(Translation from the Italian original which remains the definitive version)

COESIA S.p.A.

Financial statements as at and for the year ended 31 December 2013 (with report of the auditors thereon)

KPMG S.p.A.
23 June 2014

KPMG S.p.A.
Revisione e organizzazione contabile
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(Translation from the Italian original which remains the definitive version)

Report of the auditors in accordance with article 14 of Legislative decree no. 39 of 27 January 2010

To the shareholders of
COESIA S.p.A.

1 We have audited the financial statements of COESIA S.p.A. as at and for the year ended 31 December 2013. The company's directors are responsible for drawing up these financial statements in accordance with the Italian regulations governing their preparation. Our responsibility is to express an opinion on these financial statements based on our audit.

2 We conducted our audit in accordance with the auditing standards issued by the Italian Accounting Profession and recommended by Consob, the Italian Commission for Listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and are, as a whole, reliable. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by directors. We believe that our audit provides a reasonable basis for our opinion.

Reference should be made to the report dated 23 April 2013 for our opinion on the prior year financial statements, which included the corresponding figures presented for comparative purposes as required by law.

3 In our opinion, the financial statements of COESIA S.p.A. as at and for the year ended 31 December 2013 comply with the Italian regulations governing their preparation. Therefore, they are clearly stated and give a true and fair view of the financial position and results of operations of the company as at and for the year ended 31 December 2013.

4 The directors of COESIA S.p.A. are responsible for the preparation of a directors' report on the financial statements in accordance with the applicable laws. Our responsibility is to express an opinion on the consistency of the directors' report with the financial statements to which it refers, as required by the law. For this purpose, we have performed the procedures required by the Italian Standard on Auditing 001 issued by the Italian Accounting Profession and recommended by Consob. In our opinion, the directors' report is consistent with the financial statements of COESIA S.p.A. as at and for the year ended 31 December 2013.

Bologna, 23 June 2014

KPMG S.p.A.

(signed on the original)

Rodolfo Curti
Director of Audit

(Translation from the Italian original which remains the definitive version)

COESIA S.p.A. - with registered office in Bologna - Via Battindarno 91

Tax code 02221441203 - Fully paid-up share capital €125,000,000

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FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2013

DIRECTORS' REPORT

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Dear shareholders,

This report accompanies the separate financial statements as at and for the year ended 31 December 2013 of Coesia S.p.A., which we submit for your approval.

Events of the year and activities of the company

Coesia S.p.A. is the holding company of an industrial group. Its subsidiaries' core business relates to the design, construction and sale of (i) automated packing and packaging machinery for the tobacco, food, cosmetics, pharmaceutical, nappy and consumer goods segments (Advanced Automated Machinery), (ii) manufacturing logistics solutions and production control and in-line printing equipment (Industrial Process Solutions) and (iii) gears on behalf of third parties (Precision Gears).

In October 2013, Coesia S.p.A. acquired 100% of IPI S.r.l., one of the few companies operating worldwide in the supply of integrated solutions in the field of aseptic packaging of liquids in multi-layer carton for the food and beverage industry. With turnover of approximately €51 million, IPI group has roughly 140 employees and is active in 30 countries. For Coesia group, the acquisition of IPI is another step towards strengthening its position in the consumer goods packaging industry.

Coesia S.p.A. is the direct parent of the following companies operating in the various group businesses, i.e.:

- G.D S.p.A., with registered office in Bologna, is active in the field of automated packing and packaging machinery for cigarettes and the tobacco industry in general. G.D S.p.A. controls a network of companies (in the USA, Brazil, Germany, United Kingdom, China, Japan, Singapore, Hong Kong, Indonesia, Russia, South Africa, South Korea and Turkey) that serve as its distribution and after-sales centres, as well as genuine production centres (in the USA, Brazil, Germany, Japan, Turkey and Indonesia); moreover G.D S.p.A. ownes the 100% of Sasib S.p.A., with registered office in Castel Maggiore (Bologna), a company committed to the production of automated machinery for the tobacco industry with an high range of maker and packer lines installed in several market in the world and which allows to complete and integrate, also in the low speed segment, the lines of products that G.D S.p.A. offers to its clients;
- ACMA S.p.A., with registered office in Bologna, produces automated machinery for the food segment and consumer goods manufacturing in general;
- GDM S.p.A., with registered office in Offanengo (CR), is active in the field of automated nappy and sanitary napkin production machinery;
- VOLPAK S.A., with registered office in Barcelona (Spain), is active in the automated packaging machinery segment;
- NORDEN AB, with registered office in Kalmar (Sweden), which manufactures packaging and tube filling machines for the cosmetics and pharmaceutical industry, in addition to packing lines;
- CITUS KALIX SAS, with registered office in Evry (France), is part of Norden group and operates in the tube and lipstick packaging and filling machines for the cosmetics

industry, in addition to packing lines;

- HAPA AG, with registered office in Zurich (Switzerland), is active in the in-line printing equipment segment for the pharmaceutical machinery segment;
- LAETUS GmbH, with registered office in Halsbach–Hahnlein (Germany), operates in the design, production and sale of production control equipment for the pharmaceutical machinery segment;
- CIMA S.p.A., with registered office in Bologna, operates as a subcontractor in the gearing field for the automotive (particularly racing), motorcycle, aeronautics and automated machinery segments;
- FLEXLINK, a Swedish group with registered office in Goteborg (Sweden), operates in the design, construction and sale of top-end manufacturing logistics solutions;
- R.A. JONES & CO. INC., based in Covington (Kentucky) in the United States, produces automated machinery for the food segment and for consumer goods manufacturing in general;
- IPI S.r.l., with registered office in Perugia, produces aseptic filler machines, package opening and closing systems and multi-layer packaging material using a combination of polyethylene, paper and aluminium sheets. IPI has two production sites in the Perugia area.

The economic situation

In 2013, the global economy showed signs of improvement and is slowly continuing on its path of moderate growth. In the year, US GDP rose 1.9% (+2.2% in 2012), while Eurozone GDP fell 0.4% (+0.4% in 2012). In Germany, it grew only 0.5% (versus 0.9% in 2012), whereas in Japan, it increased 1.7% (+1.6% in 2012). In emerging countries, economic activity slowed, although it remained at high levels. Chinese GDP grew 7.7%, compared to growth of roughly 7.5% in 2012, that of India it climbed 4.4%, compared to approximately 4.5% in 2012. According to the International Monetary Fund's most recent estimates, prospects for 2014, despite risks of decline, indicate a slight recovery in the global economy with expected growth of 3.7%, although the various economies are expected to grow at disparate rates, boosted by the more advanced and industrialised economies, particularly the US, Germany and Japan, as emerging economies show signs of weakness that encourage prudent valuations.

Markets

The market situation of the main group companies is the following:

"Tobacco machinery": global cigarette consumption remained steady, but with a declining trend. China and Southeast Asia also show a slowdown.

While demand for standard machinery is down, it remains sustained for innovative products for cigarettes, filters and special packages for the segment that requires to provide innovative solutions. The focus on that segment will be crucial in preserving current business levels in 2014 and beyond.

The European Community is expected to issue the i.e. EU tobacco product directive ("tobacco directive") in the near future, although the various member states will have 24 months to implement it in their countries.

The restrictions are significant and mainly relate to the minimum size of packages and cigarettes and the space devoted to health warnings, which will now need to cover 65% of the package.

However, there is some indecisiveness and space left open to interpretation (especially with respect to the compliance of special products now and in the future, i.e., EU tobacco product compliance); this creates uncertainty, which reflects in a wait-and-see approach and the postponement of investments on the market.

In the next two or three years, however it will also be possible to supply units to convert/adapt to the new legislation.

