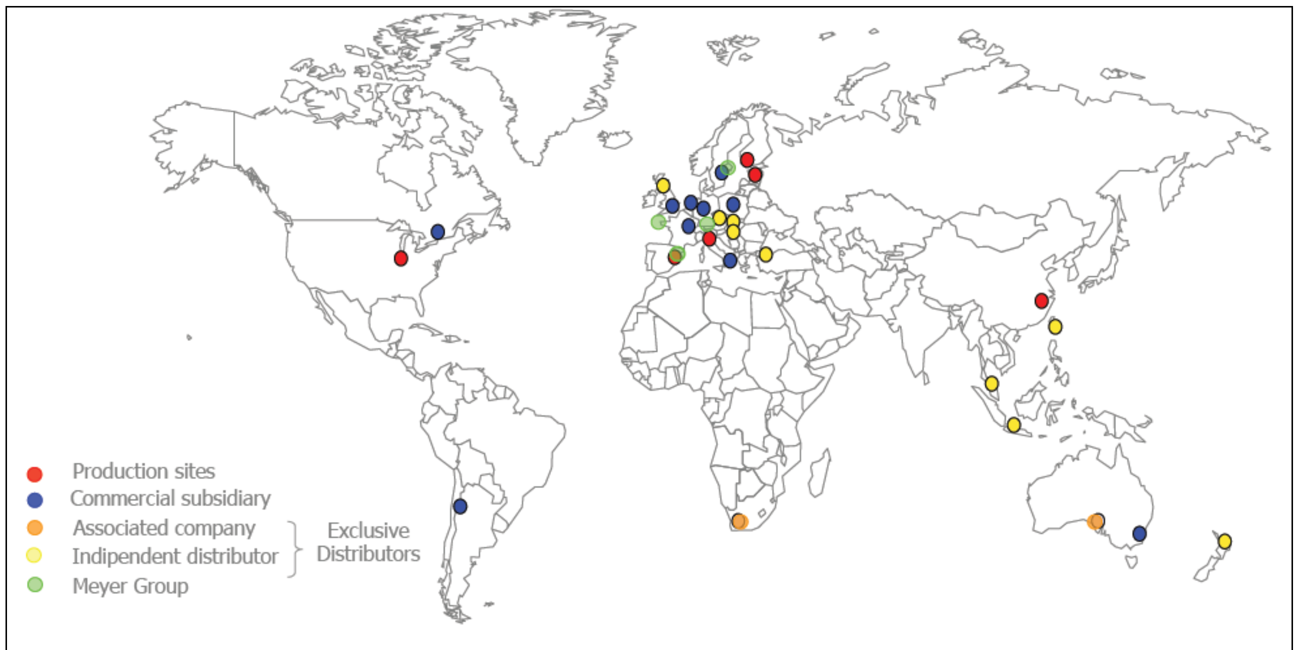
Group's activity

Since the early 1950s the Company has been active in the design, production and distribution of lift truck attachments and industrial material handling equipment.

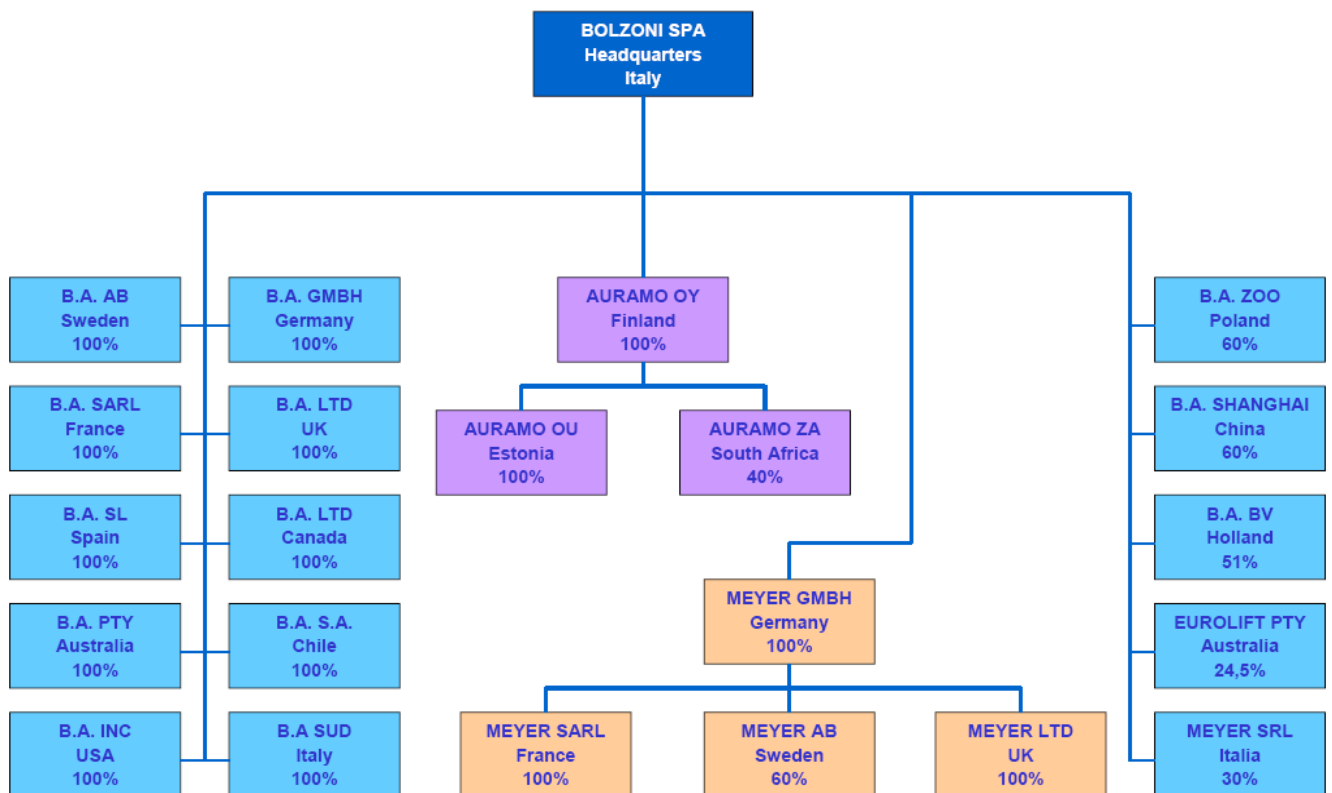
Today Bolzoni is present in over forty countries worldwide. Its products hold the leading position in the European market for lift truck attachments and it is the second largest manufacturer worldwide in this sector.

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



Group Structure

Bolzoni S.p.A. directly or indirectly controls 19 companies, all included in the Group's consolidating area, and located in various countries worldwide. Seven of these companies (including the Parent) are production plants situated in Italy, Germany, Finland, U.S.A., Estonia, Spain and China whereas thirteen companies have exclusively commercial and distribution activities, with the purpose of directly serving the principal logistics and material handling markets all over the world.



Thanks to its subsidiaries and associated companies, the Group is present in a number of countries representing all together 80% of the specific world market.

The benchmark market and competitors

According to the research commissioned to Bain Company in 2006, the fork lift truck attachment is a highly concentrated market, 90% of it is covered by three manufacturers (Cascade, Bolzoni and Kaup).

With reference to the fork lift truck attachment market as a whole, Bolzoni (with approximately 40% of the market) holds the leading position in the European Market followed by the Cascade Corporation, a US company with production plants also in Europe (with a market share of about 28%) whereas on a worldwide level it occupies the second position (with a market share of about 25%) preceded by the Cascade Corporation (occupying approximately 50%).

The third position both in Europe and worldwide is held by Kaup (a German manufacturer)

Bolzoni holds the leading position worldwide with regards to the production of integral side shifters, supplied directly to the manufacturers of fork lift trucks (with a market share of around 81%).

During the last three years there have been no significant facts considerably modifying the structure of the market described above.

Market share

During the year under examination our Group has recorded a 3.1% drop in turnover, in a market where, according to the indicators derived from the sales of forklift trucks worldwide, the decrease in Western Europe was 12.4% and 20.5% in USA.
Despite the fact that it is negative, the figure is representative of the solidity of our market presence even, an above all, when the market is experiencing a downturn.

Success factors

The factors behind the Group's success can be summed up in the following 7 points:

- Presence worldwide
- Leadership in the European attachment market
- World leadership in integral side shifters
- Positive effects of globalisation in logistic markets (benchmark market)
- Ample and consolidated customer portfolio
- Strongly defended sales and distribution network
- Excellence and quality of products and production procedures

Human resources

Number of employees
The following table shows the overall number of people employed in the Group companies on 31 December 2008, 2007 and 2006, divided according to the main categories and with a distinction between Italy and abroad.

Category	31.12.2008			31.12.2007			31.12.2006		
	Italy	Abroad	Total	Italy	Abroad	Total	Italy	Abroad	Total
Executives	5	29	34	6	27	33	7	27	34
First line managers	5	-	5	5	-	5	5	-	5
White collar	97	231	328	101	232	333	95	229	324
Blue collar	164	238	402	159	224	383	146	232	378
Total	**271**	**498**	**769**	**271**	**483**	**754**	**253**	**488**	**741**

Report on the consolidated financial statement for the year ended 31.12.2008

For easier reading, unless otherwise specified, figures are indicated in thousands of euros.

Definition of alternative performance indicators

As per CONSOB's Release n° DEM/6064293 dated 28 July 2007, below we have defined the alternative performance indicators employed to illustrate the Group's equity, financial and economic trend.

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

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

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

Net financial position: represents the algebraic sum of cash in hand and equivalent, current and non current financial receivables and payables. It should be noted that the Net Financial Position is calculated as per Consob Resolution n. DEM/6064313 on 28 July 2006.

