assets or liabilities that fall under more than one item of the financial statement template

For the purposes of comparability of the financial statement balances, pursuant to article 2423-ter, section 5, of the Civil Code, the balances for the previous financial year have been restated

In order to provide more complete information on the asset and financial position, these notes are supplemented by the financial report

Preparation criteria

Pursuant to article 2423-*bis* of the Civil Code, in preparing the financial statements we took the following measures

- ☐ we valued the individual items prudently and anticipating normal business continuity, taking into account the economic function of the asset or liability in question,
- ☐ we only included profits actually made during the course of the financial year;
- ☐ we determined the income and expenses by accrual, regardless of the financial appearance thereof,
- ☐ we included all relevant risks and losses, even if they became known after the year end;
- ☐ we considered any miscellaneous items included in the various items of the financial statements separately, for the purposes of the relative valuation,
- ☐ we maintained the valuation criteria adopted in relation to the previous financial year unchanged

Valuation criteria

The criteria applied in the valuation of the financial statement items shown below comply with the provisions of article 2426 of the Civil Code and have only be applied to those financial statement items actually recognized.

Intangible fixed assets

Intangible fixed assets are recognized at purchase or internal production cost, including all accessory charges directly attributable thereto, and are systematically amortized by the straight-line method in relation to the residual possibility of use of the asset

In particular, industrial patent rights and rights to use original works are amortized based on their presumed period of use, which may not exceed that fixed by the licence agreements, however

The amortization of costs incurred for the arrangement of loans is based on the duration thereof

Fixed assets whose value at the year-end date is permanently lower than the residual cost to be amortized are registered at that lower value, this is not maintained if the reasons for the adjustment made cease to apply in subsequent financial years

The recognition and valuation of the items included in the category of intangible fixed assets were carried out with the consent of the Board of Statutory Auditors, where provided for by the Civil Code

Tangible fixed assets

Tangible fixed assets are recognized at purchase or production cost net of the relative accumulated depreciation, including all accessory costs and charges directly attributable thereto, indirect costs relating to internal production and the charges involved in financing internal manufacture borne during the manufacturing period and up to the time at which the asset may be used

Costs incurred on existing assets for the purposes of expansion, modernization or improvement of structural parts and those incurred to increase the suitability thereof for the purposes for which they were acquired, as well as extraordinary maintenance as provided for by OIC 16, pars 41 to 45, have only been capitalized in the event of a significant and measurable increase in the production capacity or useful life

Depreciation has been applied to such assets in a unitary manner on the new book value taking the residual useful life into account.

Fixed assets whose value at the year-end date is permanently lower than the residual cost to be depreciated are registered at that lower value, this is not maintained if the reasons for the adjustment made cease to apply in subsequent financial years

The costs of maintenance and repair of the technical fixed assets have been attributed directly to the profit and loss account for the financial year

For tangible fixed assets consisting of a set of coordinated assets, as provided for by OIC 16, pars 37 and 38, the values of the individual assets have been determined in order to identify the different periods of their useful lives

Tangible fixed assets acquired free of charge, as provided for by OIC 16, pars 37 and 38, have been recognized based on the market value with the balancing entry extraordinary income

Financial charges have been capitalized as provided for by OIC 16, pars 33 to 36, since

- ☐ they are charges actually borne that can be determined objectively within the limit of the recoverable value of the reference assets;

- ☐ the capitalized charges do not exceed the financial charges, net of the temporary investment of funds borrowed, that may relate to the realization of the asset and incurred during the financial year,
- ☐ the financial charges on funds borrowed have generally been capitalized within the limits of the portion attributable to fixed assets in course of construction,
- ☐ the capitalized charges relate solely to assets requiring a significant construction period,
- ☐ the choice of capitalization has been applied constantly over time

The cost of fixed assets whose use is limited in time is systematically depreciated each financial year by the straight-line method in relation to the residual possibility of use, specifically indicating depreciation and any impairment applied, rates were applied that reflect the result of the technical depreciation plans, confirmed by the company's actual position and reduced by 50% for acquisitions in the financial year, as the conditions provided for by OIC par 53 exist for the latter

All assets, including those temporarily not used, have been depreciated, except for those whose usefulness is not exhausted, comprising, land and civil buildings not accessory to the industrial investments and road structures

Based on the provisions of OIC 16 par 52, if the value of the buildings also includes the value of the land on which they stand, the value of the building has been separated

Depreciation applies from the time the assets become available and ready for use

In accordance with OIC 16 par 66, the depreciation plans are revised in the event of a change in the residual possibility of use

Obsolete assets and those no longer used or usable in the production cycle, based on OIC 16 par. 73, have not been depreciated and have been valued at the lower of the net book value and the recoverable value

The rates applied are shown below

Buildings 3%-4%

Plant and machinery 10%-15%

Industrial equipment 10%

Other assets

☐ Furniture and fittings 12%

☐ Electronic office machinery 20%

☐ Vehicles 25%

☐ Lorries 20%

☐ Improvements to third party assets rate based on the duration of the lease agreement

Public contributions to plant account and to operating account

The plant contributions made by the Autonomous Province of Bolzano were recognized, in accordance with OIC 16 par 80, as they are essentially acquired on a permanent basis

They have been recognized by applying the indirect method and therefore recognized in the profit and loss account item 'A5 other revenues and proceeds', and deferred to subsequent financial years by accrual, by recognizing the contribution in a suitable deferred income item.

The contributions made to the operating account have been recognized as income components

Financial fixed assets

Listed and unlisted long-term holdings have been valued by attributing to each holding the cost specifically borne, plus directly attributable charges and waivers of loans made in favour of the parties in which an interest is held

Pursuant to article 2426, point 3, of the Civil Code, in the event of permanent impairment, defined and determined based on OIC 21 pars 29 to 41, the cost has been adjusted, if the conditions giving rise to an adjustment of value in the previous financial year(s) cease to apply, the value is reinstated based on OIC 21 pars 42 and 43

The receivables recognized in the financial fixed assets are stated at presumed realizable value, this value has been determined by adjusting the nominal value of the receivables existing so as to take all risks of non-realization into account.

Pursuant to article 2426, point 3, of the Civil Code, in the event of permanent impairment, defined and determined based on OIC 20 pars 36 to 38, the cost has been adjusted, if the conditions giving rise to an

adjustment of value in the previous financial year(s) cease to apply, the value is reinstated based on OIC 20 par. 39

Inventories

For the valuation of inventories, two of the criteria permitted by article 2426 point 10 of the Civil Code were adopted. In particular:

- For raw, subsidiary and consumable materials and goods intended for resale, the LIFO criterion was adopted; the valuation of the marble and granite blocks stored in the yards was particularly complex, as usual. Following careful analyses, several blocks were found not to comply with the morphological characteristics of structure and/or form expected, in relation to the time of purchase at the quarries, in fact, purchases may also take place during mining, or on production by cubic metre over a certain period in consignments that cannot always be calculated. Consequently, in many cases, based on the aforesaid type of materials, valuations were made that took into account the market value, as it was considerably lower than the purchase cost;
- For semi-finished and finished products and for works in progress over an interim period, the criterion of the cost obtained by valuing the raw material with the criterion described above was adopted, adding all costs directly attributable to the product or to the work in progress in relation to the products and works executed.