Another opportunity offered by the market is the reduction in production costs through the use of more flexible lines. The subsidiary G.D has concentrated on this area in recent years and is now in a position to fully respond to customer needs.

Another increasingly important segment is after-sales, in which turnover continues to grow for maintenance services, technical assistance for production and the supply of spare parts.

<u>Consumer Goods Machinery, Industrial Process Solutions and Precision Gears:</u>

In 2013, order flows consolidated, remaining substantially in line with 2012. The acquisition of R.A. Jones has enabled Coesia to significantly increase its presence on the relevant markets. The group’s 2013 results in these divisions show turnover is up on the previous year, in part due to the acquisition of R.A. Jones, while profitability before most overheads has substantially remained steady.

Business risks

In relation to the requirements of article 2428 of the Italian Civil Code for disclosures about the main “risks and uncertainties” and the “environment and personnel”, no significant events took place.

Coesia S.p.A.’s subsidiaries are exposed to the normal risks and uncertainties of industrial businesses engaged in designing, producing and selling consumer goods with a high technological content on international markets. The related financial risks (credit, liquidity, currency, interest rate) do not significantly impact the company’s financial position and results of operations, although they exist and are carefully monitored and managed. Specifically, Coesia S.p.A. and its subsidiaries hedge currency and interest rate risks using the relevant hedging instruments.

Investments in foreign operations are not hedged, except for the programmed distribution of dividends, as foreign currency positions are considered to be of a long-term nature.

As noted, Coesia S.p.A.'s and its subsidiaries' market is characterised by demand for highly technological and innovative solutions and, accordingly, the company's group invests around 5% of its turnover in R&D. In this context, employees' expertise is of strategic importance, especially in technical areas. It invests heavily and constantly in training and retaining its employees and in the work place. It carefully monitors and applies the relevant labour legislation, especially that covering occupational health and safety, and has adopted the management model provided for by Legislative decree no. 231 covering safety in the workplace.

Finally, with respect to market risks, in addition to that described above, the subsidiary G.D. faces other potential factors that affect cigarette consumption and demand for new machinery, the new legislation regulating and increasingly limiting both tobacco consumption and the use of special packaging (on which, as noted previously, a growing part of the company's business is based) outside the EU and US as well. Furthermore, the development of special projects could undergo price pressure due to our customers' need to sustain profitability.

Performance

In 2013, the company achieved a net profit of €7.3 million (2012: €5.5 million), mainly characterised by:

- dividends from subsidiaries totalling €28.8 million (including €20 million from G.D S.p.A., €2.5 million from Volpak SA, €4.8 million from HAPA AG, €1.5 million from Flexlink AB), compared to €30.5 million in 2012;
- adjustments to investments in subsidiaries, amounting to €5.4 million, compared to €13.4 million in 2012. 2013 adjustments are due to the impairment losses on the investment in ACMA S.p.A., which reported a net loss for 2013, mainly following

considerable investments in research and development for new products.

Trends in financial income and charges are shown in the cash flow statement attached to the notes to the financial statements. The net financial debt at the end of 2013 shows an increase on the 2012 year end, as does the impact of financial charges, which rose from €9.4 million at 31 December 2012 to €16.3 million at 31 December 2013, mainly due to loans received for the 2012 acquisitions, the acquisition of IPI S.r.l. and to distribute dividends of €16 million to the parent.

Overall, Coesia S.p.A.'s net financial debt at 31 December 2013 amounts to €485.6 million, compared to €441.6 million at 31 December 2012 (including financial receivables/payables from/to subsidiaries, the financial payable to the parent and bonds).

Bank loans and borrowings total €341.8 million at 31 December 2013 and include loans of €16.8 million due within one year, loans of €205 million due in 2015 and committed revolving credit facilities of €120 million due in 2018. The reimbursement of the above mentioned loans and borrowings will be managed through the cahs flows generated by dividends distributed and / or by loans granted by subsidiaries.

Presentation of the consolidated financial statements

As the company holds significant controlling interests, as defined by article 2359 of the Italian Civil Code, and for more complete disclosure, it has prepared consolidated financial statements as at and for the year ended 31 December 2013 pursuant to Legislative decree no. 127/91. The consolidated financial statements will be filed together with the separate financial statements.

Research and development activities

The company does not carry out any research and development activities directly.

Related party transactions

A detailed list of all transactions with group companies, carried out on an arm's length basis, is included in the notes to the separate financial statements, to which reference should be made.

The performance of the main segments and group companies is discussed below.

- G.D S.p.A. performed better than in 2013. Its 2013 turnover grew 8.4% from €593.9 million to €643.9 million. Its operating profit was €136.9 million after expensing R&D costs of around 6% of turnover. The improvement on 2012 (€111.0 million) is due to greater sales volumes and the favourable mix of the after-sales segment.
- On the other hand, about the companies actives in the Consumer Goods Machinery, Industrial Process Solutions and Precision Gears:

➢ ACMA S.p.A. ended the year with an operating loss of €6.2 million, showing a worsening on the previous year (in 2012, the operating loss was €2.3 million). This worsening was mainly due to considerable investments in research and development activities for new products;

➢ GDM S.p.A.'s 2013 results were substantially in line with 2012. Turnover in 2013 (€52.7 million, including the change in inventory for long-term contracts) is down on 2012 (€53.5 million), while the operating profit has slightly improved (2013: €3.8 million; 2012: €3.7 million). The company ended the year with a sound order backlog, up on the previous year, putting it on a significant growth path for 2014;

➢ VOLPAK SA ended 2013 with turnover (€59.0 million) down on 2012 (€66.2 million). The operating profit fell from €11.3 million in 2012 to €10.2 million in 2013 due to greater operating costs;

➢ CIMA S.p.A. performed better in 2013 than in 2012. Although the company's 2013 turnover was slightly down on the previous year (from €19.1 million in 2012 to €18.3 million in 2013), after a substantial operating break-even in 2012, the company posted an operating profit of €0.4 million in 2013. This improvement was due to the growth in the industrial profit margin, bolstered by orders from the industrial sector.

- In 2013, Hapa enjoyed growth in consolidated turnover (€43.2 million in 2013, compared to €40.6 million in 2012) and an improvement in the operating profit (€4.5 million in 2013, compared to €3.8 million in 2012, before the amortisation of goodwill). The improvement in the operating profit was mainly due to cost control measures and a reduction in R&D investments, which had been particularly significant in 2012.
- 2013 was a year of structural consolidation for Laetus, with consolidated turnover substantially in line with the previous year (€19.3 million in 2013, compared to €19.4 million in 2012) while the operating loss worsened (operating loss of €1.3 million in 2013, compared to an operating profit of €0.6 million in 2012, before the amortisation of goodwill). The negative trend in costs was mainly due to investments to strengthen the sales and technical structures and to develop new products. These investments were necessary to meet a particularly high influx of orders from the pharmaceutical sector due to new regulations issued by the European Authorities. The orders will be filled in 2014 and subsequent years, with forecasts of a substantial increase in business and results;
- Norden group (formerly Sirius group), which also includes Citus Kalix Sas, in the 2013 has seen an improvement in its results, with consolidated turnover at €104.7 million (2012: €101.3 million) and an operating profit rising to €7.2 million (2012: €7.0 million).
- Flexlink group ended 2013 with consolidated turnover of €173.8 million (2012: €178.3 million) and an operating profit of €11.8 million, down on the €19.1 million

of 2012. This worsening was due to the industrial profit margin, adversely affected by the new project portfolio mix, problems fulfilling certain orders and increased overheads.

- Lastly, R.A. Jones & Co. posted 2013 turnover of €115.7 million and an operating profit of €10.4 million. The company's performance was negatively affected by the decrease in investments by its key customer, but the cost trend was kept under control.