Ebitda and Ebit

Ebitda corresponds to the Gross Operating Result as defined above.
Ebit coincides with the Operating Result.

Performance indicators

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

Profitability indexes			
		31/12/2008	**31/12/2007**
ROE	*Return on equity*	7.43%	15.90%
ROI	*Return on investment*	12.83%	18.01%

ROE *(Return on Equity)*: calculated as the ratio between net result and shareholder's equity. It expresses the profitability of the investment in the company's capital compared to investments of other nature, or rather whether or not the investment in the Group is convenient.

ROI: this is calculated as the ratio between the operating result (Ebit) and the invested capital (net of investments in non-characteristic activities which is not the case for the Bolzoni Group). It indicates the company's ability to generate profits through activities related to its business.

Liquidity indexes			
		31/12/2008	**31/12/2007**
DI	*Availability index or quick ratio*	1.34	1.33
LS	*Liquidity index or current ratio*	0.84	0.78

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

***LS*:** calculated as the ratio between current assets without inventory and current liabilities; it is used to assess the security of a company from the financial standpoint.

Indexes of financial solidity			
		31/12/2008	31/12/2007
CI	*Index of self-coverage of fixed assets*	0.45	0.40
LEV	*Index of debt level*	1.56	1.59
IN	*Indebtedness ratio*	0.56	0.59

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

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

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

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

Principal risks and uncertainties

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

Risks connected to general economic context and to that of the sector
The crisis, which is absolutely exceptional with regards to dimension and speed of diffusion, has progressively deteriorated the international financial and economic situation in 2008 and represents a risk element for the Group. The Company's tendency to invest has in fact been greatly affected by the marked and sudden deterioration of the context of reference. These difficulties have been made even worse by a financial context characterized by growing uncertainty and rigidity which considerably limit operating possibilities.

Financial risks
The current period of crisis risks limiting the cash flows generated by companies and their resulting self-funding capacities and may produce growing difficulties in the pursuance of a normal and orderly operations in the financial market.
The Group's Financial Management attends to the procurement of sources of funding and to the management of interest rates, exchange rates and counterpart risks,towards all the companies included in the consolidation area. The Group uses derivative financial instruments to reduce risks deriving from fluctuations in interest rates and exchange rates in relation to the nature of the debt and to the international activity. A close examination of this type of risk is to be found in the explanatory notes, point 34.

Legal risks
An updated on the principal disputes in progress is contained in the specific sections of this report with further details in the explanatory notes.
The estimates and the evaluations used derive from available information and are in any case subject to systematic revisions and any changes are immediately accounted for in the financial statement.

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

Comments to the Group's main results
The following tables contain the management results.

Consolidated	31.12.2008	31.12.2007	Variation %
Revenue	141.123	145.638	- 3.1%
Ebitda	14.385	17.839	- 19.4%
Ebit	8.906	12.571	- 29.2%
Profit before tax	6.087	10.042	- 39.4%
Result for the period	3.104	6.722	- 53.8%

Revenue
Revenue for the entire financial year dropped by 3.1% and by 12.2% for the quarter compared to the same period last year.

Trends in the benchmark market
According to statistics issued by the association of forklift truck manufacturers, the market we use as our benchmark recorded the following variations during the year 2008 , compared to the year 2007:

- Western Europe - 12.4%
- Eastern Europe - 3.7%
- North America - 20.5%
- China + 4.6 %
- World + 9.6%.

The figures for the year give the picture of a general downturn in Europe and in the world as a whole but with restrained percentages.
It should however be noted that the downturn has occurred entirely during the last quarter.
At the end of September, in fact, the trend was still positive but during the last quarter the following variations were recorded

- Western Europe - 32.0%
- Eastern Europe - 54.4%
- North America - 37.6%
- China - 27.9%
- World - 37.5%.

These figures clearly show that the market slump is a global and rather evenly distributed. Even the figures of the main European countries indicate a basically standard downtrend.

Market share
Despite the lower turnover both for the entire financial year and the fourth quarter, the percentage drop is clearly less than the market trend.
It is therefore reasonable to believe that our Group will maintain its position on the markets, with a probable further increase in market share.

Currency aspects
The exact exchange rate of the US dollar against the euro, which was 1.47 at 31.12.2007, climbed to 1.39 at 31.12.2008 with an average exchange rate of 1.47.
The pound sterling exchange rate which was 0.68 euros at 31.12.2007 dropped to 0.95 euros at 31.12.2008.
So it is the exchange rate of the pound which has mainly affected the results of the fourth quarter which presents a negative exchange rate result despite hedging operations.

EBITDA

During the two periods under examination Ebitda followed the trend below:

	31.12.
% Ebitda on 2007 turnover	12.26%
% Ebitda on 2008 turnover	10.19%

The drop in Ebitda depends greatly on the lower turnover and, only partly, on the cost of raw material which only began to drop in the last part of the year.

Result before tax and result for the period

The drop in result before tax which passed from 10.042 thousand euros to 6.087 thousand euros and in the result for the period which passed from 6.722 thousand euros to 3.104 thousand euros is the logical consequence of the decrease in Ebitda and the currency effect.

Reconciliation of period's result and net equity between Group and Parent

	Net equity	Net result
Parent's financial statement	39,035	3,943
Elimination of profits on intercompany inventory (net tax effect)	(1,143)	121
Net equity and Result of Consolidated Companies	3,353	1,651
Foreign currency exchange reserve	(1,040)	-
Deferred tax assets on fiscal losses carried forward by consolidated companies	255	(269)
Other adjustments	4,101	(1,683)
GROUP'S PORTION OF CONSOLIDATED FINANCIAL STATEMENT	**44,561**	**3,313**
Net Equity and Minority Result	(804)	(209)
CONSOLIDATED FINANCIAL STATEMENT	**43,757**	**3,104**

Economic highlights of the group companies (in euros)

	Turnover		EBITDA		Net profit	
	2007	2008	2007	2008	2007	2008
Bolzoni S.p.A.	78,195	73,737	9,123	7,161	4,904	3,486
Auramo Finland	17,680	17,710	2,381	2,040	1,185	703
Bolzoni Auramo Sweden	3,842	4,029	371	413	229	310
Bolzoni Auramo Holland	2,430	2,526	236	165	169	129
Bolzoni Auramo Germany	8,221	8,541	222	319	52	111
Bolzoni Auramo UK	4,219	6,349	45	348	(35)	275
Bolzoni Auramo Australia	1,476	1,764	(120)	(130)	(169)	(406)
Bolzoni Auramo Chile	45	-	(60)	1	(64)	1
Bolzoni Auramo France	9,144	9,029	1,027	776	667	507
Bolzoni Auramo Spain	12,301	9,107	484	(124)	124	(462)
Bolzoni Auramo Italy (Bari)	1,828	1,825	95	45	46	8
Bolzoni Auramo USA	11,589	10,514	153	(96)	(440)	(360)
Bolzoni Auramo Canada	2,161	1,591	227	48	197	(58)
Bolzoni Auramo Poland	1,325	1,744	101	182	78	73
Bolzoni Auramo Shanghai China	2,231	2,167	317	264	340	290
Meyer Group	31,823	32,421	2,787	2,788	914	530
CONSOLIDATED	**145,638**	**141,123**	**17,839**	**14,385**	**6,972**	**3,313**

Depreciation for the period 2008

The company financial report as at 31.12.2008 for Bolzoni S.p.A. includes depreciation for 2.644 thousand euros (2.220 thousand euros in 2007) whereas the consolidated financial report as at 31.12.2008 includes depreciation for 5.287 thousand euros (4.890 thousand euros in 2007).

Investments during period 2008

Investments 2008	Tangible	Intangible	Total Euro
Bolzoni S.p.A.	1,429	824	2,253
Auramo Finland	405	628	1,033
Bolzoni Auramo Sweden	103	-	103
Bolzoni Auramo Holland	-	-	-
Bolzoni Auramo Germany	18	5	23
Bolzoni Auramo UK	75	-	75
Bolzoni Auramo Australia	36	-	36
Bolzoni Auramo Chile	-	-	-
Bolzoni Auramo France	38	3	41
Bolzoni Auramo Spain	629	31	660
Bolzoni Auramo Italy (Bari)	45	-	45
Bolzoni Auramo USA	124	-	124
Bolzoni Auramo Canada	56	-	56
Bolzoni Auramo Poland	6	-	6
Bolzoni Auramo Shanghai China	64	-	64
Meyer Group	1,990	185	2,175
TOTAL	**5,018**	**1,676**	**6,694**

The investments in tangible fixed assets made by the Parent and by Meyer are related to the purchase of machine tools and equipment required to maintain the continuing modern level necessary to increase productivity and efficiency.
The investments in intangible fixed assets made by Bolzoni S.p.A., by Auramo Finland and by Meyer mainly refer to the capitalization of development costs for new technical solutions on existing products and to the development of the new ERP software 'SAP' adopted by the parent and operational in January 2008.

Research and development

During the year 2008 the Company continued its activity in research and development and in particular directed its efforts towards the following projects considered to be especially innovative:

1. Development of fork production technology also through the introduction of a new immersion painting installation with an integrated shot-blasting machine and of a new welding line.
2. Research and development of new products; FEM2/FEM3/FEM4 rotators, fork positioner for USA, push-pull, integral side shifter, integral positioner.
3. Project for optimizing production management through the introduction of an innovative ERP system.

These activities are all carried out in the plant located in Podenzano (PC) via I° Maggio 103.