Receivables

The receivables in the current assets are recognized at presumed realizable value.

The adjustment of the nominal value to the presumed realizable value is obtained by recognizing a bad debt provision to cover receivables considered uncollectable, based on estimates made based on past experience, the trend of ageing rates of receivables due, the general economic situation, the sector and country risk, and events occurring after the year end affecting the values at the date of the financial statements.

If no tax value is given to the apportionment made, the relative prepaid taxes are recognized solely for the purposes of IRES [*corporate income tax*].

It is further specified that the amount of receivables from parties subject to insolvency proceedings is reflected in an equal amount recognized as an adjustment to the value recognized in the assets which is

therefore cancelled

For receivables backed by guarantees, the effects relating to the enforcement of the guarantee were taken into account and, for any receivables insured, only that portion not covered by the insurance was taken into account

Tax receivables and prepaid tax receivables

The item 'Tax receivables' includes certain, determined amounts deriving from receivables for which a realizable right exists by repayment or offsetting

The item 'Prepaid tax receivables' includes prepaid tax assets determined based on temporary differences deductible or on the carryover of tax losses, applying the rate considered to be in force at the time such differences are expected to be repaid

Any prepaid tax assets connected with a tax loss were recognized in the presence of reasonable certainty as to their future recovery, demonstrated by tax planning over a reasonable period of time anticipating sufficient taxable income to use the losses that may be carried over and/or the presence of sufficient taxable temporary differences to absorb the losses that may be carried over

Financial assets included in the current assets

Any holdings and securities not constituting fixed assets, if present, are recognized at the lower value between the purchase cost and the presumed realizable value deduced from the market trend. Any receivables recognized in the financial assets are posted at presumed realizable value, determined by adjusting the nominal value of the existing receivables so as to take into account all risks of non-realization

Cash and cash equivalents

Cash and cash equivalents are recognized at their nominal value

Accruals and prepayments

Accruals and prepayments were recognized based on the principle of economic and time accrual and include income / expenses attributable to the financial year and due in subsequent years and income / expenses borne prior to the year end but attributable to subsequent financial years

Only those portions of expenses and income common to two or more financial years were therefore recognized, the amount of which varies based on time

Accrued income, similar to operating receivables, was valued at the presumed realizable value, a write-down being made in the profit and loss account if that value is lower than the book value. Accrued expenses, similar to payables, were valued at nominal value.

For deferred expenses, a valuation of the future economic benefit associated with the deferred costs was made, adjusting the value if such benefit was lower than the portion deferred.

The accounting recognition was made on agreement with the Board of Statutory Auditors.

Equity

The share capital was recognized at the nominal value of the shares subscribed for by shareholders, relating to the transactions on the capital itself already concluded.

Provisions for risks and expenses

The provisions for risks represent the liabilities connected with situations existing at the date of the financial statements, but whose occurrence is only likely.

The provisions for expenses represent certain liabilities associated with negative income components attributable to the financial year but whose actual date of payment falls in the following financial year.

The valuation process was applied and/or adjusted at the closing date of the financial statements based on past experience and on any useful information available.

In accordance with OIC 31 par. 16, the criterion of classification by nature of costs having to prevail, apportionments to provisions for risks and expenses are recognized in the items of the management assets (classes B, C and E of the profit and loss account) to which the transaction relates (characteristic, accessory, financial or extraordinary).

Provisions for pension payments and similar obligations

If present, these represent the liabilities connected with apportionments for supplementary pension payments and non-recurring payments made to employees, independent workers and collaborators, by law or contract, at the time of termination of employment.

The apportionment for the year is determined based on estimates as well, so as to allow the progressive adaptation of the relative provision to the overall portion accrued at the year end.

Provisions for taxes, including deferred taxes

These include any liabilities for probable taxes, deriving from non-final assessments and disputes in progress, as well as liabilities for deferred taxes determined based on taxable temporary differences, applying the estimated rate in force at the time it is considered that such differences will be repaid.

Employee severance indemnity

Employee severance indemnity is recognized observing the provisions of the legislation in force and corresponds to the company's actual commitment to individual employees at the closing date of the financial statements, less any advances paid

Payables

Payables are recognized in the liabilities based on their nominal value, considered representative of their discharge value

Payables originating from acquisitions of assets are recognized at the time of transfer of the risks, charges and benefits, those relating to services are recognized at the time of provision of the service, and financial or other payables are recognized at the time at which the obligation to the counterparty arises

Tax payables include liabilities for certain taxes determined as well as withholdings applied as a substitute, and not yet paid at the date of the financial statements and, if offsetting is permitted, they are recognized net of advance payments, withholdings on account applied and tax receivables

Values in foreign currency

Assets and liabilities in foreign currency, except for fixed assets, are recognized at the spot rate at the year-end date, with the allocation of the relative foreign-exchange gains and losses to the profit and loss account.

If a net profit is made following adaptation to the foreign-exchange rates, that portion not absorbed by any operating loss is recognized in a suitable provision which may not be distributed prior to realization

With regard to the provisions of article 2427, point 6-*bis*, of the Civil Code, after the year end, unrealized foreign-exchange differences, if valued at 27.02.2015 without taking into account any asset changes occurring during the period 01.01.2015-27.02 2015, present a positive net balance €132,943 (calculated with the exchange rate applied on 31/12/2014, however, they present a positive net balance of €156,167)

Commitments, guarantees and third party assets

If present, these are recognized at the bottom of the balance sheet, as provided for by article 2424,

point 3, of the Civil Code and, if they are not shown in the balance sheet, they are commented on in these notes, as provided for by article 2427, point 9, of the Civil Code

Guarantees are recognized for an amount equal to the value of the guarantee furnished or, if not determined, at the best estimate of the risk assumed.

Commitments are recognized at the nominal value deduced from the relative documentation

The values posted at the time of initial recognition have been adjusted with reference to the date of preparation of the financial statements

Expenses and income

These are recognized according to the principle of prudence and economic accrual

Economic and financial transactions with group companies and with related counterparties are performed under normal market conditions

Information on the Balance Sheet - Assets

Receivables from shareholders

There are no receivables from shareholders posted for payments outstanding at the year-end date

Intangible fixed assets

Intangible fixed assets amount to €93,731 (€82,383 in the previous financial year) The composition and movements of the individual items are shown below

	Start-up and expansion costs	Research, development and advertising costs	Industrial patent rights and rights to the use of original works	Concessions, licences, trade marks and similar rights
Value at start of year				
Cost	0	0	219,860	36,000
Amortization (Accumulated amortization)	0	0	202,518	12,750
Financial statement value	0	0	17,342	23,250

Changes during the financial year				
Increases due to acquisitions	0	0	44 767	2,887
Decreases due to transfers and disposals (in the financial statement value)	0	0	76 528	0