With regard to the disclosure required by article 2427.22-bis of the Italian Civil Code, there have been no "relevant" related party transactions and/or transactions "not carried out on an arm's length basis".

<u>Number and nominal value of own shares or shares of parents</u>

The company does not hold any own shares.

<u>Subsequent events</u>

Nothing to report.

<u>Management and coordination</u>

Coesia S.p.A. is not managed and coordinated by other companies. It manages and coordinates all of its subsidiaries.

<u>Other information requested by article 2364 of the Italian Civil Code</u>

The Board of Directors has made use of the longer term of 180 days for the approval of the financial statements as at 31 December 2013, as the company is required to prepare the consolidated financial statements.

<u>Outlook</u>

The company's results are directly impacted by the performance of its subsidiaries.

The order trends foreseen for 2014 and the current backlog level lead us to expect slightly improved turnover and results for the Advanced Automated Machinery, Industrial

Process Solutions, Aseptic Packaging (IPI group) and Precision Gears segments compared to 2013, although subject to the evolution of the still complex and volatile market situation.

The separate financial statements as at and for the year ended 31 December 2013, which we submit for your approval, show a net profit of €7,300,495.50, net of provisions for all charges relating to the year. We propose the net profit be allocated as follows:

- €365,024.77 to the legal reserve and
- €6,935,470.73 to the extraordinary reserve.

We trust that you will approve of our work and we are confident that the company will continue to perform well.

Bologna, 23 June 2014

On behalf of the board of directors:

Isabella Seragnoli

(signed on the original)

COESIA S.p.A. - with registered office in Bologna (BO) - Via Battindarno 91

Fully paid-up share capital €125,000,000.00

Tax code and Bologna Company Register no. 02221441203 - REA no. 421928

(figures shown in Euros)

BALANCE SHEET	**31 December 2013**	**31 December 2012**
ASSETS		
(A) Share capital proceeds to be received	0	0
(B) Fixed assets		
I - Intangible fixed assets:		
1) Start-up and capital costs	0	0
4) Concessions, licences, trademarks and similar rights	222,028	10,917
6) Assets under development and payments on account	88,200	
7) Other	4,323,408	3,281,668
Total	4,633,636	3,292,585
II - Tangible fixed assets	0	0
III - Financial fixed assets		
1) Investments:		
a) subsidiaries	705,600,055	669,350,890
2) Financial receivables from others		
- due after one year	5,200	0
Total	705,605,255	669,350,890

Total fixed assets (B)	710,238,891	672,643,475
(C) Current assets		
I - Inventory	0	0
II - Receivables		
2) From subsidiaries:		
due within one year	10,151,140	4,197,451
due after one year	44,236,530	56,843,856
4) From the ultimate parent	5,579,695	4,219,450
4-bis) Tax receivables	941,157	611,571
4-ter) Deferred tax assets	508,542	241,996
5) From others	220,628	637,917
Total receivables	61,637,692	66,752,241
III - Current financial assets	0	0
IV - Liquid funds		
1) Bank and postal accounts	7,723,236	1,753,518
3) Cash-in-hand and cash equivalents	2,651	2,345
Total liquid funds	7,725,887	1,755,863
Total current assets	69,363,579	68,508,104
(D) Prepayments and accrued income	101,761	66,771
TOTAL ASSETS	779,704,231	741,218,350
LIABILITIES		
(A) Net equity		
I - Share capital	125,000,000	125,000,000
II - Share premium reserve	0	0
III - Revaluation reserves	0	0

IV - Legal reserve	11,907,242	11,632,918
V - Statutory reserves	0	0
VI - Reserve for own shares in portfolio	0	0
VII - Other reserves		
1) Extraordinary reserve	75,714,891	86,502,742
4) Euro rounding reserve	(1)	0
VIII - Retained earnings/(losses carried forward)	0	0
IX - Net profit for the year	7,300,495	5,486,474
Total net equity	219,922,627	228,622,134
(B) Provisions for risks and charges		
3) Other provisions	450,000	4,512,393
(C) Employees' leaving entitlement	78,654	93,033
(D) Payables		
1) Bonds:		
- due within one year	0	0
- due after one year	100,000,000	100,000,000
3) Shareholder loans	10,000,000	0
4) Bank loans and borrowings		
- due within one year	16,829,918	28,913,465
- due after one year	325,000,000	333,825,591
Total bank loans and borrowings	341,829,918	362,739,056
7) Trade payables	2,407,175	2,879,220
9) Payables to subsidiaries	91,737,587	38,638,880
11) Payables to the ultimate parent	16,751	0
12) Tax payables	412,090	539,726

13) Social security charges payable	67,574	48,915
14) Other payables		
- due within one year	5,031,438	417,907
- due after one year	4,500,000	0
Total payables	556,002,533	505,263,704
(E) Accrued expenses and deferred income	3,250,417	2,727,086
TOTAL LIABILITIES	779,704,231	741,218,350
MEMORANDUM AND CONTINGENCY ACCOUNTS		
Personal guarantees given:		
- Sureties in favour of subsidiaries	500,119	3,187,607
- Sureties in favour of third parties	8,200	6,600
Total	508,319	3,194,207

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PROFIT AND LOSS ACCOUNT	**2013**	**2012**
(A) Production revenues		
1) Turnover from sales and services	0	0
5) Other revenues and income	8,978,728	4,977,203
Total production revenues	8,978,728	4,977,203
(B) Production cost		
7) Services	10,208,586	7,648,457
8) Use of third party assets	121,000	76,391
9) Personnel expenses:		
a) wages and salaries	2,262,950	1,258,626
b) social security contributions	397,920	276,191

c) employees' leaving entitlement	120,342	94,271
e) other costs	21,374	0
10) Amortisation, depreciation and write-downs:		
a) amortisation of intangible		
fixed assets	1,743,096	758,770
14) Other operating costs	15,229	284,074
Total production cost	14,890,497	10,396,780
Operating loss	(5,911,769)	(5,419,577)
(C) Financial income and charges		
15) Income from investments:		
in subsidiaries		
a) dividends	28,824,071	30,467,704
c) from the sale of investment	0	0
16) Other financial income:		
d) other income	4,817	21,161
- interest from subsidiaries	2,816,627	196,392
17) Interest and other financial charges:		
- interest to subsidiaries	(1,247,636)	(656,515)
- interest to the ultimate parent	(16,751)	0
- other	(15,024,149)	(8,704,592)
17-bis) Net exchange rate losses	(1,263,914)	(935,236)
Net financial income	14,093,065	20,388,914
(D) Adjustments to financial assets		
19) Write-downs:		
a) investments	(5,379,223)	(13,362,616)

Total adjustments to financial assets	(5,379,223)	(13,362,616)
(E) Extraordinary income and expense		
20) Income		
- Euro rounding	0	2
21) Expense		
- taxes relative to prior years	(367)	(36,238)
- other	(500,000)	0
Net extraordinary expense	(500,367)	(36,236)
Pre-tax profit	2,301,706	1,570,485
22) Income taxes,		
current taxes, deferred tax income and		
expense	266,547	241,996
- income due to participation in the		
national tax consolidation scheme	4,732,242	3,673,993
23) Net profit for the year	7,300,495	5,486,474

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS

(in thousands of Euros)

COMPANY PROFILE, BUSINESS ACTIVITIES AND EVENTS OF THE YEAR

Coesia S.p.A. is the holding company of an industrial group. Its subsidiaries' core business relates to the design, construction and sale of automated packing and packaging machinery (for the tobacco, food, pharmaceutical, cosmetics, nappy and consumer goods segments), gears on behalf of third parties, in-line printing and control equipment for the pharmaceutical machinery segment and in the design, development and sale of manufacturing logistics solutions, as well as aseptic packaging of liquids in multi-layer carton for the food and beverage industry.