Inventory at 31.12.2008

As indicated by the figures below, during the year some important results have been obtained with regards to inventory reduction.
It should be noted that this effect has been particularly recorded in the last quarter also thanks to the full functioning of SAP, the new ERP software

	31.12.2008	31.12.2007
Bolzoni S.p.A.	7,810	10,922
Auramo Finland	2,540	2,396
Bolzoni Auramo Sweden	266	279
Bolzoni Auramo Holland	188	220
Bolzoni Auramo Germany	986	1,093
Bolzoni Auramo UK	415	524
Bolzoni Auramo Australia	743	650
Bolzoni Auramo Chile	13	15
Bolzoni Auramo France	259	280
Bolzoni Auramo Spain	1,118	1,327
Bolzoni Auramo Italy (Bari)	82	121
Bolzoni Auramo USA	2,485	3,757
Bolzoni Auramo Canada	344	438
Bolzoni Auramo Poland	148	194
Bolzoni Auramo Shanghai China	1,424	968
Meyer Group	3,311	4,687
CONSOLIDATED	**20,495**	**25,776**

Net Financial Position of Bolzoni S.p.A. and the Group

Net financial position of the Parent	31.12.2008	31.12.2007	Variation
A. Cash on hand	10	11	(1)
B. Current bank accounts	1,602	990	612
- *of which related to Intesa Sanpaolo*	*749*	*437*	*312*
D. LIQUIDITY	**1,612**	**1,001**	**611**
F. Current bank debts	(4,090)	(1,434)	(2,656)
- *of which related to Intesa Sanpaolo*	*(1,000)*	*(534)*	*(466)*
G. Current part of non-current indebtedness	(5,880)	(4,651)	(1,229)
- *of which related to Intesa Sanpaolo*	*(3,135)*	*(2,465)*	*(670)*
I. CURRENT FINANCIAL INDEBTEDNESS	**(9,970)**	**(6,085)**	**(3,885)**
J. CURRENT NET FINANCIAL POSITION	**(8,358)**	**(5,084)**	**(3,274)**
N. NON-CURRENT NET FINANCIAL POSITION	**(10,407)**	**(13,340)**	**2,933**
- *of which related to Intesa Sanpaolo*	*(4,902)*	*(6,537)*	*1,635*
O. NET FINANCIAL POSITION	**(18,765)**	**(18,424)**	**(341)**
- of which related to Intesa Sanpaolo	***(8,288)***	***(9,099)***	***811***

Consolidated net financial position	31.12.2008	31.12.2007	Variation
A. Cash on hand	21	19	2
B. Liquid funds - *of which related to Intesa Sanpaolo*	5,019 *749*	3,041 *467*	1,978 *282*
D. LIQUIDITY	**5,040**	**3,060**	**1,980**
F. Current bank debts - *of which related to Intesa Sanpaolo*	(12,184) *(3,423)*	(9,716) *(2,984)*	(2,468) *(439)*
G. Current part of non-current indebtedness - *of which related to Intesa Sanpaolo*	(5,880) *(3,135)*	(4,651) *(2,465)*	(1,229) *(670)*
I. CURRENT FINANCIAL INDEBTEDNESS	**(18,064)**	**(14,367)**	**(3.697)**
J. CURRENT NET FINANCIAL POSITION	**(13,024)**	**(11,307)**	**(1,717)**
Financial assets held until maturity	59	60	(1)
K. NON-CURRENT FINANCIAL DEBTS - *of which related to Intesa Sanpaolo*	(11,914) *(4,902)*	(14,689) *(6,537)*	2,775 *1,635*
N. NON-CURRENT NET FINANCIAL POSITION	**(11,855)**	**(14,629)**	**2,774**
NET FINANCIAL POSITION (NET FINANCIAL INDEBTEDNESS)	**(24,879)**	**(25,936)**	**1,057**
- of which related to Intesa Sanpaolo	***(10,711)***	***(11,519)***	***808***

Consolidated net financial position has decreased from 25.936 thousand euros at 31.12.2007 to 24.879 thousand euros at 31.12.2008, mainly due to inventory reduction mentioned previously.
For information on funding please refer to the specific explanatory notes of the company and consolidated financial reports.

Net Equity of the group companies

	Net Equity	
	2008	2007
Bolzoni S.p.A.	39,035	38,261
Auramo OY Finland	9,633	9,838
Bolzoni Auramo Sweden	786	801
Bolzoni Auramo Holland	343	214
Bolzoni Auramo Germany	734	623
Bolzoni Auramo UK	260	40
Bolzoni Auramo Australia	(453)	(126)
Bolzoni Auramo Chile	(42)	(33)
Bolzoni Auramo France	1,949	2,043
Bolzoni Auramo Spain	781	1,237
Bolzoni Auramo Italy (Bari)	51	86
Bolzoni Auramo USA	3,292	3,746
Bolzoni Auramo Canada	357	482
Bolzoni Auramo Poland	188	203
Bolzoni Auramo Shanghai China	1,404	964
Meyer Group	8,209	7,660
CONSOLIDATED	**44,684**	**43,865**

Transactions with related parties

The following tables contain figures on turnover between parent Bolzoni S.p.A. and the other Group companies:

Bolzoni SpA turnover to subsidiaries	Products	Interest	Total in euro
Auramo OY Finland	569	-	569
Bolzoni Auramo Sweden	686	-	686
Bolzoni Auramo Holland	643	1	644
Bolzoni Auramo Germany	2,127	-	2,127
Bolzoni Auramo UK	2,766	10	2,776
Bolzoni Auramo Australia	465	18	483
Bolzoni Auramo Chile	-	-	-
Bolzoni Auramo France	4,414	-	4,414
Bolzoni Auramo Spain	3,504	-	3,504
Bolzoni Auramo Italy (Bari)	944	-	944
Bolzoni Auramo USA	5,041	-	5,041
Bolzoni Auramo Canada	250	15	265
Bolzoni Auramo Poland	443	-	443
Bolzoni Auramo Shanghai China	1,001	-	1,001
Hans H Meyer GmbH	416	-	416
TOTAL	**23,269**	**44**	**23,313**

Bolzoni SpA turnover to associates	Products	Interest	Total in euro
Auramo South Africa	505	-	505
Meyer Italia Srl	133	12	145
Eurolift Australia	633	-	633
TOTAL	**1,271**	**12**	**1,283**

Consolidated turnover to associates	Products	Interest	Total in euro
Auramo South Africa	1,145	-	1,145
Meyer Italia Srl	789	12	801
Eurolift Australia	633	-	633
TOTAL	**2,567**	**12**	**2,579**

Turnover of subsidiaries to Bolzoni SpA:	Products	Interest	Total in euro
Auramo OY Finland	1,285	208	1,493
Bolzoni Auramo Sweden	2	7	9
Bolzoni Auramo Holland	55	-	55
Bolzoni Auramo Germany	28	-	28
Bolzoni Auramo UK	16	-	16
Bolzoni Auramo Australia	-	-	-
Bolzoni Auramo Chile	-	-	-
Bolzoni Auramo France	135	12	147
Bolzoni Auramo Spain	2,700	-	2,700
Bolzoni Auramo Italy (Bari)	44	-	44
Bolzoni Auramo USA	17	-	17
Bolzoni Auramo Canada	8	-	8
Bolzoni Auramo Poland	2	-	2
Bolzoni Auramo Shanghai China	35	-	35
Hans H Meyer GmbH	36	-	36
TOTAL	**4,363**	**227**	**4,590**

The following tables provide information on the payables and receivables between parent Bolzoni S.p.A. and all the group companies:

Bolzoni SpA receivables with subsidiaries:	Trade	Financial	Total in euro
Auramo OY Finland	107	-	107
Bolzoni Auramo Sweden	55	-	55
Bolzoni Auramo Holland	154	-	154
Bolzoni Auramo Germany	310	-	310
Bolzoni Auramo UK	1,162	-	1,162
Bolzoni Auramo Australia	604	400	1,004
Bolzoni Auramo Chile	36	100	136
Bolzoni Auramo France	905	-	905
Bolzoni Auramo Spain	1,342	-	1,342
Bolzoni Auramo Italy (Bari)	386	-	386
Bolzoni Auramo USA	2,467	-	2,467
Bolzoni Auramo Canada	100	350	450
Bolzoni Auramo Poland	176	-	176
Bolzoni Auramo Shanghai China	1,011	-	1,011
Hans H. Meyer GmbH	27	-	27
TOTAL	**8,842**	**850**	**9,692**

Bolzoni SpA payables with subsidiaries:	Trade	Financial	Total in euro
Auramo OY Finland	329	3,500	3,829
Bolzoni Auramo Sweden	3	200	203
Bolzoni Auramo Holland	14	-	14
Bolzoni Auramo Germany	9	-	9
Bolzoni Auramo UK	4	-	4
Bolzoni Auramo Australia	19	-	19
Bolzoni Auramo Chile	2	-	2
Bolzoni Auramo France	28	100	128
Bolzoni Auramo Spain	784	-	784
Bolzoni Auramo Italy (Bari)	18	-	18
Bolzoni Auramo USA	5	-	5
Bolzoni Auramo Canada	2	-	2
Bolzoni Auramo Poland	-	-	-
Bolzoni Auramo Shanghai China	33	-	33
Hans H Meyer GmbH	11	-	11
TOTAL	**1,261**	**3,800**	**5,061**

Payables with shareholders – Intesa-Sanpaolo Group	Bolzoni SpA	Consolidated
Medium term	4,902	4,902
Short term	3,386	5,809
TOTAL	**8,288**	**10,711**

Receivables with associated companies	Bolzoni SpA	Consolidated
Eurolift Australia	182	182
Auramo South Africa	65	306
Meyer Italia S.r.l.	162	615
TOTAL	**409**	**1,103**

Transactions with Group companies and correlated parties (associated companies and Intesa-Sanpaolo) were performed at normal market conditions.