Amortization for the financial year	0	0	14,640	7,750
Other changes	0	0	76,528	0
Total changes	0	0	30,127	-4,863
Value at end of year				
Cost	0	0	188 099	38,887
Amortization (accumulated amortization)	0	0	140,630	20,500
Financial statement value	0	0	47,469	18,387

	Goodwill	Intangible fixed assets in progress and advance payments	Other intangible fixed assets	Total intangible fixed assets
Value at start of year				
Cost	0	0	41,791	297,651
Amortization (Accumulated amortization)	0	0	0	215,268
Financial statement value	0	0	41,791	82,383
Changes during the financial year				
Increases due to acquisitions	0	0	0	47,654
Decreases due to transfers and disposals (in the financial statement value)	0	0	0	76,528
Amortization for the financial year	0	0	13,916	36 306
Other changes	0	0	0	76,528
Total changes	0	0	-13,916	11,348
Value at end of year				
Cost	0	0	27,875	254,861
Amortization (Accumulated amortization)	0	0	0	161 130
Financial statement value	0	0	27,875	93,731

The following additional information is provided

Breakdown of the item "Other intangible fixed assets"

The item "Other intangible fixed assets" equal to €27,875 is composed of the following

	Opening balance	Closing balance	Change
--	-----------------	-----------------	--------

Deferred charges on loans	32,427	27,875	-4,552
Deferred charges on Bagmar Sas merger	9,364	0	-9,364
Totals	41,791	27,875	-13,916

Breakdown of the "start-up and expansion costs" and of the "research, development and advertising expenses"

No "Start-up and expansion costs" or "Research, development and advertising expenses" are recognized.

Tangible fixed assets

The tangible fixed assets are equal to €11,821,330 (€11,319,115 in the previous financial year)

The breakdown and movements of the individual items are shown below

	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other tangible fixed assets	Tangible fixed assets in progress and advance payments	Total tangible fixed assets
Value at start of year						
Cost	4,540,409	1,743,882	358,102	1,409,674	119,566	8,171,633
Revaluations	7,022,077	0	0	0	0	7,022,077
Depreciation (accumulated depreciation)	1,249,233	1,349,275	216,693	1,059,394	0	3,874,595
Financial statement value	10,313,253	394,607	141,409	350,280	119,566	11,319,115
Changes during the financial year						
Increases due to acquisitions	413,724	197,757	45,950	97,561	4,759	759,751
Decreases due to transfers and disposals (in the financial statement value)	0	0	0	1,127	0	1,127
Depreciation for the financial year	51,888	60,944	30,233	106,585	0	249,650
Other changes	72,807	0	0	0	-79,566	-6,759
Total changes	434,643	136,813	15,717	-10,151	-74,807	502,215
Value at end of year						
Cost	4,954,133	1,941,640	404,052	1,431,446	44,759	8,776,030
Revaluations	7,022,077	0	0	0	0	7,022,077
Depreciation (accumulated depreciation)	1,228,314	1,410,220	246,926	1,091,317	0	3,976,777
Financial statement value	10,747,896	531,420	157,126	340,129	44,759	11,821,330

The following additional information is provided below

Breakdown of the item "Other assets"

The item "Other assets" equal to €340,129 is composed of the following

	Opening balance	Closing balance	Change
Office furniture and ordinary equipment	17,276	18,389	1 113
Electronic office equipment	85,544	68,944	-16,600
Cars	61,836	57,815	-4 021
Lorries	29,461	62,529	33 068
Improvements to third party assets	156 163	132,452	-23,711
Totals	350,280	340,129	-10,151

Other information

Financial leasing transactions

Information on the financial leasing transactions is provided below, pursuant to article 2427, point 22, of the Civil Code

Contracts in progress

1) Grantor Medio Credito Italiano S p A - Via Montebello n 18 - Milan, entered in the Companies Register of the Chamber of Commerce, Industry, Crafts and Agriculture of Milan, VAT no and tax code 13300400150

Contract signed on 27 May 2004, handover of property on 16 July 2004, contract effective from 1 August 2004, with final expiry and possibility of surrender on 31 July 2014

Type of property leased property situated in Cavaion Veronese, Camporeggio (VR), identified on building plan 938, point 1, cat D/7 Period of contract 120 months

The financial lease contract does not provide for a down payment and the surrender price is agreed at €325,000. During this financial year, the company exercised the purchase option on which account the contract was terminated at the closing date thereof

2) Grantor Unicredit Leasing S p A - Via Rivanı n 5 - Bologna, entered in the Companies Register of the Chamber of Commerce, Industry, Crafts and Agriculture of Bologna, VAT no 04170380374 and tax code 03648050015.

Contract signed on 29/11/2011 and effective from 01/08/2012 with final expiry and possibility of surrender on 01/08/2030

Type of property leased: land situated in Rivoli Veronese (VR), Camporeggio, identified on page 21 no 1249

Period of contract 216 months.

The financial lease contract provides for a down payment equal to €66,788 and the surrender price agreed at €89,050

3) Grantor SGL Leasing S p A - Via Trivulzio n 5 - Milan, entered in the Companies Register of the Chamber of Commerce, Industry, Crafts and Agriculture of Milan under no 1096118, VAT no. and tax code 06422900156.

Contract signed on 13 April 2012 and effective from 13/04/2012, with final expiry and possibility of surrender on 12/12/2018

Type of equipment leased: Cutting, milling, edging and finishing robot - T&D Robotics mod Laissystem 15R32 Period of contract 80 months

The financial lease contract provides for a down payment equal to €17,000 and the surrender price is agreed at €1,700.

4) Grantor SGL Leasing S p A - Via Trivulzio n 5 - Milan, entered in the Companies Register of the Chamber of Commerce, Industry, Crafts and Agriculture of Milan under no 1096118, VAT no. and tax code 06422900156 Contract signed on 29 May 2012 and effective from 29/05/2012, with final expiry and possibility of surrender on 28/01/2019.

Type of equipment leased 2 marble bridge cutting machines - Donatoni mod Sprinter 725.

Period of contract: 80 months

The financial lease contract provides for a down payment equal to €14,000 and the surrender price is agreed at €1,400

	Leasing company contract reference	Current value of instalments not due	Relevant interest payable
Medio Credito S p A	5455861/001	0	68,337
Unicredit Leasing Spa	IF 1352115	683,089	8,072
SG Leasing Spa	SS 312097	97,008	3,609
SG Leasing Spa	SS 320477	91,935	3,598
Totals		872,032	83,616

	Historic cost	Accumulated amortization at start of year	Amortization for the financial year	Adjustments to value for the financial year	Book value
Medio Credito S p A	6,500,000	1,852,500	81,250	0	4,566,250
Unicredit Leasing Spa	890,504	0	0	0	890,504
SG Leasing Spa	170,000	25,500	17,000	0	127,500

SG Leasing Spa	140,000	21,000	14,000	0	105,000
Totals	7,700,504	1,899,000	112,250	0	5,689,254

Financial fixed assets – Holdings, other securities and treasury shares

The holdings included in the financial fixed assets are equal to €1,149,713 (€1,149,712 in the previous financial year)