Reference should be made to the directors' report for comments on the activities carried out in 2013.

FORMAT AND CONTENT OF THE SEPARATE FINANCIAL STATEMENTS

The separate financial statements have been prepared in accordance with the provisions of the Italian Civil Code. They are comprised of the balance sheet (prepared using the formats provided for by articles 2424 and 2424-bis of the Italian Civil Code), the profit and loss account (prepared using the format provided for by articles 2425 and 2425-bis of the Italian Civil Code) and these notes. They are accompanied by the directors' report.

The purpose of the notes is to illustrate, analyse and, in certain cases, integrate separate financial statements figures, in addition to providing the information required by article 2427 of the Italian Civil Code. Furthermore, the notes provide all information considered necessary to give a true and fair view of the company's accounts, even if not specifically required by the law.

The law has been interpreted and integrated, where necessary, based on the accounting standards promulgated by the Italian Accounting Standard Setter (*Organismo Italiano di Contabilità*).

ACCOUNTING POLICIES

In accordance with article 2426 of the Italian Civil Code, the most significant accounting policies applied in the preparation of the separate financial statements as at and for the year ended 31 December 2013, which are consistent with the policies applied in the preparation of the separate financial statements of the previous year and approved by the board of statutory auditors, where required by law, are described below.

a) Intangible fixed assets are stated at purchase cost, including related charges, and are amortised on a straight-line basis in line with their future income generating potential.

b) Financial fixed assets are investments acquired upon the merger of CSII Industrie S.p.A. in 2003, and those acquired and established in following years. They are stated at acquisition or subscription cost, including any related charges, in some cases adjusted pursuant to Law no. 72/83. Furthermore, the consequent goodwill arising on the above-mentioned merger has been allocated to the value of the investments in G.D S.p.A. and Cima S.p.A.. This allocation reflects the measurement of consolidated net equity and goodwill of CSII Industrie group at the acquisition date.

The cost is written down to reflect impairment if the investees have incurred losses and profits large enough to absorb those losses are not forecast in the immediate future. If the reasons for the write-down no longer exist, the original value is reinstated in subsequent years.

c) Receivables are stated at their estimated realisable value.

d) Prepayments and accrued income, accrued expenses and deferred income include costs and revenues relating to two or more years recognised on an accruals basis of accounting.

e) Liquid funds are stated at their nominal value.

f) Employees' leaving entitlement is provided for to cover the entire liability accrued to employees, in accordance with current legislation, national labour contracts and company agreements. This liability is indexed.

g) Payables are stated at nominal value, which is considered indicative of their settlement amount.

h) Costs and revenues are determined in accordance with the principles of prudence and accruals basis of accounting.

i) Dividends are recognised on an accruals basis in the year in which the related profits accrue ("accrued" method) and, in any case, only if the resolutions of the subsidiaries' board of directors approving the draft financial statements and dividend distribution have been taken before the resolution of the parent's board of directors approving the draft financial statements.

l) Commitments and guarantees given are stated in the memorandum and contingency accounts at their contractual value.

m) Financial derivative contracts related to interest or exchange rate trends taken out for trading purposes are recognised at year-end market value. Derivatives used to hedge the fluctuations in interest rates are measured in line with the hedged liabilities. The difference between the interest rates of the derivatives and the underlying financing/lease arrangements is taken to the profit and loss account on an accruals basis. Options taken out to hedge foreign currency receivables and payables stated in the financial statements are recognised based on the exchange rates ruling at year end. Exchange rate gains and losses on options taken out to hedge specific contractual commitments are deferred and recognised as adjustments to the revenue/cost of the related asset.

n) Income taxes are calculated based on taxable profit in accordance with current regulations, considering applicable exemption and tax receivables. Furthermore, deferred tax assets and liabilities have been recognised on the temporary differences between the carrying amounts stated in the balance sheet and the related amounts recognised for tax purposes. In particular, deferred tax assets are recognised when it is reasonably certain that there will be future taxable profits against which the deferred tax assets may be used. In 2011, the company opted to apply the national tax consolidation scheme for three years whereby the ultimate parent Is.Co. S.r.l. is the consolidating entity, as is detailed in the note to receivables from subsidiaries.

TRANSLATION OF FOREIGN CURRENCY ITEMS

Receivables and payables arising on transactions in foreign currency are stated at the exchange rates ruling on the date when those transactions were performed. Exchange rate differences are taken to the profit and loss account when realised. At year end, receivables and payables in foreign currency are translated at the exchange rates ruling at the balance sheet date. Exchange rate gains and losses are taken to the profit and loss account. Any unrealised net gains are recognised in the specific unavailable reserve until realisation. Tangible, intangible and financial fixed assets, comprised of investments, recognised at cost in foreign currency are translated at the exchange rate ruling at the purchase date or, if lower, the exchange rate ruling at year end, if the difference is considered permanent.

OTHER INFORMATION

Waivers under article 2423.4 of the Italian Civil Code.

The company did not avail of any of the waivers under article 2423.4 of the Italian Civil Code.

Presentation of figures

The amounts disclosed in these notes relating to the company’s financial position and results of operations are given in thousands of Euros for a clearer presentation.

Independent auditors’ fees

Pursuant to article 2427 of the Italian Civil Code, the table below shows the fees paid by Coesia S.p.A. and group companies to the independent auditors and their network, for audit engagements and other services, set out by type or category (in thousands of Euros).

Service type	Service provider	Beneficiary	Fees
Audit	KPMG S.p.A.	Coesia S.p.A.	40
Other attestation services	KPMG S.p.A.	Coesia S.p.A.	9
Other services	KPMG S.p.A.	Coesia S.p.A.	185
Other services	KPMG network	Coesia S.p.A.	
Total Coesia S.p.A.			**234**
Audit	KPMG S.p.A.	Subsidiaries	230
Audit	KPMG network	Subsidiaries	758
Other attestation services	KPMG S.p.A.	Subsidiaries	14
Other attestation services	KPMG network	Subsidiaries	3
Tax services	KPMG network	Subsidiaries	15
Total subsidiaries			**1,020**
Total			**1,254**

ASSETS AND LIABILITIES

FIXED ASSETS

Specific statements have been prepared for the two categories of fixed assets (intangible and financial fixed assets), which are attached to these notes. The statements indicate historical cost, accumulated amortisation and depreciation, write-backs and write-downs, changes during the year, closing balances and total revaluations at the balance sheet date.

Other intangible fixed assets of €4,323 thousand refer to charges related to loans and borrowings described further on under bank loans and borrowings. These charges are amortised over the term of the related loans.

FINANCIAL FIXED ASSETS

Financial fixed assets refer to investments in the following subsidiaries (in thousands of Euros):

	% of ownership at 31/12/2013	31/12/13	31/12/12
Subsidiaries:			
G.D S.p.A.	100%	245,344	245,344
CIMA S.p.A.	100%	22,000	22,000
ACMA S.p.A.	100%	3,921	0
GDM S.p.A.	100%	6,330	6,330
MONTALE 164 S.p.A.	100%	137	137
VOLPAK S.A.	100%	14,706	14,706
GROUP SERVICE S.r.l.	100%	29	29
LAETUS GMBH	100%	3,527	3,527
LAETUS MEXICO	100%	3	3
HAPA AG	100%	16,316	16,316
GD TEKNIK HIZMETLER	0.005%	0	0
NORDEN MACHINERY AB	100%	35,813	35,813
A & C S.p.A.	100%	120	120
4S ENGINEERING S.r.l.	80%	16	16
FLEXLINK HOLDING AB	100%	153,358	161,875
COESIA INDIA PRIVATE L.	7.4%	370	370
R.A. JONES & CO. INC.	100%	166,394	162,765
IPI S.r.l.	100%	37,216	0
TOTAL		**705,600**	**669,351**