CONSOLIDATED INCOME STATEMENT AT 31.12.2008

STATEMENT OF INCOME *(thousands of euros)*	**31.12.2008**	**31.12.2007**	**Variation % 2008 vs 2007**
Net sales	141,123	145,638	- 3.10%
Other income	1,477	1,541	- 4.15%
Total revenues	**142,600**	**147,179**	**- 3.11%**
Cost of raw material and purchased goods	(57,990)	(57,755)	0.41%
Cost of services	(31,982)	(34,756)	- 7.98%
Labour costs	(37,246)	(35,859)	3.87%
Other operating expenses	(942)	(1,092)	- 13.74%
Share of profit of associates accounted for under equity method	(55)	122	N.R.
EBITDA	**14,385**	**17,839**	**- 19.36%**
Depreciation and amortisation	(5,287)	(4,890)	8.12%
Accruals and impairment losses	(192)	(378)	- 49.21%
EBIT	**8,906**	**12,571**	**- 29.15%**
Financial expenses	(2,200)	(1,969)	11.73%
Financial income	233	256	- 8.98%
Gains or losses from foreign currency translation	(852)	(816)	4.41%
Result before tax	**6,087**	**10,042**	**- 39.38%**
Income tax	(2,774)	(3,070)	- 9.64%
Result of the period	**3,313**	**6,972**	**- 52.48%**

Breakdown of revenue according to geographic areas

The following tables provide figures on income and information on some of the activities related to the Group's geographic areas for the financial years ended 31 December 2008 and 2007.

2008	Europe	North America	Others	Total
Revenues	116,428	11,837	12,858	141,123

2007	Europe	North America	Others	Total
Revenues	120,309	12,398	12,931	145,638

It should also be noted that the trend in revenue does not follow any particular seasonal pattern. secured by comfort letters given by Parent.

Events after the balance sheet date

It is important to note that the market is still on a downward trend.

This tendency has however had an important positive effect on steel prices and consequently on all the costs of components for our products.

During the last quarter of 2008 and the first months of 2009 all the necessary measures were taken in order to adjust both variable and fixed costs to the market trend.

Absence of control and coordination activity

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

Relations with Bolzoni S.p.A. are limited to normal exercise of administrative and equity rights of the parent, typical of its shareholder status.

Corporate Governance

Preliminary remarks

In compliance with mandatory requirements, each year a Report on Corporate Governance is drawn up which, in addition to providing a general description of the corporate governance system adopted by the Group, also gives information on the ownership and on the compliance to the corporate governance code and resulting obligations. The above-mentioned Report, available for consultation in the Investor Relator-Corporate Governance section of the web-site www.bolzoni-auramo.com, is made up of 6 sections.

Below is a brief description of the most important aspects for the purposes of the present Management report.

Management and Coordination activity

The Parent is not subject to management and coordination activity by companies or bodies and establishes its general and operational strategic orientations in full autonomy. Within the Group the Company's role is to coordinate and manage.

Board of Directors

In accordance with the company by-laws, the Board of Directors is made up a number of members varying from a minimum of five to a maximum of ten. The Shareholders' Assembly held on 23 March 2006 established the number of Board members in ten and the terms of office of the Board expire on the date of the Shareholders' Assembly convening for the approval of this Financial Statement.

The Board has defined the 'Guidelines on important operations and those with related parties' where it has reserved itself the right to a previous examination and approval of transactions having major economic and financial significance and of the most important transactions with related parties and has also decided to subject all operations with related parties to special measures of substantial and formal fairness. The powers therefore given to the executive directors do not include decisions regarding important operations, meaning those which, due to their very nature, subject the Company to the need to inform the market in accordance with the specific provisions established by the Supervisory Authorities. When it becomes necessary for the Company to perform significant transactions, reasonably ahead of time the delegated bodies must provide the Board of Directors with a description summarizing the performed analyses in terms of strategic coherence, economic feasibility and expected return for the Company. Decisions regarding the most important transactions with related parties are also excluded from the powers given to the executive directors as these are all subject to special measures of substantial and formal fairness and to disclosure to the Board.

In accordance with article 25-bis of the By-Laws and prior to the opinion of the Board of Statutory Auditors, the Board of Directors nominates the manager responsible for the preparation of the company accounting documents, and grants the related functions even to more than one person as long as they perform jointly and in agreement; anyone with a long-term experience in administrative and financial matters in companies of an significant dimension can be nominated. To implement this statutory provision the Board of Directors, in the meeting held on 27 April 2007, nominated the manager responsible for the preparation of the company's accounting documents.

A suitable number of independent directors represents an essential element for protecting the interests of shareholders, in particular the minority shareholders, and third parties. With this in mind and convinced that the adoption of a high degree of security systems protecting against potential conflict of interest, is a priority interest for the Company, particularly in those areas less safeguarded by the Shareholders' Assembly, the Board of Directors proposed to the Shareholders' Assembly on 23 March 2006, three members of the Board of Directors with the necessary independency characteristics together with the selective criteria for their verification.

The independency requisites of the directors are verified each year and cover the non-existence or the irrelevance, extended to the last three year period, of economic relations, of interests or of other nature, held directly, indirectly or on behalf of third parties, with the Company, its managing directors and managers with strategic responsibilities, its parent companies or subsidiaries or with subjects in any case correlated with the Company. The result of these verifications is included in the Report on Corporate Governance.

Committees created by the Board of Directors

The Board of Directors has created the Internal Control Committee which, among other things, has the task of selecting and proposing candidates for the office of directors and appointing the Remuneration Committee.

Internal Control System

In view of the approval by the Company of the Organisation Model in accordance with Leg.Decree n° 231/2001 the elements forming the Internal Control System are given by the person responsible for the Internal Control system, appointed in accordance with TUF, as well as by the functioning of the Internal Control Committee described above, and by the Corporate Charter of Values existing since 2003. This document identifies the values in which the Company and the entire Group identify themselves, with particular focus on sustainable social development and protection of working conditions, with regards both to safety and to preventing exploitation of workers and child labour.

It should also be noted that in 2008 the Company completed the project for the preparation and the implementation of an Organisation Model in accordance with Leg. Decree 231/01, which was presented to the approval of the Board of Directors on 26 March 2008. Together with the Organisation Model the Board of Directors were also presented with the Ethical Code for approval which constitutes the evolution and the update of the Company's Charter of Values, with the explicit acknowledgement of ethical values already typical of the behaviour of both the Company and the entire Group.

Once implemented, the Organisation Model was accompanied by the appointment of a collegial Supervisory Body, which conducts its own activities in order to constantly verify that the Organisation Model is adequate and effective for the prevention of so called 'presumable crimes' as identified by the Legislator from time to time.

It should also be noted that a significant supervision of the internal control system is also provided by the running procedures and protocols prepared for obtaining the Social Accountability Certification given in accordance with SA800 regulations as well as by the administrative and accounting procedures applied by the manager responsible for the preparation of the company's accounting documents.

Board of Statutory Auditors

The Board is made up of three permanent auditors and two alternate auditors who, in accordance with art. 22 of the company by-laws, must all necessarily be registered as Certified Accounting Auditors and must have performed the activity of legal control of the accounts for a period of not less than three years. Furthermore, they can take on other administrative and control assignments within the limits established by the rules.

Following the resolutions passed on 27 April 2007 by the Shareholders' Assembly, the Board of Statutory Auditors is made up of the Chairman Giorgio Picone and the permanent auditors Benvenuto Girometti and Fiorenzo Salvini. Their office expires on the date of the Shareholders Assembly convened for the approval of the Financial Statement for year 2009. The Board of Statutory Auditors does not hold any other office in other Group companies. A complete disclosure will be attached to the Report of the Statutory Board of Auditors on Bolzoni S.p.A.'s Financial Statement for 2008, in compliance with the current rules.

Stakes held by the components of the administrative and control bodies, by the general directors and managers with strategic responsibilities (Art. 79 of Consob Ruling Resolution n° 11971 passed on 14.5.1999)

Surname and name	Company	Number of shares held at 31.12.2007	Number of shares purchased	Number of shares sold	Number of shares held at 31.12.2008
Bolzoni Emilio	Bolzoni S.p.A.	21,873	-	-	21,873
Bolzoni Franco	Bolzoni S.p.A.	68,626	140,100	-	208,726
Pisani Luigi	Bolzoni S.p.A.	34,002	-	-	34,002
Scotti Roberto	Bolzoni S.p.A.	30,613	20,300	-	50,913
Magnelli Pierluigi	Bolzoni S.p.A.	4,167	-	-	4,167
Staack Karl Peter Otto	Bolzoni S.p.A.	889,982	22,300	-	912,282
Salsi Giovanni	Bolzoni S.p.A.	2,000	-	-	2,000
Salvini Fiorenzo	Bolzoni S.p.A.	8,500	1,000	-	9,500
Managers	Bolzoni S.p.A.	47,875	131,558	30,238	149,195

The Board of Directors' proposal to the Shareholders

Gentlemen,

We conclude our report by inviting you to approve the financial statement we have prepared and to give your consent regarding the criteria adopted.

We therefore propose:

- the approval of the financial statement at 31.12.2008;
- the allocation of 174,668.77 euros to legal reserve;
- the distribution of a 0.03 euro dividend per each share owned, for a total amount of 779,817.45 euros to be paid out from 21 May 2009 with detachment of coupons on 18 May 2009;
- the allocation of the remaining profit of 2,538,889.21 to extraordinary reserve

Our sincere thanks go to the Shareholders for the trust demonstrated and to all our collaborators for their valuable assistance.