The financial fixed assets essentially consist of holdings

- in four subsidiary companies, of which two are British operating in the mining sector (one owns a granite quarry in Georgia-USA), one is American and owns a significant interest in a company operating in the sector, and one is national, a company operating in the real estate sector;
- in four foreign associated companies, some of which operate in the quarry utilization sector and others in the production and marketing of marble and granite blocks, slabs and tiles,
- in a resident company operating in the handling sector, with the loading and unloading of blocks in particular,
- in two consortia and one association

The breakdown and movements of individual items are shown below:

	Holdings in subsidiary companies	Holdings in associated companies	Holdings in other companies	Total holdings
Value at start of year				
Cost	769,206	369,309	11,197	1,149,712
Financial statement value	769,206	369,309	11,197	1,149,712
Changes during the financial year				
Other changes	1	0	0	1
Total changes	1	0	0	1
Value at end of year				
Cost	769,207	369,309	11,197	1,149,713
Financial statement value	769,207	369,309	11,197	1,149,713

Financial fixed assets - Receivables

There are no receivables recognized in the financial fixed assets

List of holdings in subsidiary companies

Details of holdings in subsidiary companies are shown below, pursuant to article 2427, point 5, of the Civil Code

	Name	City or State	Capital in euros	Profit (Loss) in the last financial year in euros	Equity in euros	Portion held in euros	Financial statement value or corresponding receivable
1	Bagnara Holding Company Inc	Georgia - USA	367	55,551	1,091,409	367	740,671
2	Clifford Limited <i>Company Reg No 04649060</i>	London - United Kingdom	15,069	-6,790	619	15,069	7,535
3	NB Immobiliare Srl	Italy	30,000	-211,517	275,152	20,000	20,000
4	Sheringham Limited <i>Company Reg No 05260621</i>	London, United Kingdom	3,000	-16,608	-562,705	2,000	1,001
Total							769,207

Note: We take note that Clifford Limited is taking advantage of exemption from audit as per section 479A of the Companies Act 2006, in relation to the financial statements ended 31 December 2014.

List of holdings in associated companies

Details of holdings in associated companies are shown below, pursuant to article 2427, point 5, of the Civil Code

	Name	City or State	Capital in euros	Profit (Loss) in the last financial year in euros	Equity in euros	Portion held in euros	Financial statement value or corresponding receivable
1	Shin Bagnara Co Ltd	Seoul - South Korea	249,094	151,807	761,662	124,547	112,332
2	Azul Aran S L	Barcelona (Spain)	6,010	35,913	174,503	3,005	3,005
3	Intenia S L	Llerda - Spain	4,000	791	3,139	2,000	2,000
4	C R G Quarries (PVT) Ltd	Mutoko (Zimbabwe)	3	-97,639	-1,631,105	1	251,972
Total			0	0	0	0	369,309

Holdings in companies involving unlimited liability

Pursuant to article 2361, section 2, of the Civil Code, it is noted that the company does not have

Long-term receivables – Distribution by geographical area

At the year end in question, no long-term receivables are recognized in the financial statements, on which account there is no distribution by geographical area, pursuant to article 2427, point 6, of the Civil Code

Long-term receivables – Repurchase agreements

The company does not have any long-term receivables deriving from transactions that provide for the buyer's repurchase obligation, pursuant to article 2427, point 6-ter, of the Civil Code

Financial fixed assets - Value

	Book value
Holdings in other companies	11,197

	Description	Book value
1	Trinkwasser Genoss	26
2	Terminale Ferroviario Valpolicella	11,156
3	Tourismusverein	10
4	CONAI - consortium	5
Total		11,197

Financial fixed assets recognized at a value above the *fair value*

Pursuant to article 2427-bis, section 1, point 2, of the Civil Code, there are no financial fixed assets recognized at a value above their *fair value*, the latter was not determined, as the application of the criteria indicated in article 2427-bis, section 3, letter b), would not have produced reliable results

Current assets

Current assets - Inventories

The goods are recognized in the inventories at the time transfer of ownership takes place and consequently include goods in the company's warehouses, excluding those received from third parties to which the right of ownership has not been acquired (subject to approval, for processing or in store), goods owned in respect of third parties (subject to approval, for processing or in store) and goods in transit where ownership has already been transferred

The inventories included in the current assets amount to €10,723,228 (€10,593,896 in the previous

The breakdown and movements of the individual items are shown below

	Raw, subsidiary and consumable materials	Advance payments (made)	Total inventories
Value at start of year	10 380 259	213,637	10,593 896
Change during the financial year	43,311	86 021	129 332
Value at end of year	10,423,570	299,658	10,723,228

Current assets - Receivables

The receivables included in the current assets amount to €11,863,717 (€10,819,470 in the previous financial year)

They comprise the following

	Nominal value	Provision for impairment	Provision for impairment Interest on arrears	Net value
From clients – due within the following financial year	7,848,298	1,548,010	0	6,300,288
From subsidiaries – due within the following financial year	2 008 930	0	0	2 008,930
From associated companies - due within the following financial year	3,230,948	0	0	3,230,948
Tax – due within the following financial year	7,451	0	0	7 451
Tax - due beyond the following financial year	137,216	0	0	137,216
Prepaid taxes - due within the following financial year	67,590	0	0	67,590
From other parties - due within the following financial year	111,294	0	0	111,294
Totals	13,411,727	1,548,010	0	11,863,717

Receivables – Breakdown by due date

Details of the subdivision of receivables by due date are shown below, pursuant to article 2427, point 6, of the Civil Code

	Trade receivables included in the current assets	Receivables from subsidiary companies included in the current assets	Receivables from associated companies included in the current assets	Receivables from parent companies included in the current assets
Value at start of year	5,638,951	1,891,842	3,029,223	0
Change in the financial year	661,337	117,088	201,725	0
Value at end of year	6,300,288	2,008,930	3,230,948	0
Portion falling due after more than 5 years	0	0	0	0

	Tax receivables included in the current assets	Prepaid tax assets included in the current assets	Receivables from other parties included in the current assets	Total receivables included in the current assets
Value at start of year	122,328	97,460	39,666	10,819,470
Change in the financial year	22,339	-29,870	71,628	1,044,247
Value at end of year	144,667	67,590	111,294	11,863,717
Portion falling due after more than 5 years	0	0	0	0

Receivables included in the current assets – Distribution by geographical area

Details of the subdivision of receivables included in the current assets by geographical area are shown below, pursuant to article 2427, point 6, of the Civil Code

	Total	1	2	3	4	5
Receivables included in the current assets by geographical area						
Geographical area		Italy	EU	Eastern Europe	Africa	Asia
Trade receivables included in the current assets	6,300,288	3,080,795	1,860,346	25,235	246,175	123,179
Receivables from subsidiaries included in the current assets	2,008,930	544,000	423,545	0	0	0
Receivables from associated companies included in the current assets	3,230,948	0	1,407,778	0	69,788	771,657
Tax receivables included in the current assets	144,667	144,667	0	0	0	0
Prepaid tax assets included in the current assets	67,590	67,590	0	0	0	0
Receivables from other parties included in the current assets	111,294	111,294	0	0	0	0