The changes which took place with respect to the previous year are attributable to:

- the capital injection of €3,629 thousand (USD5 million) to R.A Jones & Co to acquire and concurrently merge Coesia Health & Beauty Inc., a US-based Coesia group company, with effect as from 1 January 2014;
- the acquisition of the wholly-owned subsidiary IPI S.r.l., the parent of IPI group, a global provider of integrated solutions for aseptic packaging of liquids in multi-layer carton for the food and beverage industry. The carrying amount of the investment in IPI S.r.l. includes €9,000, which will be paid in two equal instalments in 2014 and 2015, within one month of the approval of the financial statements by the same company's shareholders. This payable has been recognised under Other payables;
- the carrying amount of the investment in R.A. Jones & Co includes €10,000 thousand deposited in a bank account jointly held by the company and the seller to guarantee any damages that have been provided for by contract.50% of this amount was to be paid to the seller by 12 December 2013 and the remaining 50% by 12 June 2014 net of any damages provided for by contract. The first payment was not made as the seller was sent claims for damages, which are currently being determined;
- the recapitalisation of the subsidiary Acma S.p.A. (€13,363) to cover the net loss for the previous year and reconstitute share capital to €9,300 thousand and the write-down of impairment due to the net loss for 2013, totalling €5,379 thousand;
- Flexlink Holding AB refunded the reserve for future capital increase (€8,518 thousand) which was carried out at the time of acquisition.

Sirius Machinery AB changed its name to Norden Machinery AB following the reverse merger into the latter and Flexlink System AB merged into Flexlink Components AB, which is wholly owned by Flexlink Holding AB and which changed its name to Flexlink AB.

The information about each subsidiary required by article 2427.5 of the Italian Civil Code is provided in the list attached to these financial statements (Annex IV). Figures included in the annexes are taken from the financial statements at 31 December 2013 or draft financial statements at the same date, approved by the respective company bodies. The difference between the carrying amount of Acma S.p.A. and its measurement using the equity method is not considered as an impairment loss as it is substantially generated by the amortisation of goodwill of the subsidiary Tecnomeccanica S.r.l., whose results are expected to reabsorb such difference. It is also generated by the different treatment of research and development costs (expensed for the measurement using the equity method and capitalised in the financial statements of Tecnomeccanica S.r.l.).

The difference between the carrying amounts of Norden Machinery AB, Laetus GmbH, Hapa AG and R.A Jones & Co. and their respective net equities are not deemed impairment losses as they are mainly generated by the amortisation of goodwill, and also by translation differences for R.A Jones & Co.. These differences are nonetheless considered recoverable given the profit forecasts of Norden Machinery group, Laetus GmbH, Hapa AG and R.A Jones & Co..

Finally, the negative difference related to Coesia India Private Ltd. should not be considered an impairment loss considering the company's forecast profits.

Had investments in direct and indirect subsidiaries and associates included as fixed assets been measured using the equity method, in application of the requirements of article 2426.4 of the Italian Civil Code, the net profit for the year and net equity at 31 December 2013 would have been the same as the corresponding consolidated financial statements figures at that date, to which reference should be made for further details. The statement analysing changes in investments attached to these notes (Annex II), in accordance with article 10 of Law no. 72/83 indicates assets at year end which have been revalued in previous years under specific laws.

CURRENT ASSETS

RECEIVABLES

From subsidiaries

This caption includes receivables that are not classified as fixed assets relating to the recharging of services and service costs provided to direct and indirect subsidiaries, summarised in Annex V to these notes. The change on the previous year mainly relates to the translation difference and the subsidiary R.A Jones & Co. Inc.'s partial repayment (€12,954) of a loan amounting to an original amount of USD75 million (outstanding payable of €44,250 at 31 December 2013 and €56,844 at 31 December 2012). The loan granted in December 2012 at market rates provides for the half-year payment of interest and repayment of principal in a lump sum in December 2018, with the possibility of early repayment without penalties. Furthermore, this caption also mainly consists of receivables for the recharging of costs and services to the subsidiaries and, in particular, to G.D S.p.A., R.A Jones & Co Inc. and Acma S.p.A..

Receivables from the ultimate parent

The company has opted to apply, as a consolidated company, the national tax consolidation scheme pursuant to articles 117-129 of the Consolidated Direct Tax Act approved with Presidential decree no. 917 of 22 December 1986 resulting from the changes introduced by Legislative decree no. 344 of 12 December 2003 (Consolidated Income Tax Act) and following provisions. Therefore, this caption includes tax receivables of €5,580 thousand due from the consolidating entity IS.CO S.r.l..

Tax receivables

This caption includes a VAT receivable of €941 thousand.

Deferred tax assets

This caption relates to deferred tax assets of €509 thousand, calculated on unrealised exchange rate differences on foreign currency receivables and payables.

Receivables from others

This caption mainly includes advances to service providers.

Liquid funds

This caption is composed as follows (in thousands of Euros):

	Balance at	
	31/12/13	31/12/12
Bank and postal accounts	7,723	1,754
Cash-in-hand and cash equivalents	3	2
Total	7,726	1,756

The change in liquid funds is detailed in the annexed cash flow statement.

NET EQUITY

Changes in net equity, which consist of the allocation of the net profit for the previous year, are described in Annex III, while Annex VI details net equity captions pursuant to article 2427.7-bis of the Italian Civil Code. Pursuant to article 2427.18/19 of the Italian Civil Code, at 31 December 2013, the company had not issued any dividend-right shares, bonds convertible into shares or other financial instruments offering holders equity or participation rights.

SHARE CAPITAL

At 31 December 2013, fully subscribed and paid-up share capital consist of 125 million ordinary shares with a nominal value of €1 each.

RESERVES

The legal and extraordinary reserves increased due to the allocation of part of the net profit for 2012, as per the shareholders' resolution during their ordinary meeting of 23 April 2013.

In addition, dividends of €16 million were distributed, in accordance with the resolution passed by shareholders during the ordinary meeting on 29 October 2013.

PROVISIONS FOR RISKS AND CHARGES

This caption includes provisions for risks and charges set up in previous years against contingent liabilities.

The decrease in the year is due to the release of the €4,062 thousand accrual to the provision to cover losses of investees recognised in the previous year to cover the subsidiary Acma S.p.A.'s net loss for 2012, following injections on 18 and 19 April 2013.

EMPLOYEES' LEAVING ENTITLEMENT

Changes during the year are as follows (in thousands of Euros):

Balance at 31/12/12	93
Accrual for the year	120
Utilisation	(134)
Balance at 31/12/13	79

Following the pension reform introduced with effect from 1 July 2007, accruing employees' leaving entitlement is transferred to INPS (the Italian social security institution) pension funds, sector funds or authorised private funds depending on the employee's choice. However, employees' leaving entitlement already accrued when the employee made the decision remains with the company and is revalued annually.

PAYABLES

Bonds and payables to the ultimate parent

In accordance with the resolution taken on 14 April 2011 by the bondholders during their meeting and the shareholders during their extraordinary meeting, the repayment of the €100 million bond issue was postponed to 30 June 2018. The company has the right to redeem a portion or all of the outstanding bonds in advance once the eighteenth month and a day from issue have passed, following the resolution of the shareholders during an ordinary meeting. The parent Coesia S.p.A. may not exercise this option until the loans totalling €335 million obtained to finance the purchases of Flexlink group, R.A Jones & Co. and IPI S.r.l., described below in the note to bank loans and borrowings, have been repaid, pursuant to contractual undertakings. This bond, signed by the majority shareholder, accrues interest at an annual rate of 4.5% and interest is payable on 30 June of each year for the term of the issue beginning in 2007.