Podenzano, 11 March 2009

The Board of Directors

CONSOLIDATED FINANCIAL STATEMENT at 31 December 2008

FINANCIAL STATEMENT €/000	Notes	31/12/2008	31/12/2007
ASSETS			
Non-current assets			
Property, plant and equipment	4	30,778	30,705
Goodwill	5	10,618	10,618
Intangible fixed assets	6	5,598	5,221
Investments in associated companies assessed on N.E.	7	585	662
Credits and other financial assets	8	243	494
- of which related to associated companies		*200*	*200*
Financial assets held to maturity	9	59	60
Deferred tax assets	10	1,536	2,208
Total non-current assets		**49,417**	**49,968**
Current assets			
Inventory	11	20,495	25,776
Trade receivables	12	27,179	32,434
- of which related to associated companies	*12*	*1,103*	*979*
Tax receivables	13	734	806
Other receivables	14	941	937
Cash and cash equivalent	15	5,040	3,060
- of which related to Intesa-Sanpaolo	*15*	*749*	*467*
Total current assets		**54,389**	**63,013**
TOTAL ASSETS		**103,806**	**112,981**

CONSOLIDATED FINANCIAL STATEMENT at 31 December 2007

FINANCIAL STATEMENT €/000	Notes	31/12/2008	31/12/2007
GROUP NET EQUITY			
Share capital	16	6,498	6,460
Reserves	16	34,155	30,098
Result of the period	16	3,104	6,722
TOTAL NET GROUP EQUITY		**43,757**	**43,280**
NET THIRD PARTY EQUITY			
Capital, reserves and retained earnings		596	320
Result of the period		208	250
TOTAL NET GROUP AND THIRD PARTY EQUITY		**44,561**	**43,850**
LIABILITIES			
Non-current liabilities			
Long term loans	17	11,914	14,689
- of which related to Intesa-Sanpaolo	*17*	*4,902*	*6,537*
T.F.R. provision (retirement allowance)	18	3,314	3,284
Deferred tax liability	10	2,238	2,564
Tax payables	22	134	235
Contingency and expenses provisions	19	135	120
Other long-term liabilities		945	695
Total non-current liabilities		**18,680**	**21,587**
Current liabilities			
Trade payables	20	15,146	25,111
Payables towards banks and current portion of long term loans	17	18,064	14,367
- of which related to Intesa-Sanpaolo	*17*	*6,558*	*5,449*
Other payables	21	5,816	5,991
Tax payables	22	964	1,401
Current portion of contingency provision	17	575	674
Total current liabilities		**40,565**	**47,544**
TOTAL LIABILITIES		**59,245**	**69,131**
TOTAL NET EQUITY AND LIABILITIES		**103,806**	**112,981**

CONSOLIDATED INCOME STATEMENT at 31 December 2008

INCOME STATEMENT €/000	Notes	2008	2007
Turnover	3	141,123	145,638
- of which related to associated companies	*3*	*2,567*	*2,630*
Other operating revenue	23	1,477	1,541
Total revenue		**142,600**	**147,179**
Costs for raw material and consumables	24	(57,990)	(57,755)
Costs for services	25	(31,982)	(34,756)
- of which towards related parties	*25*	*(522)*	*(522)*
Personnel expenses	26	(37,246)	(35,859)
Other operating expenses	27	(942)	(1,092)
Result of associated companies assessed at N.E.	7	(55)	122
Gross operating result		**14,385**	**17,839**
Amortization	4,6	(5,287)	(4,890)
Provisions and write-downs	19	(192)	(378)
Operating result		**8,906**	**12,571)**
Financial expenses	28	(2,200)	(1,969)
- of which related to Intesa -Sanpaolo	*28*	*(602)*	*(594)*
Financial income	28	233	256
- of which related to Intesa -Sanpaolo	*28*	*13*	*15*
Exchange rate earnings and losses	28	(852)	(816)
Result before tax		**6,087**	**10,042**
Income tax	10	(2,774)	(3,070)
Result of continuing activities		**3.313**	**6,972**
Result of activities to be sold or transferred		-	-
Result of the period		**3,313**	**6,972**
Attributable to:			
- Group		3,104	6,722
- Third parties		209	250
Earnings per share	30		
- basic, for the year's profit attributable to ordinary shareholders of the parent		0,120	0.261
- diluted, for the year's profit attributable to ordinary shareholders of the parent		0,120	0.260

VARIATIONS TO CONSOLIDATED NET EQUITY
for years ended 31 December 2007 and 31 December 2008

	Capital	Share prem. reserve	Legal reserve	Retained earnings	Stock option res.	Transl. differ.	Year result	Total Net Equity for the Group	Minority interests	Min. result	Total Net Equity
Balances as at 31.12.2006	**6,421**	**16,664**	**700**	**11,249**	**175**	**(1,001)**	**4,790**	**38,998**	**283**	**76**	**39,357**
Incr.from Stock Opt.	39	432			(168)			303			303
Profit allocation			164	4,626			(4,790)	-	76	(76)	-
Minor.inter. variations				(220)				(220)	(12)		(232)
Dividends				(2,569)				(2,569)			(2,569)
Other movements				8	134	(96)		46	(27)		19
Result for the period							6,722	6,722		250	6,972
Balances as at 31.12.2007	**6,460**	**17,096**	**864**	**13,094**	**141**	**(1,097)**	**6,722**	**43,280**	**320**	**250**	**43,850**
Incr.from Stock Opt.	38	448			(172)			314			314
Profit allocation			245	6,477			(6,722)		250	(250)	-
Dividends				(3,101)				(3,101)	(25)		(3,126)
Other movements				72	31	57		160	51		211
Result for the period							3,104	3,104		208	3,312
Balances as at 31.12.2008	**6,498**	**17,544**	**1,109**	**16,542**	**-**	**(1,040)**	**3,104**	**43,757**	**596**	**208**	**44,561**

CONSOLIDATED CASH FLOW STATEMENT

€/000	Notes	2008	2007
Net profit for the period		**3,104**	**6,722**
Adjustments to reconcile net profit with cash flow generated (absorbed) by operating activities:			
Amortization		5,287	4,890
Net variation in TFR provision (retirement allowance)		30	(866)
Net variation in contingency and charges provision		65	(93)
Net variation in deferred tax		346	(636)
Net variation in investments assessed at N.E.		77	(137)
Variations in operating assets and liabilities:			
(Increase) decrease in inventory		5,281	(3,508)
(Increase) decrease in trade receivables		5,255	(3,360)
(Increase) decrease in other receivables		(4)	247
Increase (decrease) in trade payables		(9,676)	283
Increase (decrease) in other payables		(175)	580
Increase (decrease) in tax payables		(437)	(70)
(Increase) decrease in tax receivables		72	(394)
NET CASH FLOW GENERATED BY OPERATING ACTIVITIES:	a)	**9,225**	**3,658**
Cash flow absorbed by investment activity:			
Gross investments in tangible activities		(5,430)	(6,671)
Net disinvestment in tangible activities		1,141	585
Net investments in intangible activities		(1,737)	(2,666)
NET CASH FLOW ABSORBED BY INVESTMENT ACTIVITIES	b)	**(6,026)**	**(8,751)**
Cash flow generated/absorbed by funding activity:			
New loans (repayment) and transfer of short term portions to current liabilities		(1,769)	4,891
Net variation of other non-current financial assets/liabilities		252	1,084
Dividends paid		(3,126)	(2,569)
Monetary flows from share capital increase and stock options		303	303
Share capital increase in subsidiaries and other variations to equity		430	37
CASH FLOW GENERATED (ABSORBED) BY FUNDING ACTIVITIES	c)	**(3,910)**	**3,746**
EFFECT OF EXCHANGE RATES ON THE NET LIQUID FUNDS		**-**	**-**
NET INCREASE (DECREASE) IN NET LIQUID FUNDS	a)+b)+c)	**(711)**	**(1,348)**
NET LIQUID FUNDS AT START OF THE YEAR		104	1,452
NET LIQUID FUNDS AT END OF THE YEAR		(607)	104
VARIATION		(711)	(1,348)
ADDITIONAL INFORMATION:			
Interest paid		1,908	1,774
Income tax paid		2,063	3,324

ACCOUNTING PRINCIPLES AND EXPLANATORY NOTES

1. Corporate information

Bolzoni S.p.A. is a limited company incorporated under Italian law, domiciled in Podenzano (PC), località "I Casoni".

The main object of the activity of Bolzoni S.p.A. and the companies it controls (hereinafter jointly called "the Bolzoni Group" or "the Group") is to be found in the segment of attachments for fork lift trucks.

The consolidated financial statements of Bolzoni S.p.A. (the Company) for the year ended 31 December 2008 were approved by the Board of Directors on 11th March 2009.

As at December 31 2008 the majority of Bolzoni S.p.A.'s share capital is owned by Penta Holding S.r.l. with registered offices in Podenzano, Località I Casoni (Piacenza).

The Parent Company is not subject to management and coordinating activities on behalf of companies or bodies and establishes in full autonomy its general and operational strategic orientations.

2.1 Preparation basis

The consolidated financial statement for 2008 has been prepared in compliance with the International Accounting Standards (IAS/IFRS) issued by the International Accounting Standard Board (IASB) and approved by the European Commission.

The accounting principles used in this financial statement are those formally approved by the European Union and in force at 31 December 2008. Unless otherwise indicated, figures contained in the statements and notes are in thousands of euros.

We have included all the specific disclosure requirements established in CONSOB's resolution n° 15519 passed on July 27 2006, CONSOB's resolution n° 15520 passed on July 27 2006 and in Release n° DEM/6064293 dated 28.07.2006.

The financial statement as at 31 December 2008 has been drawn up on the basis of the historic cost, modified where necessary as required for the evaluation of certain financial instruments.