Total receivables included in the current assets	11,863,717	3,948,346	3,691,669	25,235	315,963	894,836
--	------------	-----------	-----------	--------	---------	---------

	6	7	8
Receivables included in the current assets by geographical area			
Geographical area	Middle East	USA	Oceania
Trade receivables included in the current assets	175,325	72,663	716,570
Receivables from subsidiaries included in the current assets	0	1,041,385	0
Receivables from associated companies included in the current assets	0	981,725	0
Tax receivables included in the current assets	0	0	0
Prepaid tax assets included in the current assets	0	0	0
Receivables from other parties included in the current assets	0	0	0
Total receivables included in the current assets	175,325	2,095,773	716,570

Receivables included in the current assets – Repurchase agreements

There are no receivables in the current assets deriving from transactions that provide for the buyer's repurchase obligation, pursuant to article 2427, point 6-ter, of the Civil Code

Current assets – Financial assets

There are no financial assets included in the current assets

Current assets – Cash and cash equivalents

The cash and cash equivalents included in the current assets amount to €130,838 (€56,230 in the previous financial year)

The breakdown and movements of the individual items are shown below

	Bank and post office deposits	Cheques	Cash and other cash in hand	Total cash and cash equivalents
Value at start of year	54,681	0	1,549	56,230

Change during the financial year	76,123	0	-1,515	74,608
Value at end of year	130,804	0	34	130 838

Accrued income and prepaid expenses

Accrued income and prepaid expenses amount to €279,195 (€334,744 in the previous financial year)

The composition and movements of the individual items are shown below

	Discount on loans	Accrued income	Other prepaid expenses	Total accrued income and prepaid expenses
Value at start of year	0	0	334,744	334,744
Change during the financial year	0	0	-55,549	-55,549
Value at end of year	0	0	279,195	279 195

Capitalized financial expenses

There are no financial expenses attributed in the financial year to the values recognized in the Balance Sheet assets, pursuant to article 2427, point 8, of the Civil Code

To complete the information provided on the Balance Sheet assets, the 'Write-downs for impairment' and 'Revaluations of tangible and intangible fixed assets' are specified below

Write-downs for impairment of tangible and intangible fixed assets

Pursuant to article 2427, point 3-*bis*, of the Civil Code, no impairment has been applied to intangible or tangible fixed assets

Revaluation of intangible and tangible fixed assets

The company has not applied any revaluation of intangible or tangible fixed assets pursuant to article 10 of Law 72/1983

In 2008, however, the company made use of the possibility introduced by Decree 185/08 (converted into Law no 2 of 28 January 2009) to revalue, solely for statutory purposes, the depreciable business properties and the corresponding land included in its assets as at 31.12.2007, whose book value was lower than the market value.

By means of the aforesaid revaluation, the residual book value of the properties belonging to the category of depreciable properties of €1,135,020 was prudently adjusted to the market value of €3,643,323 and that of the properties belonging to the category of non-depreciable properties of €1,640,883 to the market

The revaluation was made following the legal indications and the value of the revalued assets does not exceed the limit identified based on the items and criteria referred to in article 11, section 2, of Law no 342/2000 expressly recalled by Decree Law 185/2008

The book method used is that which provides for the revaluation of the historic cost with the resulting extension of the depreciation period

Information on the Balance Sheet – Liabilities and Equity

Equity

The equity existing at the year end is equal to €12,463,695 (€11,521,525 in the previous financial year)

The tables below show the movement during the financial year of the individual items forming the Equity and details of the other 'Other reserves'

In particular, the profit made in the previous financial year equal to €332,134 was apportioned to the Extraordinary Reserve and the company distributed profits in the sum of €141,754

An amount equal to €21,616 was also released from the Reserve linked to prepaid taxes, being apportioned to the Extraordinary Reserve

	Value at start of year	Allocation of dividends	Other intended uses	Increases
Capital	516 500	0	0	0
Revaluation reserves	6,106,688	0	0	0
Statutory reserve	103,300	0	0	0
Other reserves				
Extraordinary or optional reserve	3,765,667	141,754	21,616	332,134
Capital contribution payments	287 481	0	0	0
Share capital reduction reserve	130,000	0	0	0
Sundry other reserves	279,755	0	-21,616	0
Total other reserves	4,462 903	141,754	0	332,134
Profit (loss) for the financial year	332,134	0	-332,134	
Total equity	11,521,525	141,754	-332,134	332,134

	Decreases	Restatements	Operating profit / (loss)	Value at end of year
Capital	0	0		516,500
Revaluation reserves	0	0		6,106,688
Statutory reserve	0	0		103,300

Other reserves				
Extraordinary or optional reserve	0	1		3,977,664
Capital contribution payments	0	0		287,481
Share capital reduction reserve	0	0		130,000
Sundry other reserves	0	2		258,141
Total other reserves	0	3		4,653,286
Profit (loss) for the financial year			1,083,921	1,083,921
Total equity	0	3	1,083,921	12,463,695

	Description	Amount
1	Provisions reserve pursuant to art. 55 TUIR [income tax consolidation act]	84,710
2	Prepaid tax linked reserve	97,460
3	Reserve linked to IRES refund	75,971
Total		258,141

For a better understanding of the changes in equity, the movements in the equity items during the previous financial year are shown below.

	Value at start of year	Allocation of dividends	Other intended uses	Increases
Capital	516,500	0	0	0
Revaluation reserves	6,106,688	0	0	0
Statutory reserve	103,300	0	0	0
Other reserves				
Extraordinary or optional reserve	3,730,740	211,500	0	246,427
Capital contribution payments	287,481	0	0	0
Share capital reduction reserve	130,000	0	0	0
Sundry other reserves	238,223	0	0	41,534
Total other reserves	4,386,444	211,500	0	287,961
Profit (loss) for the financial year	287,961	0	-287,961	
Total equity	11,400,893	211,500	-287,961	287,961

	Decreases	Restatements	Operating profit / (loss) d	Value at end of year
Capital	0	0		516,500
Revaluation reserves	0	0		6,106,688
Statutory reserve	0	0		103,300
Other reserves				
Extraordinary or optional reserve	0	0		3,765,667
Capital contribution payments	0	0		287,481
Share capital reduction reserve	0	0		130,000
Sundry other reserves	0	-2		279,755
Total other reserves	0	-2		4,462,903
Profit (loss) for the financial year			332,134	332,134

Total equity	0	-2	332,134	11,521 525
--------------	---	----	---------	------------

Table of cash and cash equivalents and use of the equity items

The information required by article 2427, point 7-*bis*, of the Civil Code on the specification of the equity items with regard to the origin thereof, possibility of use and distributability, and the use thereof in previous financial years, is shown in the tables below

	Amount	Origin/nature	Possibility of use	Portion available	Summary of uses made in the previous three financial years - for covering losses	Summary of uses made in the previous three financial years - for other reasons
Capital	516,500	Shareholders' contribution		0	0	0
Revaluation reserves	6,106,688	Other nature	A-B-C	0	0	0
Statutory reserve	103,300	Profits	B	0	0	0
Other reserves						
Extraordinary or optional reserve	3,977 664	Profits	A-B-C	3,977 664	0	211,500
Capital contribution payments	287 481	Shareholders' contribution	A-B	287,481	0	0
Share capital reduction reserve	130 000	Other nature	A-B-C	130,000	0	0
Sundry other reserves	258,141	Profits	A-B-C	258,141	0	0