Shareholder loans

This caption refers to the company's 12-month loan from the ultimate parent Is.Co S.r.l., totalling €10,000 thousand. The ultimate parent granted these loans on 2 December 2013. Interest accrues quarterly at a market rate.

Bank loans and borrowings

These are detailed below:

Type	Due within one year	Due from one to five years	Due after five years	Balance at 31/12/13	Balance at 31/12/12
Loans	6,830	0	0	6,830	15,739
Financing	10,000	205,000	0	215,000	347,000
Committed revolving credit facilities	0	120,000	0	120,000	0
Total	16,830	325,000	0	341,830	362,739

(in thousands of Euros)

In July 2013, Coesia completed a partial debt restructuring process for credit lines and loans granted in 2012 by leading Italian banks to finance the acquisitions of Flexlink group, R.A Jones & Co. Inc. and, most recently, IPI S.r.l.. This process entailed the partial rescheduling of due dates, which were postponed to 2018.

Accordingly, at 31 December 2013, bank loans and borrowings due after one year amount to €325 million, €120 million of which due in October 2018 and €205 million in October 2015.

The loans falling due in October 2015 of €205 million provide for a 24-month grace period and half-yearly repayments. They were granted on 10 December 2012 at market rates to finance the acquisition of R.A Jones & Co Inc., along with the 18-month bullet loan of €10 million, classified in bank loans and borrowings due within one year.

Interest risk hedges have been agreed on these loans, as detailed in the note to the memorandum and contingency accounts.

The loans falling due in October 2018 of €120 million are committed revolving credit facilities with periodic repayment options defined when they are drawn down. They are granted at market rates. When repayment of the drawdown is due, the company has the power to renew the drawdown until October 2018.

Bank loans and borrowings due within one year amount to €17 million. This caption refers to the 18-month bullet loan described above (€10 million) and the outstanding amount (€7 million) of the loan agreed with Unicredit on 1 July 2009 to finance the acquisition of Norden group (formerly Sirius group, which was renamed after the merger described above in the note to Financial fixed assets). The loan falls due on 31 July 2014 and provides for quarterly repayments beginning on 31 October 2010 and the possibility of early repayment without penalties.

Such loans accrue interest at market rates and are subject to covenants based on the group's consolidated financial statements which have been respected at 31 December 2013.

Since 30 June 2013, the covenants will be checked by the banks on a half-yearly basis.

Trade payables

This caption decreased by €472 thousand on the previous year, due to the different timing of expense and payment orders.

Payables to subsidiaries

This caption includes payables to direct and indirect subsidiaries, which are summarised in “Annex V” to these notes and mainly relate to the recharging of costs and services received from the subsidiary G.D S.p.A. and loans from the subsidiary G.D S.p.A. (€72,662 million), the subsidiary Volpak (€6,500 thousand) and the indirect subsidiary Nuove Iniziative Industriali S.r.l. (€6,585 thousand), on which interest accrues at a market rate. Furthermore, as per the resolution of 10 December 2013, this caption includes the €3,629 thousand payable for the company's commitment with R.A Jones & Co. to perform a capital injection for a future capital increase, as described above.

Payables to the ultimate parent

This caption includes the payable to the ultimate parent IS.CO S.r.l. for a 12-month loan of €10 million granted in December 2013, and €16 thousand in interest on the same loan, which accrues at a market rate.

Tax payables

This caption is comprised as follows (in thousands of Euros):

	31/12/13	31/12/12
Withholdings on employees, freelancers and consultants	412	540
Total	412	540

The years from 2009 on are still open to inspection by the tax authorities for direct tax and VAT purposes. Company management does not believe that the years open to inspection will lead to any significant liabilities not recognised in the financial statements.

Social security charges payable

This caption mainly relates to payables due to social security institutions for contributions relating to December remuneration amounting to €68 thousand.

Other payables

This caption mainly includes payables for employee remuneration of €470 thousand and the residual payable of €9,000 thousand that Coesia S.p.A. owes for the acquisition of IPI S.r.l. totalling €9,000 thousand and due in two instalments of €4,500 thousand each within one month of the approval of the 2013 and 2014 financial statements by the subsidiary's shareholders, respectively, and, in any case, not after 30 June 2014 and 2015, respectively.

ACCRUED EXPENSES AND DEFERRED INCOME

This caption includes accrued interest expense of €2,250 thousand on the bond described above and accrued interest expense of €1 million on bank loans described above.

MEMORANDUM AND CONTINGENCY ACCOUNTS

This caption mainly consists of financial or trade guarantees given in favour of group companies, totalling €500 thousand.

Pursuant to article 2427-bis of the Italian Civil Code, at 31 December 2013, there are three interest rate swaps in place with Mediobanca, BNL and Unicredit, agreed on 21 December 2012 in relation to the acquisition of the subsidiary R.A Jones & Co. Inc.:

- Mediobanca: a swap with decreasing notional value, totalling €25,000 thousand at 31 December 2013, starting from 11 March 2013 and expiring on

26 October 2015. The swap provides for the quarterly payment/collection of the difference between the 3-month Euribor and fixed rate of 0.37%.

- BNL: a swap with decreasing notional value, totalling €70,000 thousand at 31 December 2013, starting from 11 March 2013 and expiring on 26 October 2015. The swap provides for the quarterly payment/collection of the difference between the 3-month Euribor and the fixed rate of 0.38%.
- Unicredit: a swap with decreasing notional value, totalling €55,000 thousand at 31 December 2013, starting from 10 June 2013 and expiring on 26 October 2015. The swap provides for the six-monthly payment/collection of the difference between the 6-month Euribor and the fixed rate of 0.5670%.

The fair value loss of these transactions at 31 December 2013 is approximately €168 thousand, which has not been recognised since they are hedges.

PROFIT AND LOSS ACCOUNT

PRODUCTION REVENUES

This caption mainly relates to the recharging of services and service costs on an arm’s length basis to the subsidiaries listed in “Annex V”.

PRODUCTION COST

This caption is mainly comprised of Services totalling €10,209 thousand (2012: €7,648 thousand), principally for directors’ fees (€1,896 thousand), statutory auditors’ fees (€110 thousand), consultancy services (€3,546 thousand), legal and notary fees (€186 thousand), management and control activities (€120 thousand), trade fairs (€66 thousand), employee travel expenses (€156 thousand), sundry insurance (€35 thousand), advertising (€141 thousand), entertainment (€108 thousand), travel (€41 thousand), services from providers (€18 thousand), bank expenses (€47 thousand) and freelancers' expenses

(€137 thousand). It also includes costs of €3,360 thousand to be recharged to the group companies as detailed in Annex V (other revenues), which also details service cost recharges relating to subsidiaries.

Personnel expenses

Personnel expenses are comprised as follows (in thousands of Euros):

	2013	**2012**
Wages and salaries	2,263	1,259
Social security contributions	398	276
Employees' leaving entitlement	120	94
Scholarships	21	0
Total	2,802	1,629

The changes recorded during the year in relation to the number of employees by category are shown below:

	31/12/13	31/12/12	Average
Management	5	4	5
White collars	4	4	4
Total	9	8	9

FINANCIAL INCOME AND CHARGES

INCOME FROM INVESTMENTS

This caption includes dividends approved and collected in the year from the subsidiaries G.D S.p.A. (€20 million), Volpak S.A. (€ 2.5 million), HAPA AG (€4.8 million) and Flexlink AB (€1.5 million).

OTHER FINANCIAL INCOME

This caption includes bank interest income (€5 thousand) and interest income on the loan granted to the subsidiary R.A Jones & Co. (€2,817 thousand).

INTEREST AND OTHER FINANCIAL CHARGES

This caption includes interest expense of €4,500 thousand on the bond, bank interest expense of €10,525 thousand on loans and credit facilities. Furthermore, this caption includes interest expense on loans from the subsidiary G.D S.p.A. (€1,116 thousand), the subsidiary Volpak S.A. (€40 thousand), the indirect subsidiary Nuove Iniziative Industriali S.r.l. (€91 thousand) and the ultimate parent IS.CO S.r.l. (€17 thousand).