With reference to the Statements of the Consolidated Financial report, the following should be noted:

- Balance Sheet: the Group differentiates between non-current assets and liabilities and current assets and liabilities;
- Income Statement: the Group presents a classification of costs according to their nature, which is believed to be more representative of the Group's predominantly commercial and distribution activities;
- Cash Flow Statement: it has been drawn up using the indirect method to determine cash flows produced by the activity during the period;
- Variations to Net Equity: the Group includes all variations to net equity including those deriving from transactions with shareholders (distribution of dividends, share capital increases)

The consolidated financial statement at 31 December 2008 has been prepared with the prospect of a continuation in the company's activity. Indeed the Group has estimated that, despite a difficult economic and financial context, no significant uncertainties exist regarding its continuity, also considering the actions already identified to adjust to the altered levels of demand and the industrial and financial flexibility of the Group itself.

The following table lists the international accounting principles and interpretations, approved by IASB and enacted for adoption in Europe, applied for the first time during the period under examination:

Description	*Effective from*
Modifications to IAS 39 and IFRS 7 Reclassification of Financial instruments	1 July 2008
IFRIC 11– Operations with own and group equity instruments	1 March 2007

The modifications listed in the above table have not been applied to the consolidated financial statement as at 31 December 2008.

The consolidated financial reports has been prepared on the basis of the historic cost principle.

Unless indicated differently, the figures in the accounting sheets and explanatory notes are given in thousands of euros.

2.2 Consolidation principles

The consolidated financial statement comprises the financial statements of Bolzoni S.p.A. and its subsidiaries at 31 December of each year. The financial statements of the subsidiaries are prepared for the same reporting year as the parent company , using consistent accounting policies. The closing date of subsidiary financial statements is the same as that of the parent.

In preparing the consolidated financial statement the assets, the liabilities, as well as the overall amounts of costs and revenue of the consolidated companies are acquired line by line and the portion of net equity and the year's result belonging to minority interests is attributed to the specific caption of the Income Statement and Balance Sheet. The accounting value of the investment in each of the subsidiaries is eliminated against the corresponding net equity portion of each of the subsidiaries , inclusive of possible adjustments to fair value of the related assets and liabilities, at the date of acquisition; any residual difference that may emerge is allocated to the goodwill caption.

Below is the list of the group companies at 31 December 2008:

Name	*Location*	*Share capital (thousands of currency)*	*% of direct ownership*	*% of indirect ownership*
Bolzoni Auramo Incorporated	Homewood – Illinois - USA	US $ 500	100 %	
Bolzoni Auramo Limited	Warrington - UK	GBP 780	100 %	
Bolzoni Auramo Polska Sp Zoo	Lublin - Poland	PLN 350	60 %	
Bolzoni Auramo S.L.	Barcellona - Spain	€ 750	100 %	
Bolzoni Auramo Sud S.r.l.	Bisceglie - Bari Italy	€ 26	100 %	
Bolzoni Auramo S.A.R.L.	Forbach – France	€ 198	100 %	
Auramo Oy	Vantaa – Finland	€ 565	100 %	
Bolzoni Auramo BV	Helmond - Netherlands	€ 18	51 %	
Bolzoni Auramo Australia PTY Ltd	Dudley Park SA - Australia	AUD $ 1,110	100 %	
Bolzoni Auramo S.A.	Santiago del Cile – Chile	CLP 81,370	100 %	
Bolzoni Auramo Canada Ltd.	Dollard des Ormeaux - Quebec - Canada	CAD $ 856	100 %	
Bolzoni Auramo GmbH	Korschenbroich – Germany	€ 1,000	100 %	
Bolzoni Auramo AB	Gavle - Sweden	SEK 100	100 %	
Auramo Baltic Ou	Tallinn - Estonia	EEK 40		100 %
Bolzoni Auramo Shanghai	Minhang District - China	RMB 8,159	60 %	
Eurolift Pty Ltd (*)	Dudley Park SA – Australia	AUD $ 300	24.5 %	
Auramo South Africa (*)	Benoni – South Africa	ZAR 100		40 %
Hans H. Meyer GmbH	Salzgitter – Germany	€ 1,023	100 %	
Meyer Scandinavia Ab	Sweden	SEK 100		60 %
Hans H. Meyer Ltd	Stockport UK	£ 250		100 %
Meyer S.a.r.l.	France	€ 155		100 %
Meyer Italia S.r.l.	Prato Italy	€ 50	30 %	

(*) = Associated companies assessed using the N.E. method

Compared to the previous year, there have not been any variations to the consolidation area.

All the intra-group balances and transactions, including any possible profits and losses not achieved and resulting from intra-group transactions that are recognized in assets, are eliminated in full.

2.3 Significant accounting judgements and estimations

Judgements

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

Untaxed reserves in the net equity of the subsidiaries

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

Judgements and accounting estimations

In accordance with IAS/IFRS principles, the preparation of the financial statement requires estimates and assumptions on behalf of the management which have an effect on the value of assets and liabilities and on their disclosure at the date of the statement. The actual results could however differ from these estimates. The estimates are used for measuring depreciation, write-downs and recovery of value of investments, benefits to employees, taxes and accrual to provisions for contingencies and risks.

Estimations of the Provision for Doubtful Debt and the Inventory Depreciation Provision are based on the losses expected by the Group. If the current economic and financial crisis were to protract or worsen this could possibly deteriorate the financial conditions of the Group's debtors more than has been estimated in this financial statement.

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

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of Goodwill

At least on an annual basis, goodwill is checked for any possible impairment; this requires an estimation of the value in use of the cash-generating units to which goodwill is allocated, in turn based on the estimation of the current value of the expected cash flows from the cash-generating unit and their discounting back on the basis of a suitable discount rate. The carrying amount of goodwill at 31 December 2008 was 10,618 thousand euro (2007: 10.618 thousand euros). More details are given in Note 5.

Depreciation (for assets with definite useful life)

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

Impairment test on tangible and intangible fixed assets and goodwill

For information on the impairment test please refer to the comments included in Note 5 of this report describing methods and assumptions.

2.4 Summary of principal accounting policies

Foreign currency translation

The consolidated financial statement is presented in thousands of euros, which is the Company's functional and presentation currency. Each entity in the group determines its own functional currency and the items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currency are initially recorded at the exchange rate (of the functional currency) on the transaction date. Monetary assets and liabilities denominated in foreign currencies, are retranslated to the functional currency at the exchange rate in force at the balance sheet date. All exchange rate differences are taken to profit or loss. Non-monetary items measured in terms of historic cost in a foreign currency are translated using the exchange rates in force at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined.

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

Bolzoni Auramo Inc.	US Dollar
Bolzoni Auramo Canada Ltd	Canadian Dollar
Bolzoni Auramo Ltd	Pound Sterling
Bolzoni Auramo AB	Swedish Crown
Bolzoni Auramo Pty Ltd	Australian Dollar
Bolzoni Auramo Sp Zoo	Polish Zloty
Bolzoni Auramo Sa	Chilean Pesos
Bolzoni Auramo Shanghai	Chinese Renminbi (Yuan)

As at the reporting date, the assets and liabilities of these subsidiaries are translated into euros at the exchange rate ruling on that day and their income statements are translated using the average exchange rates for the year. The exchange rate differences arising from the translation are taken directly to a separate component of net equity. On possible disposal of a foreign company, the cumulative exchange rate differences, taken to net equity on the basis of that particular foreign company, are recognized in the income statement.

Property, plant and equipment

Property, plant and equipment are stated at historic cost, net of accumulated depreciation and accumulated impairment in value. Such cost includes costs for replacing part of plant and equipment when that cost is incurred if the recognition criteria are met. Depreciation is calculated on a straight-line basis over the expected useful life of the assets.

Depreciation, which begins when the assets are available for use, is calculated on a straight-line basis over the expected useful life of the assets and taking into account their residual value. The depreciation rates used, which reflect the useful life generally attributed to the various categories of assets, and which have remained unchanged with respect to the previous financial year, are the following:

Buildings and light constructions	3 %
Plants and equipment	from 10 to 15.5%
Industrial and commercial equipment	from 25% to 30%
Other assets	from 10% to 25%

Land, which normally has an unlimited useful life, is not subject to depreciation.

The carrying value of property, plant and equipment is reviewed for possible impairment whenever events or changes in circumstance indicate that the carrying value may not be recoverable, according to the established depreciation plan. If an indication of this type exists and in the event that the carrying value exceeds the expected realizable value, the assets or the cash-generating units to which the assets have been allocated are revalued until they actually reflect their realizable value.

The residual value of the asset, the useful life and the methods applied are reviewed annually and adjusted if necessary at the end of each financial year.

A tangible asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) are included in the income statement in the year the asset is derecognized.

Leases

Finance leases, which substantially transfer to the Group all the risks and benefits connected to the ownership of the leased item, are capitalized among property, plant and equipment at the inception of the lease, at the fair value of the leased item or, if lower, at the present value of the minimum lease payments. A debt of the same amount is booked in liabilities and is progressively reduced according to the plan for refunding the principal amounts included in the instalments.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income. The assets are depreciated according to and at the rates indicated in the previous paragraph.

The lease contracts where the lessor substantially retains all the risks and benefits typical of ownership are classified as operating leases.

The initial negotiation costs incidental to the operating lease contracts are considered as increasing the cost of the leased asset and are measured over the lease term so that they balance the income generated by the same lease.

Operating lease payments are recognized as an expense in the income statement on a straight-line basis over the lease term.

Business combinations and goodwill

Business combinations are recorded using the purchase method. This requires the fair value recognition of the identifiable assets (including previously unrecognized intangible assets) and the identifiable assets (including potential liabilities and excluding future restructuring) of the acquired company.