Total other reserves	4,653 286			4,653,286	0	211 500
Total	11,379,774			4 653 286	0	211,500
Residual distributable portion				4,653,286		

	Description	Amount	Origin/nature	Possibility of use	Portion available	Summary of uses made in the previous three financial years - for covering losses	Summary of uses made in the previous three financial years - for other reasons
1	Provisions reserve pursuant to art 55 TUIR	84 710		A-B-C	84,710	0	0
2	Prepaid tax linked reserve	97,460	Profits	A-B-C linked	97,460	0	0
3	Reserve linked to IRES refund	75,971	Profits	A-B-C linked	75,971	0	0
Total		258,141					

To complete the information provided on equity, the following further information is provided

Revaluation reserves

The revaluation reserves are composed of the following

	Opening balance	Use for covering losses	Other movements	Closing balance
Law no 2/2009	6 106,688	0	0	6,106,688
Totals	6,106,688	0	0	6,106,688

Provisions for risks and expenses

The provisions for risks and expenses are entered in the liabilities for a total of €736,096 (€632,675)

The breakdown and movements of the individual items are shown below

	Severance indemnity provision and similar obligations	Provision for taxes including deferred taxes	Other provisions	Total provisions for risks and expenses
Value at start of year	0	632,675	0	632,675
Changes during the year				
Apportionment during the year	0	0	32,89	32 489
Use during the year	0	1,874	0	1,874
Other changes	0	0	72,806	72,806
Total changes	0	-1,874	105 295	103,421
Value at end of year	0	630,801	105,295	736,096

With regard to information on the movements of the "Provision for deferred taxes", see the section "Current, deferred and prepaid taxes on operating income"

The other provisions for risks and expenses include the "Provision for restoration and clean-up" for €72,806, deriving from the restatement in the financial statements of the land depreciation provision, as provided for by OIC 16 and the provision for risks concerning trade receivables for €32,489

Severance indemnity

Employee severance indemnity is recognized in the liabilities at a total of €743,908 (€699,063 in the previous financial year)

The breakdown and movements of the individual items are shown below

	Employee severance indemnity
Value at start of year	699,063
Changes during the year	
Allocation during the year	103,722
Use during the year	58,877
Total changes	44,845
Value at end of year	743 908

Payables

Payables are recognized in the liabilities for a total of €22,086,844 (€21,415,308 in the previous financial year)

The breakdown of the individual items is shown below

	Opening balance	Closing balance	Change
Shareholder loans	520,000	517,000	-3,000
Bank payables	14 465,612	14 485 852	20,240
Down payments	378 307	223,153	-155,154
Trade payables	4 958,114	5,843,707	885,593
Payables to subsidiary companies	208,122	41,150	-166 972
Payables to associated companies	113,222	306,513	193 291
Tax payables	275,979	130,334	-145,645
Payables to pension and social security institutions	142 162	147,249	5,087
Other payables	353,790	391,886	38,096
Totals	21,415,308	22,086,844	671,536

Payables – Breakdown by due date

Details of the breakdown of payables by due date are shown below, pursuant to article 2427, point 6, of the Civil Code.

	Value at start of year	Change during the year	Value at end of year	Extending over more than 5 years
Shareholder loans	520,000	-3,000	517,000	0
Bank payables	14 465,612	20 240	14 485,852	2,142,158
Down payments	378,307	-155,154	223,153	0
Trade payables	4,958,114	885,593	5 843 707	0
Payables to subsidiary companies	208,122	-166,972	41 150	0
Payables to associated companies	113,222	193,291	306,513	0
Tax payables	275,979	-145,645	130,334	0
Payables to pension and social security institutions	142,162	5,087	147,249	0
Other payables	353,790	38,096	391,886	0
Total payables	21,415,308	671,536	22,086,844	2,142,158

Payables – Breakdown by geographical area

Details of the breakdown of payables by geographical area are shown below, pursuant to article 2427, point 6, of the Civil Code.

	Total	1	2	3	4	5
Payables by geographical area						
Geographical area		Italy	EU	Africa	Middle East	Asia
Shareholder loans	517,000	517,000	0	0	0	0

Bank payables	14,485,852	14,485,852	0	0	0	0
Down payments	223,153	223,153	0	0	0	0
Trade payables	5 843 707	3,579 866	654,373	16,923	7,940	303,896
Payables to subsidiary companies	41,150	41,150	0	0	0	0
Payables to associated companies	306,513	0	59,341	-12,228	0	259,400
Tax payables	130 334	130,334	0	0	0	0
Payables to pension and social security institutions	147,249	147,249	0	0	0	0
Other payables	391,886	391,886	0	0	0	0
Payables	22,086 844	19,516 490	713,714	4,695	7 940	563,296

	6	7	8	9	10
Payables by geographical area					
Geographical area	USA	Canada	Brazil	Eastern Europe	Oceania
Shareholder loans	0	0	0	0	0
Bank payables	0	0	0	0	0
Down payments	0	0	0	0	0
Trade payables	259,750	92,716	906,599	6,440	15,204
Payables to subsidiary companies	0	0	0	0	0
Payables to associated companies	0	0	0	0	0
Tax payables	0	0	0	0	0
Payables to pension and social security institutions	0	0	0	0	0
Other payables	0	0	0	0	0
Payables	259,750	92,716	906,599	6,440	15,204

Payables backed by real guarantees on company assets

The information on real guarantees on company assets is provided below, pursuant to article 2427, point 6, of the Civil Code

	Payables backed by mortgage	Total payables backed by real guarantees	Payables not backed by real guarantees	Totals
Shareholder loans	0	0	517,000	517,000
Bank payables	7,454,725	7,454,725	7,031,127	14,485,852
Down payments	0	0	223,153	223,153
Trade payables	0	0	5,843,707	5 843 707
Payables to subsidiary companies	0	0	41,150	41,150
Payables to associated companies	0	0	306,513	306,513
Tax payables	0	0	130,334	130 334
Payables to pension and social security institutions	0	0	147,249	147,249
Other payables	0	0	391,886	391,886
Total payables	7,454,725	7,454,725	14,632,119	22,086,844

These are mortgages registered on immovable property owned to guarantee loans arranged with credit institutions

Payables – Repurchase agreements

No payables deriving from transactions that provide for the buyer's repurchase obligation are recognized in the financial statements, pursuant to article 2427, point 6-ter, of the Civil Code

Loans provided by shareholders

The information on loans provided by the company's shareholders is shown below, pursuant to article 2427, point 19-bis, of the Civil Code

These are non-interest-bearing loans with no due date and with no postponement obligation

	Due date (dd/mm/yyyy)	Portion falling due	Portion with due date postponement clause
--	-----------------------	---------------------	---