EXCHANGE RATE GAINS AND LOSSES

This caption mainly comprises exchange rate losses on the loan in US dollars granted to the subsidiary R.A Jones & Co. following its measurement at the year-end exchange rate, as discussed above.

ADJUSTMENTS TO FINANCIAL ASSETS

WRITE-DOWNS OF INVESTMENTS

This caption includes the write-down of the carrying amount of Acma S.p.A. for impairment described in the note to financial fixed assets, equal to the net loss for 2013 of €5,379 thousand.

EXTRAORDINARY INCOME AND EXPENSE

EXTRAORDINARY EXPENSE

This caption mainly refers to the payment of €500 thousand for the MAST Foundation's endowment.

INCOME TAXES

This caption is comprised of income of €4,732 thousand arising from the adoption of the national tax consolidation scheme described earlier on and deferred tax income of €267 thousand. The difference between the pre-tax profit and tax loss for the year is mainly due to the fact that 95% of the dividends were not subject to taxation, to the write-downs of investments under the Italian “participation exemption” regime and to the non-deductible portion of unrealised exchange rate losses.

ANNEXES

These annexes are an integral part of these notes. Their purpose is to provide additional information.

The following information is included in these annexes:

- Statement of changes in intangible fixed assets at 31 December 2013 (Annex I);
- Statement of changes in financial fixed assets at 31 December 2013 (Annex II);
- Statement of changes in net equity at 31 December 2013, 2012 and 2011 (Annex III);
- List of investments in subsidiaries and associates at 31 December 2013 as per article 2427.5 of the Italian Civil Code (Annex IV);
- Summary of related party transactions at 31 December 2013 (Annex V);
- Detail of net equity captions in accordance with article 2427.7-bis of the Italian Civil Code at 31 December 2013 (Annex VI);
- Cash flow statement for the year ended 31 December 2013 (Annex VII).

These financial statements provide a true and fair view and are consistent with the accounting records.

Bologna, 23 June 2014

On behalf of the BOARD OF DIRECTORS:

Isabella Seragnoli

(signed on the original)

Annex I

STATEMENT OF CHANGES IN INTANGIBLE FIXED ASSETS
AT 31 DECEMBER 2013
(in thousands of Euros)

	Balance at 31 December 2012			Changes during the year			Balance at 31 December 2013		
	Historical cost	Accumulated amortisation	Carrying amount	Increase	Decrease	Amortisation	Historical cost	Accumulated amortisation	Carrying amount
Intangible fixed assets:									
Concessions, licences, trademarks and similar rights	29.5	(18.5)	11.0	321		(109.8)	350.5	(128.4)	222.1
Deferred charges	4,132	(850.4)	3,281.6	2,675		(1,633.3)	6,807	(2,483.6)	4,323.4
Assets under development				88.2		0.0	88.2	0.0	88.2
Total intangible fixed assets	4,161.5	(868.9)	3,292.6	3,084.2		(1,743.1)	7,245.7	(2,612.0)	4,633.7

STATEMENT OF CHANGES IN FINANCIAL FIXED ASSETS

AT 31 DECEMBER 2013

(in thousands of Euros)

	Balance at 31 December 2012							Balance at 31 December 2013				
	Historical cost	Write-downs	Revaluations as per Law no. 72/83	Balance	Increase	Decrease	Write-downs/ write-backs	Historical cost	Write-downs	Merger	Revaluations as per Law no. 72/83	Balance
Investments												
Subsidiaries measured at cost:												
G.D S.p.A.	243,966		1,378	245,344				243,966			1,378	245,344
ACMA S.p.A.	35,368	(35,368)		0	9,300		(5,379)	44,668	(40,747)			3,921
CIMA S.p.A.	22,000			22,000				22,000				22,000
GDM S.p.A.	7,123	(793)		6,330				7,123	(793)			6,330
MONTALE 164 S.p.A.	9,108	(8,971)		137				9,108	(8,971)			137
Volpak SA	14,706			14,706				14,706				14,706
Group Service S.r.l.	600	(571)		29				600	(571)			29
Laetus Italia S.r.l.	0			0				0				0
Laetus France Sarl	0			0				0				0
Laetus GmbH	3,527			3,527				3,527				3,527
Laetus Mexico S de RL	3			3				3				3
Hapa AG	16,316			16,316				16,316				16,316
GD Teknik Hizmetler ve Ticaret Ltd Sirketi	0			0				0				0
NORDEN MACHINERY AB (formerly Sirius Machinery AB)	35,813			35,813				35,813				35,813
A & C S.p.A.	120			120				120				120
4S Engineering S.p.A.	16			16				16				16
Flexlink Holding AB	161,876			161,876		(8,518)		153,358				153,358
Coesia India Private Limited	370			370				370				370
R.A JONES & CO	162,764			162,764	3,630			166,394				166,394
IPI S.r.l.					37,216			37,216				37,216
Total investments	**713,676**	**(45,703)**	**1,378**	**669,351**	**50,146**	**(8,518)**	**(5,379)**	**755,304**	**(51,082)**	**0**	**1,378**	**705,600**

Annex III

STATEMENT OF CHANGES IN NET EQUITY

AT 31 DECEMBER 2013, 2012 AND 2011

(in thousands of Euros)

			OTHER RESERVES						
	SHARE CAPITAL	LEGAL RESERVE	NEGATIVE GOODWILL	AS PER LAW NO. 904/77	EXTRAORDINARY RESERVE	CAPITAL INJECTION FOR FUTURE SHARE CAPITAL INCREASE	RETAINED EARNINGS (LOSSES CARRIED FORWARD)	NET PROFIT FOR THE YEAR	TOTAL NET EQUITY
Balance at 31 December 2010	125,000	10,687	0	0	68,524	0	0	14,787	218,998
Ordinary shareholders' meeting of 27 May 2011									
- legal reserve		739						(739)	
- extraordinary reserve					14,048			(14,048)	
Net profit for 2011								4,137	4,137
Balance at 31 December 2011	125,000	11,426	0	0	82,572	0	0	4,137	223,135
Ordinary shareholders' meeting of 24 April 2012									
- legal reserve		207						(207)	
- extraordinary reserve					3,930			(3,930)	
Net profit for 2012								5,486	5,486
Balance at 31 December 2012	125,000	11,633	0	0	86,502	0	0	5,486	228,621
Ordinary shareholders' meeting of 23 April 2013									
- legal reserve		274						(274)	
- extraordinary reserve					5,212			(5,212)	
Ordinary shareholders' meeting of 29 October 2013									
- distribution of dividends					(16,000)				(16,000)
Net profit for 2013								7,301	7,301
Balance at 31 December 2013	125,000	11,907	0	0	75,714	0	0	7,301	219,922

Annex IV

LIST OF INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

AT 31 DECEMBER 2013 (ARTICLE 2427.5 OF THE ITALIAN CIVIL CODE)