Goodwill accounted for in a business combination is initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities and is classified as an intangible asset. The possible negative difference ("negative goodwill") is recognized in the income statement at the moment of acquisition. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed annually for impairment, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. For further details regarding the criteria applied for impairment testing see note on Impairment of assets.

Intangible assets

Acquired intangible assets are recognized as assets, according to the contents of IAS 38 (Intangible Assets) when it is probable that the use of the asset will generate future economic benefits and when the cost of the asset can be reliably determined.
Intangible assets acquired separately are measured on initial recognition at cost, whereas those acquired in a business combination are measured at fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is charged against profits in the year in which the expenditure is incurred. The useful lives of intangibles assets are assessed to be either definite or indefinite. Intangible assets with definite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortization period and the amortization methods for an intangible asset with a definite useful life is reviewed at least at each year end or even more frequently if necessary. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates . The amortization expense on intangible assets with definite lives is recognized in the income statement in the expense category consistent with the function of the intangible asset.
The Group has not recognized any intangible assets with indefinite lives in the balance sheet.

Research and development costs

Research costs are expensed as incurred. Development costs arising from a particular project are capitalized only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of technical, financial or other types of resources to complete development and its capacity to reliably measure the expenditure during the development of the asset and the existence of a market for the products and services resulting from the activity or of their use for internal purposes. The capitalized research costs include only those expenses sustained that can be directly attributed to the development process. Following the initial recognition, the development costs are measured at the cost less any accumulated amortization or loss. Any capitalized costs are amortised over the period in which the project is expected to generate income for the Group.

The carrying value of development costs is reviewed for impairment annually, when the asset is not yet in use, or more frequently when an indication of impairment arises during the reporting year.

Following is an overview of the policies applied by the Group to intangibles assets :

	Licences, Trademarks and Patents	Development costs
Useful lives	Definite	Definite
Method used	Licences amortized over 3 /5 years Patents and trademarks amortized over 10 years	Amortized over 5 years, on a straight-line basis, corresponding to the period of expected future sales from the related project
Internally generated or acquired	Acquired	Internally generated (economically)
Impairment testing/tests on recoverable amounts	Annually and more frequently when an indication of impairment exists.	Annually for assets not yet in use and more frequently when an indication of impairment exists. The amortization method is reviewed at each financial year end.

Gains or losses deriving from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the income statement when the asset is disposed of.

Investment in an associate

The Group's investment in its associates is accounted for under the equity method of accounting. An associate is an entity in which the Group has significant influence and which is neither a subsidiary nor a joint-venture.

Under the equity method, the investment in the associate is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate. Goodwill related to an associate is included in the carrying amount of the investment and is not amortized. After application of the equity method, the Group determines whether it is necessary to recognize any additional impairment loss with respect to the Group's net investment in the associate. The income statement reflects the share of the results of operations of the associate. Where there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any changes and discloses this, when applicable, in the statement of changes in equity.

The reporting dates of the associates and the Group are identical, except for Eurolift whose reference date is 30th June; the associates' accounting principles conform to those used by the Group.

Impairment of assets

The Group assesses annually at each reporting date whether there is an indication that an asset (intangible assets, property, plant and equipment owned and finance leased assets) may be impaired. In making this assessment of the assets, both internal and external sources of information are considered. With regards to the former (internal sources) the following are considered: obsolescence or the physical deterioration of the asset; if, during the financial year there have been significant changes in the use of the asset; if the economic trend of the business appears to be worse than expected. With regards to external sources however the following are considered: if the market prices of the asset have significantly dropped; if there are particular technological, market or legislative issues capable of reducing the asset's value.

Regardless of whether there are internal or external indications of impairment loss, goodwill and the other possible intangible assets with indefinite useful life are subjected to impairment testing at least once a year.

In both cases (either the annual check of the carrying value of goodwill or the other tangible and intangible assets with a definite useful life with indications of possible impairment loss) the Group makes an assessment of the recoverable value. The recoverable value is the higher between the fair value of an asset or cash-flow generating unit, net of selling costs, and the value in use; it is determined for each asset, except when the asset does not generate cash flows which are largely independent from those generated by other assets or groups of assets, in which case the Group assesses the recoverable value of the cash-flow generating unit to which the asset belongs. In particular, as goodwill does not generate cash-flows independently from other assets or groups of assets, impairment testing involves the unit or the group of units to which goodwill has been allocated.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time-value of money and the risks specific to the asset.

For the assessment of value in use, the future financial flows are taken from the company business plans approved by Board of Directors, and which form the best assessment that the Group can make of the expected economic conditions during the period covered by the plan. Projections usually cover a period of three years; the long-term growth rate used for assessing the terminal value of the asset or the unit is normally lower than the average, long-term growth rate of the segment, of the Country or of the benchmark market and, if appropriate, may correspond to zero or can even be negative. The future financial flows are assessed by using the current conditions as benchmark: therefore the estimations do not consider either the benefits arising from future re-organization in which the Group is not yet involved or future investments for improvement or optimization of the asset or unit.

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

At each reporting date the Group also assesses whether there are any indications that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously written-off impairment loss, excluding goodwill, may only be reversed if there have been changes in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. In that case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit and loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining life. In no way the goodwill amount previously written-down can return to the original value.

Financial assets

Financial assets are initially recognized at the cost – plus the additional charges at acquisition – representing the fair value of equivalent paid. After the initial recognition, financial assets are assessed in relation to their operating destination on the basis of the following outline.

Financial assets held for for trading

These are financial assets acquired for the scope of obtaining a profit from short term price fluctuations. After initial recognition, these assets are measured at the fair value and the related profit or loss is charged to the income statement. The derivative financial instruments (interest rate swap, options, forward etc…) are classified as held for trading, unless designated as effective hedging instruments.

Financial assets held to maturity

These are non-derivative financial assets with fixed or determinable payments, and a fixed maturity, for which the company has the firm intention and ability to hold until maturity.

This cost is calculated as the amount initially recognized, less the principal repayments , plus or minus the accumulated amortization, using the effective interest rate method of any difference between the initially recognized value and the maturity amount. This calculation includes all the fees and points paid or received between the parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortized cost, gains and losses are recognized in income when the investments are derecognized or impaired, as well as through the amortization process.

The financial assets that the Group decides to maintain in its portfolio for an indefinite period are not included in this category.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These assets are carried at amortized cost using the effective discount rate. Gains and losses are recognized in income when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Available-for-sale financial assets

Includes financial assets not classified in the previous categories. After initial recognition these assets are measured at fair value with gains or losses being recognized as a separate component of equity until they are derecognized or until they are determined to be impaired at which time the accumulated gain or loss previously reported in equity is included in the income statement.

In the case of securities that are actively traded in organized financial markets, the fair value is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For those investments where there is no active market, the fair value is determined by using valuation techniques based on recent transaction prices between independent parties; the current market value of another substantially similar instrument; discounted cash flow analysis; option pricing models.

When the fair value cannot be reliably estimated, investments in other companies are left at cost value. The Group does not own any available-for-sale financial assets.

Inventories

Inventories are valued at the lower of purchase or production cost and expected net realizable value. Costs incurred for bringing each product to its present location and stockage are accounted for as follows:

Raw material	– purchase cost based on average weighted cost;
Finished and semi-finished goods	– cost of direct materials and labour plus a portion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

The net realizable value is the estimated selling price less estimated costs of completion and the estimated costs necessary to make the sale.

If necessary, provisions have been allocated for write-down of materials, finished products, spare parts and other supplies considered obsolete or with a low turnover rate, considering their expected future use and their realizable value.

Trade and other receivables

Trade receivables, which generally have a 30-90 days' payment terms, are recognized at the original invoice amount less an allowance for any non-collectable amounts. This provision is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

Cash and cash equivalent

Cash and short term deposits in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity of three months or less.

For the purpose of the consolidated cash flow statement, cash and cash equivalents are represented by cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Interest-bearing loans and borrowings

All loans and borrowings are initially recognized at the fair value of the consideration received less directly attributable transaction costs.

After the initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost, using the effective interest rate method.

Gains and losses are recognized in net profit or loss when the liabilities are derecognized, as well as through the amortization process.

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset but has assumed an obligation to pay them in full without material delay to a third party;
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and benefits of the ownership of the assets, or (b) has neither transferred nor retained substantially all the risks and benefits of the asset but has transferred the control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and benefits of the asset nor transferred the control of the asset, the asset is recognized in the Group's balance sheet to the extent of the Group's continuing involvement in the asset itself. The continuing involvement which takes the form of a guarantee over the transferred

asset, is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender, on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

Impairment of financial assets

The Group assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

Assets carried at amortized cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced either directly or through use of an allowance account. The amount of the loss shall be recognized in profit or loss.

The Group first assesses whether objective evidence of impairment exists individually, for financial assets that are individually significant, and individually or collectively for the financial assets that are not individually significant. In the absence of objective evidence of impairment for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in the income statement, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

Financial assets carried at cost

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

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

As established by IFRS2 – Share based payments, these schemes represent a part of the beneficiary's retribution, the cost being represented by the fair value of the options (share purchase right) calculated at the assignment date of the right, the cost of which is recorded in the Income Statement at equal amounts along the period going from the said assignment date and the date the rights are exercisable, and the matching entry is take directly to net equity. Evaluations in fair value subsequent to the assignment date do not have any effect on the initial evaluation.

Provisions for contingencies and charges

Provisions for contingencies and charges are recognized when the Group has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a borrowing cost.

Pensions and other post-employment benefits

TFR retirement allowance, calculated in compliance with the laws and current labour contracts, as it is considered a plan with defined benefits in accordance with IAS 19, is determined separately for each company at the end of each financial period using the projected unit credit actuarial valuation method. The actuarial gains and losses are recognized in the income statement, either as labour costs or financial charges depending on the case. Some Group companies have operated defined contribution pension schemes; except for the TFR retirement allowance there are no other schemes with defined benefits. Payments related to defined contribution plans are recognized in income statement as costs when incurred.