Total		517,000	0

Debt restructuring

The company has not conducted any debt restructuring transaction

Accrued expenses and deferred income

Accrued expenses and deferred income are recognized in the liabilities for a total of €31,209 (€86,979 in the previous financial year)

The composition and movements of the individual items are shown below

	Accrued expenses	Premium on loans issued	Other deferred income	Total accrued expenses and deferred income
Value at start of year	20,421	0	66,558	86,979
Change during the year	-8,074	0	-47,696	-55,770
Value at end of year	12,347	0	18,862	31,209

Guarantees

The beneficiaries of the guarantees issued by the company are as follows

	Opening balance	Closing balance	Change
GUARANTEES	500,000	500 000	0
- to subsidiary companies	500 000	500,000	0

These guarantees comprise a guarantee furnished in favour of the subsidiary company N B Immobiliare S r l with regard to the property transaction in the municipality of Appiano s.s d v. (BZ)

Other memorandum accounts

Further information on the other memorandum accounts is provided below

	Opening balance	Closing balance	Change
OTHER MEMORANDUM ACCOUNTS	1,985,523	1,082,034	-903,489

This is the amount of rents and the possible purchase option still payable in relation to the existing lease contracts

Information on the Profit and Loss Account

Production value

Revenues from sales and services by business category

With regard to the provisions of article 2427, point 10, of the Civil Code, the distribution of revenues by business category is shown in the tables below

	Total	1	2
Revenues from sales and services by business category			
Business category	Provision of services		Sales of raw and subsidiary materials and semi-finished products
Current year value	30 796,865	154 658	30,642.207

Revenues from sales and services by geographical area

With regard to the provisions of article 2427, point 10, of the Civil Code, the distribution of revenues by geographical area is shown in the tables below

	Total	1	2	3
Revenues from sales and services by geographical area				
Geographical area	Italy	EU	Non-EU	
Current year value	30,796,865	10,964,691	7,127,462	12,704,712

Other production value items

Other revenues and proceeds

The other revenues and proceeds are recognized in the production value of the profit and loss account for a total of €745,172 (€787,730 in the previous financial year).

A breakdown of the individual items is provided below

	Previous period	Current period	Change
Property revenues	60,221	54,963	-5,258
Reimbursement of expenses	331,351	390,058	58,707
Insurance reimbursements	10,419	17,453	7,034
Ordinary gains	96,770	47,423	-49,347
Reinstatement of value following previous impairment	71,468	108,144	36,676
Other revenues and proceeds	99,693	85,853	-13,840
Capital grants	3,428	1,778	-1,650
Contributions for operating expenses	114,380	39,500	-74,880
Totals	787,730	745,172	-42,558

Production costs

Service expenses

The service expenses are recognized in the production costs in the profit and loss account for a total of €9,656,140 (€9,070,516)

The breakdown of the individual items is as follows:

	Previous period	Current period	Change
Transport	3,042,620	2,941,347	-101,273
Storage	31,697	12,094	-19,603
External production	3,708,736	4,172,696	463,960
Electricity	239,806	242,991	3,185
Water	36,860	37,411	551
Maintenance and repair expenses	266,794	281,648	14,854
Services and technical advice	270,797	283,430	12,633
Commission payable	486,074	725,810	239,736
Advertising	286,746	242,564	-44,182
Legal expenses and advice	9,106	6,549	-2,557
Telephone expenses	75,194	67,171	-8,023
Insurances	71,613	73,226	1,613
Entertainment expenses	6,721	14,877	8,156
Travel and transfer expenses	218,913	199,275	-19,638
Refresher courses, preparation and training expenses	520	4,578	4,058
Others	318,319	350,473	32,154
Totals	9,070,516	9,656,140	585,624

Costs of use of third party property

The costs of use of third party property are recognized in the production costs in the profit and loss account at a total of €691,061 (€967,081 in the previous financial year)

The breakdown of the individual items is shown below

	Previous period	Current period	Change
Rents and leases	150,821	163,982	13,161
Leasing rents on movable property	816,260	527,079	-289,181
Totals	967,081	691,061	-276,020

Sundry management expenses

The sundry management expenses are recognized in the production costs of the profit and loss account for a total of €449,804 (€548,488 in the previous financial year)

The breakdown of the individual items is shown below

	Previous period	Current period	Change
ICI [local property tax] / IMU [single municipal tax]	76,569	77,290	721
Registration tax	1,195	1 377	182
Losses on receivables	342,065	275,872	-66,193
Subscriptions to journals, newspapers, etc	779	362	-417
Ordinary losses	34,207	640	-33,567
Other management expenses	93,673	94,263	590
Totals	548,488	449,804	-98,684

Financial income and expenses

Income from holdings

With regard to the provision of article 2427, point 11, of the Civil Code, no income from holdings is present other than dividends

Exchange-rate gains and losses

Information on the breakdown of exchange-rate gains and losses deriving from the year-end valuation compared to those actually realized is shown below

	Realized part	Unrealized part	Total
Exchange-rate gains	149,039	265,165	414,204
Exchange-rate losses	213,259	108,997	322,256

Distribution of interest and other financial expenses by type of payables

With regard to the provisions of article 2427, point 12, of the Civil Code, the breakdown of the item "interest and other financial expenses" is shown below

	Bonds	Bank payables	Other	Total
Interest and other financial expenses	0	351,095	235,073	586,168

Extraordinary income and expenses

With regard to the provisions of article 2427, point 13, of the Civil Code, the tables below provide a breakdown of extraordinary income and expenses

	Previous period	Current period	Change
Other contingent assets	31,275	16,062	-15 213
Other extraordinary income	2	4	2
Totals	31,277	16,066	-15,211

	Previous period	Current period	Change
Losses on transfers whose book effects are not attributable to point 14	293,764	0	-293 764
Other contingent liabilities	130,114	87,040	-43 074
Totals	423,878	87,040	-336,838

Taxes on current, deferred and prepaid operating income

The breakdown of the individual items is shown below:

	Current taxes	Deferred taxes	Prepaid taxes	Transparency income / (expenses)
IRES	480,017	0	14 061	0
IRAP [<i>regional business tax</i>]	152 284	0	0	0
Totals	632,301	0	14,061	0

The deferred taxes also contain the repayments relating to the initial recognition of the 'Provision for deferred taxes' directly applicable to equity

The tables below, drawn up based on the indications suggested by OIC 25, contain the information required by article 2427, point 14, letters a) and b), of the Civil Code

In particular, they contain information on the summary values of the movement during the financial year in the 'Total prepaid and deferred taxes', the composition of the temporary difference deductible giving rise to 'Prepaid tax assets', the composition of the temporary differences deductible giving rise to the 'Deferred tax liabilities' and information on the use of the tax losses.