				NET EQUITY		NET PROFIT FOR THE YEAR					
COMPANY	% OF OWNERSHIP	REGISTERED OFFICE	SHARE/QUOTA CAPITAL	TOTAL AMOUNT	PROPORTIONATE AMOUNT	TOTAL AMOUNT	PROPORTIONATE AMOUNT	Measured using the equity method as per article 2426.4 of the Italian Civil Code	CARRYING AMOUNT	PROVISION TO COVER LOSSES	DIFFERENCE
								A	B	C	A - B - C
SUBSIDIARIES											
G.D S.p.A.	100.00%	Bologna	€4,000 thousand	414,211	414,211	93,953	93,953	468,606	245,344		223,262
ACMA S.p.A.	100.00%	Bologna	€9,300 thousand	3,921	3,921	(5,379)	(5,379)	(555)	3,921		(4,476)
CIMA S.p.A.	100.00%	Villanova (Bologna)	€4,810 thousand	19,632	19,632	189	189	22,004	22,000		4
GDM S.p.A.	100.00%	Bologna	€1,500 thousand	10,762	10,762	2,387	2,387	15,074	6,330		8,744
MONTALE 164 S.p.A.	100.00%	Piacenza	€1,800 thousand	141	141	8	8	134	137		4
VOLPAK S.A.	100.00%	Barcelona (Spain)	€9,200 thousand	34,812	34,812	7,985	7,985	34,812	14,706		20,106
GROUP SERVICE S.r.l.	100.00%	Bologna	€50 thousand	396	396	125	125	396	29		367
LAETUS GMBH	100.00%	Halsbach - Hahnlein (Germany)	€25 thousand	4,555	4,555	(1,885)	(1,885)	2,762	3,527		(765)
LAETUS MEXICO	100.00%	Mexico City (Mexico)	MXN322,500	693	693	(127)	(127)	693	3		690
HAPA AG	100.00%	Volketswill (Switzerland)	CHF1,000,000	8,494	8,494	3,094	3,094	11,140	16,316		(5,176)
NORDEN MACHINERY AB (formerly Sirius Machinery AB)	100.00%	Stockholm (Sweden)	SEK112,000	23,539	23,539	5,065	5,065	32,181	35,813		(3,632)
GD Teknik Hizmetler ve Ticaret Ltd	0.01%	Izmir (Turkey)	TRY500,000	3,260	0	396	0	0	0		0
A & C S.p.A.	100.00%	Bologna	€120 thousand	274	274	(14)	(14)	274	120		154
4S Engineering S.p.A.	80.00%	Bologna	€20 thousand	25	20	5	4	20	16		4
Flexlink Holding AB	100.00%	Goteborg (Sweden)	SEK3,285,000	147,631	147,631	9,493	9,493	171,971	153,358		18,613
Coesia India Private Limited	7.40%	Pune (India)	INR521,291	(398)	(29)	180	13	(29)	370		(399)
R.A JONES & CO	100.00%	Davenport (USA)	USD10	163,905	163,905	7,202	7,202	144,536	166,394		(21,858)
IPI S.r.l.	100.00%	Perugia (PG)	€13,000 thousand	14,381	14,381	(4,115)	(4,115)	37,216	37,216		0
TOTAL SUBSIDIARIES				850,234	847,338	118,562	117,998	904,025	705,600	0	235,641

Annex V

SUMMARY OF RELATED PARTY TRANSACTIONS
AT 31 DECEMBER 2013
(in thousands of Euros)

	BALANCE SHEET				**PROFIT AND LOSS ACCOUNT**					
	RECEIVABLES FOR DIVIDENDS	RECEIVABLES FROM OTHERS	TOTAL RECEIVABLES	PAYABLES	SERVICES	USE OF THIRD-PARTY ASSETS	FINANCIAL EXPENSE	DIVIDENDS	OTHER REVENUES AND INCOME	FINANCIAL INCOME
Ultimate parent										
IS.CO S.r.l.		5,580	5,580	10,017			17			
Direct subsidiaries										
G.D S.p.A.		2,635	2,635	74,838	1,036	23	1,116	20,000	2,734	
ACMA S.p.A.			0							
CIMA S.p.A.		76	76						78	
ACMA S.p.A.		1,747	1,747	35	33				1,213	
GDM S.p.A.		374	374	5	5				366	
VOLPAK SA		342	342	6,543	3		40	2,500	368	
HAPA AG		149	149					4,870	166	
LAETUS GMBH		78	78						81	
R.A JONES & CO		46,483	46,483	3,632					1,283	2,817
FLEXLINK HOLDING AB		747	747					1,454	1,120	
Montale 164 S.p.A.									2	
Norden Machinery AB		390	390	14					383	
IPI S.r.l.		772	772						632	
A & C S.p.A.									2	
Group Service S.r.l.									6	
4S ENGINEERING S.r.l.		3	3						27	
COESIA INDIA PRIVATE LIMITED		4	4						1	
Indirect subsidiaries										
G.D Industrie S.r.l.									2	
Nova Prefabbricati S.r.l.									2	
Nuove Iniziative Industriali				6,656			91		2	
CITUS KALIX		121	121						121	
ADMV S.A		40	40						37	
Lesina Autonoleggio S.r.l.				2	8				3	
SASIB S.p.A.		86	86	1	1				88	
SACMO SA		82	82						83	
Co.me.sca S.r.l.									12	
Flexlink Systems PTE LTD - Singapore				10	17					
Flexlink Systems S.p.A.				1	1					
COESIA Health & Beauty									7	
CTAI KIDS									3	
G.D. UK		41	41						40	
LAETU ITALY S.r.l.				1	1					
Laetus France SCARL		97	97							
GD USA		85	85						69	
G.D Japan									1	
G.D Do Brasil		33	33						4	
			0							
			0							
			0							
			0							
TOTAL SUBSIDIARIES	**0**	**59,965**	**59,965**	**101,755**	**1,105**	**23**	**1,264**	**28,824**	**8,936**	**2,817**

Annex VI

DETAIL OF NET EQUITY CAPTIONS IN ACCORDANCE WITH ARTICLE 2427.7-bis OF THE ITALIAN CIVIL CODE

AT 31 DECEMBER 2013 (in thousands of Euros)

NATURE	AMOUNT	POSSIBILITY OF USE	PORTION AVAILABLE FOR DISTRIBUTION	PORTION TAXABLE ON DISTRIBUTION
SHARE CAPITAL	125,000	B		0
Equity-related reserves:				
Reserve for own shares				
Reserve for shares or quotas of the ultimate parent				
Share premium reserve				
Reserve for conversion of bonds				
Capital injection for future share capital increase				
Income-related reserves:				
Legal reserve	11,907	B		0
Reserve for own shares				
Translation reserve				
Extraordinary reserve	75,715	A, B, C	75,715	0
Reserve as per waiver under article 2423.4				
Retained earnings (losses carried forward)				0
TOTAL			**75,715**	
available portion			**75,715**	**0**

Key:

A: For share capital increase **B**: To cover losses **C**: For dividend distribution

Annex VII

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013
(in thousands of Euros)

	2013	2012
OPENING NET FINANCIAL POSITION (DEBT)	(27,158)	42,402
CASH FLOWS GENERATED BY (USED IN) OPERATING ACTIVITIES		
Net profit for the year	7,300	5,486
Amortisation of intangible fixed assets	1,743	759
Employees' leaving entitlement:		
-accrual for the year	120	94
-payments	(135)	(80)
Change in other provisions for risks and charges	(4,062)	4,062
Write-downs of investments	5,379	9,300
Change in receivables	5,115	(60,932)
Change in payables	71,648	39,486
Net change in prepayments and accrued income and accrued expenses and deferred income	488	426
	87,597	(19,999)
CASH FLOWS USED IN INVESTING ACTIVITIES		
Investments in intangible fixed assets, net of decreases	(3,084)	(3,714)
	(3,084)	(3,714)
CASH FLOWS GENERATED BY (USED IN) FINANCING ACTIVITIES		
Change in and loans and borrowings from other financial backers and bank loans and borrowings		
due after one year	(8,826)	267,961
Change in financial fixed assets	(41,633)	(323,108)
	(50,459)	(45,847)
CASH FLOWS GENERATED (USED) DURING THE YEAR	34,054	(69,560)
Distribution of dividends	(16,000)	0
CLOSING NET FINANCIAL DEBT	(9,104)	(27,158)