	Amount
A) Temporary differences	
Total temporary differences deductible	245 782
Total temporary differences taxable	2,056,211
Net temporary differences	1,810 429
B) Tax effects	
Provision for deferred (prepaid) taxes at start of year	471,435
Deferred (prepaid) taxes for the year	26 433
Provision for deferred (prepaid) taxes at end of year	497,868

	Description	Amount
13	Non-deductible write-down of receivables and apportionments for per risks on receivables	245,782
Total		245,782

	Description	Amount
5	Contingencies resulting from reversal of tax-related entries - amortization	134,393
28	Statutory revaluation of immovable property	1,921,818
Total		2,056 211

	Previous year - Amount of tax losses	Previous year - Tax effect	Current year - Amount of tax losses	Current year - Tax effect
Tax losses used				
in relation to the financial year	0	0	0	0
in relation to previous financial years	0	0	0	0
Total use	0	0	0	0
Tax losses carried over, with reasonable certainty of use	0	0	0	0
Total profit recognized	0	0	0	0

Other information

Details on employment

Information on employees is provided below, pursuant to article 2427, point 15, of the Civil Code

	Manager s	Executi ves	Office workers	Manua l worker s	Other employees	Total employees
Average number	0	1	40	34	0	75

Company officers' fees

Information on the directors and auditors is provided below, pursuant to article 2427, point 16, of the Civil Code

	Value
Auditors' fees	35,022
Total directors' and auditors' fees	35,022

Statutory auditor's or auditing firm's fees

Information on the statutory auditor's or auditing firm's fees is provided below, pursuant to article 2427, point 16-bis, of the Civil Code

	Value
Statutory audit of the annual accounts	6,971
Total fees payable to the statutory auditor or auditing firm	6,971

Categories of shares issued by the company

The information required by article 2427, point 17, of the Civil Code relating to details of the shares forming the company capital and the number and nominal value of the shares subscribed during the financial year can be deduced from the tables below

	Total	I
Shares issued by the company by category		
Description	Ordinary shares	
Initial number	10,000	10,000
Initial nominal value	516,500	516,500
Final number	10,000	10,000

Final nominal value	516,500	516,500
---------------------	---------	---------

Securities issued by the company

Pursuant to article 2427, point 18, of the Civil Code, it is noted that the company has not issued any shares with dividend rights or convertible bonds.

Financial instruments

Pursuant to article 2427, point 19, of the Civil Code, it is noted that the company has not issued any financial instruments and consequently the *fair value* and the amount and nature thereof are not shown, pursuant to article 2427-bis, section 1, point 1, of the Civil Code

Information on the companies or entities carrying out management and coordination activities - article 2497 bis of the Civil Code

The company is not subject to management or coordination by any companies or entities

To complete the section 'Other information' of the notes, the following information is provided

Financial report

This was prepared based on the indications provided by OIC 10

The cash flows deriving from operations are shown based on the 'indirect method'

FINANCIAL REPORT		
	Current period	Previous period
A Cash flows deriving from operations (indirect method)		
Profit (loss) for the financial year	1,083,921	332,134
Income tax	618,240	510,444
Interest payable/(interest receivable)	536,730	526,970
(Gains)/losses deriving from the sale of assets	(46,783)	231,201
1 Profit/(loss) for the financial year before income tax, interest, dividends and gains/losses on sale	2,192,108	1,600,749
<i>Adjustments for non-monetary items with no balancing entry in the net working capital</i>		
Apportionments to the employee severance indemnity	103,722	96,213
Apportionments to the provisions for risks and expenses	32,489	0
Amortization and depreciation of fixed assets	285,956	249,300
Bad debt provision	51,130	81,311
<i>Total adjustments for non-monetary items</i>	<i>473,297</i>	<i>426,824</i>
2 Cash flow before changes in net working capital	2,665,405	2,027,573
<i>Changes in the net working capital</i>		
Decrease/(increase) in inventories	(129,332)	2,050,403

Decrease/(increase) in trade receivables	(712,467)	827,946
Increase/(decrease) in trade payables	885,593	(811,404)
Decrease/(increase) in accrued income and deferred expenses	55,549	(35,402)
Increase/(decrease) in accrued expenses and deferred income	(55,770)	(84,357)
Other changes in the net working capital	(414,536)	(640,600)
<i>Total changes in the net working capital</i>	<i>(370,963)</i>	<i>1,306,586</i>
3 Cash flow after changes in the net working capital	2,294,442	3,334,159
<i>Other adjustments</i>		
Interest collected/(paid)	(426,640)	(404,640)
Income tax (paid)/collected	(650,939)	(341,095)
(Use of employee severance indemnity)	(58,877)	(100,632)
(Use of provision for risks and expenses)	70,932	(6,837)
<i>Total other adjustments</i>	<i>(1,065,524)</i>	<i>(853,204)</i>
Cash flow from operations (A)	1,228,918	2,480,955
B. Cash flows deriving from investment activities		
<i>Tangible fixed assets</i>		
(Investments)	(837,598)	(568,328)
Realizable price of disinvestments	980	101,466
<i>Intangible fixed assets</i>		
(Investments)	(47,654)	(41,790)
<i>Financial fixed assets</i>		
(Investments)	(1)	(1)
<i>Short-term financial assets</i>		
Interest collected (paid)	110,090	122,330
<i>(Acquisition) or transfer of subsidiary companies or business branches net of cash and cash equivalents</i>	<i>0</i>	<i>0</i>
Cash flow from investment activities (B)	(774,183)	(386,323)
C Cash flows deriving from financing activities		
<i>Third party resources</i>		
Increase/(decrease) in short-term bank payables	1,105,418	(937,746)
Arrangement / (repayment) of loans	(1,343,794)	(953,144)
<i>Own resources</i>		
Increase / (decrease) in paid-up capital / (repayment)	(141,751)	(211,500)
Cash flow from financing activities (C)	(380,127)	(2,102,390)
Increase (decrease) in cash and cash equivalents (A +/-)B +/-)C)	74,608	(7,758)
Cash and cash equivalents at end of year	130,838	56,230
Cash and cash equivalents at start of year	56,230	63,988

Transactions with managers, directors, auditors and shareholders

No transactions were performed with managers, directors, auditors or shareholders of the company or of subsidiary, associated or parent companies or of companies subject to the latter's control, in accordance with the indications provided by the national accounting principles

Related-party transactions

During the financial year under review, significant related-party transactions were performed

These were commercial transactions, relating to the purchase and sale of goods, performed with subsidiary and directly or indirectly associated companies, under normal market conditions

Agreements not reflected in the Balance Sheet

The company has not arranged any agreements not reflected in the balance sheet, pursuant to article 2427, point 22-ter, of the Civil Code.

Information on the obligation to prepare the Consolidated Financial Statements

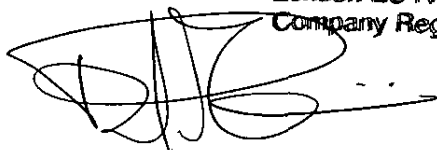
The company made use of the right of exemption from the obligation to prepare consolidated financial statements pursuant to article 27 of Legislative Decree 127/1991, as the provisions based on size referred to in section 1 of that article do not apply

Chairman of the Board of Directors

(Bruno Bagnara)

I certify that this is a true copy of the original translation:

Pietro Marini ACA Kelmer UK Ltd.
3rd Floor East
12 Bridewell Place
London EC4V 6AP
Company Reg. No. 5260622



23 09-2015