Assets available for sale and liabilities associated with these assets

The non-current assets (or group of assets and liabilities) are classified as intended for sale if available for immediate sale in the present state, except for recurring transaction conditions for the sale of that type of asset and if the sale is highly probable.

These assets are carried at:

- the lesser between the carrying value and fair value net of sales costs, any impairment loss is taken to profit and loss, unless part of a business combination operation, otherwise
- at fair value net of sales costs (without the possibility of measuring write-downs during initial recognition) , if part of a business combination operation.

In any case the depreciation process is interrupted when the asset is classified as available for sale.

The assets and the liabilities directly connected to a group of assets to be sold are distinctly classified in the income statement, as well as the pertinent reserves of accumulated profits or losses directly taken to equity. The net result of sale operations is indicated in a specific item of the profit and loss statement.

Revenue recognition

Revenue is recognised to the extent of the probability of the economic benefits coming to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Sale of goods

Revenue is recognized when the significant risks and rewards linked to the ownership of the goods have passed from the company to the buyer.

Services rendered

Revenue from rental activity is recognized on the basis of the contracts in force at the balance sheet date.

Revenue from services rendered (technical servicing, repairs, other services rendered) is recognized with reference to the stage of completion, measured as a percentage of total labour hours, with respect to the hours estimated for each operation.

Interest income

Revenue is recognized as interest accrues (using the effective interest method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

Dividends

Revenue is recognized when the shareholders' rights to receive the payment is established.

Government grants

Government grants are recognized where there is reasonable assurance that the grants will be received and all related conditions will be complied with. When the grants relate to expense items they are recognized as income over the period necessary to match the grants on a systematic basis to the costs that they are intended to compensate.

Financial charges

Financial charges are taken to income statement when they are incurred.

Income tax

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and the tax laws used to compute the amount are those that are enacted at the balance sheet date.

Deferred tax

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the same time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income tax related to items recognized directly in equity is recorded directly in equity and not in the income statement.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Value Added Tax

Revenues, expenses and assets are recognized net of the amount of VAT except where the tax incurred on a purchase of assets or services is not recoverable from the taxation authority in which case VAT is recognized as part of the cost of acquisition of the asset or part of the expense item taken to the income statement. The net amount of VAT that can be recovered from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Derivative financial instruments and hedging

The Group uses derivative financial instruments such as forward currency contracts to hedge against risks associated mainly with fluctuations in exchange rates. The Group can also use financial instruments to cover interest risks such as Interest Rate Swap, even though there were none existing at 31 December 2008 and 2007 nor were any drawn up during the two financial periods closed on these dates. These derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. They are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are taken directly to net profit or loss for the year.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of interest rate swap contracts is determined by reference to market values for similar instruments.

At 31 December 2007 there were no existing derivative contracts. As at 31 December 2008 there is a forward contract in progress for nominal 3 million US dollars maturing on 30th March 2009 which has been considered unsuitable for hedge accounting, it not being possible to identify a technical-financial

correlation between the characteristics of the stipulated contracts and those of one or more specific financial instruments existing at the balance sheet date.

Variations to accounting principles

The Accounting Principles adopted are in line with those applied in the previous financial year.

2.5 Future changes in accounting policies

Interpretations effective in the future

It should be noted that the following standards will take effect from the financial year 2009:

Amendments to IFRS 1 – *First time adoption of international accounting standards and IAS 27 Consolidated and separate financial statement*

Amendments to IFRS 1 give an entity the possibility of establishing, in its first financial statement according to IFRS, the 'cost' of its holding in associated, subsidiary and joint-venture companies according to IAS 27 or using a substitute (deemed cost).

Amendment to IAS 27 requires that all the dividends resulting from associates, subsidiaries and joint-ventures be indicated in the separate financial report's income statement. Both amendments will be effective for financial periods starting on or after 1 January 2009. Amendment to IAS 27 should be applied with reference to the future.

The amendments will have no effect on the Bolzoni Group's consolidated financial statement.

IFRS 3R *Business combinations and IAS 27R Consolidated and Separate Financial Statements*

The amended standards were enacted in January 2008 and are effective for financial periods starting on or after 1 July 2009.

IFRS 3R introduces numerous amendments to the accounting of business combinations after that date and will therefore produce effects on the amount of the good-will measured, on the results presented in the period during which acquisition occurs and on future results.

IAS 27R regulates the variations to the share held in a subsidiary company (without this becoming a loss of control). As a consequence of these transactions any difference between the value of minority stake (sold or bought) and the fair value of the corresponding amount received or paid will be taken directly to net equity and attributed to the majority shareholders.

Furthermore, the standard changes the accounting of losses produced by subsidiary in addition to the loss of control of a subsidiary.

Other amendments connected to the previous refer to IAS 7 *Cash Flow Statement*, IAS 12 *Income Taxes,* IAS 21 *Effects of variations in exchange rates of foreign currencies,* IAS 28 *Investments in associates* and IAS 31 *Interests in joint ventures.*

Amendments to IFRS 3R and IAS 27R produce effects on future business combinations, on operations resulting in the loss of control of a subsidiary and on transactions with minorities.

Despite the fact that the standards can be applied in advance, the Group does not intend taking advantage of this possibility.

IAS 1 *Presentation of the modified Financial Statement*

The amended standard was enacted in September 2007 and is effective for financial periods starting on or after 1 January 2009.

The standard specifies how variations in the control stakes and variations in minority interests should be presented. The table showing variations to net equity should include only the details related to group's net equity whereas the transactions regarding minority interests should be indicated in a single line.

Furthermore, the standard introduces the sheet for the overall income statement, according to which the entity must present all the components of the income statement alternatively in a single overall income statement or in two connected statements, one showing the components of the economic result and the other showing the components of 'other items of the overall income statement'. The Group is still considering which of the two solutions will be adopted.

IAS 32 *Financial instruments:* Presentation and IAS 1 *Presentation of Financial Statement – Puttable Instruments and obligations arising on liquidation*

These amendments to IAS 32 and IAS 1 were enacted in February 2008 and come into effect for financial periods starting on or after 1 January 2009. The amendments of the standard envisage one exception, with a very limited application area, which enables the classification of puttable options and similar instruments as capital instruments if they meet specific requirements. The amendments to the standard will not affect the Group's Net Equity or result as it has not issued such instruments.

IAS 39 *Financial instruments: recognition and measurement – Instruments qualifying as hedging items*
These amendments to IAS 39 were enacted in August 2008 and are effective for financial periods starting on or after 1 July 2009. The amendment deals with the designation of a one-side risk of a hedged item and the designation of inflation as hedged risk or portion of hedged risk in certain situations. The amendment specifies that the entity may choose to designate a portion of variations in fair value or of the variations in cash flow of a financial instrument as hedged item. The Group has concluded that the amendment will not affect its financial or income position as it does not have any operations of this nature in progress.

Improvements to the IFRS (so-called 'Improvement Project')
The Group has not applied in advance the amendments made to the standards following the project regarding improvements to IFRS 2007 and believes that they will not have significant effects on the financial statement.

IFRS 7 *Financial instruments: disclosure*
Reference to overall interest income as a component of financial costs is removed.

IAS 8 *Accounting policies, changes in accounting estimates and errors*
This specifies that in selecting an accounting policy, the application of the Implementation Guidance is mandatory only when this constitutes an integral part of the related international accounting standard (IFRS).

IAS 10 *Events occurring after the balance sheet date*
This clarifies that the dividends declared after the end of the financial period must not be recognised as liabilities as on the date of the balance sheet there is no obligation.

IAS 16 *Property, plant and equipment*
Parts of property, plant and equipment held for rental purposes and which, on termination of the leasing contract, are invariably sold must be classified as inventory at the end of the leasing contract, when they become available for sale. The application of the principle will have no impact on the Group's financial statement.

IAS 18 *Revenue*
The term 'direct costs' is replaced by 'transaction costs' as established by IAS 39.

IAS 19 *Employee benefits*
Modification to the definition of 'social security costs related to past service', 'yield on the activities of the plan', 'short-term benefits' and 'other long-term benefits'. Modifications to a plan meaning a reduction in benefits related to future service are accounted for as a reduction. Reference to recognition of potential liabilities has been eliminated to ensure coherency with IAS 37.

IAS 20 *Government grants*
Financing granted in future at zero interest rate or at lower rates than market will not be exempted from the need to allocate interest. The difference between the amount collected and the amount shown is accounted for under government grant. Furthermore, the terminology has been reviewed to ensure coherency with the other IFRS. The application of the principle will have no impact on the Group's financial statement.

IAS 27 *Consolidated and separate financial statement*
When the parent accounts for its subsidiaries at the fair value, in accordance with IAS 39, in its own separate financial statement, this treatment continues even when the subsidiary is classified as held for sale. The application of the principle will have no impact on the Group's financial statement.

IAS 29 *Financial reporting in hyperinflationary economies*
Reference has been amended to the exception which allows the measurement of assets and liabilities at historical cost, specifying that property, plant and equipment represent an example and not a detailed list. The terminology has also been reviewed to ensure coherency with the other IFRS.

IAS 34 *Interim Financial Reporting*
Earning per share in the interim financial report falls within the application area of IAS 33.

IAS 39 *Financial instruments: recognition and measurement*

Variations in the circumstances related to derivative financial instruments are not grounds for reclassification and therefore the derivatives cannot be transferred from or included in the category of 'at fair value with variations carried to income statement'. Reference to 'segment' has been eliminated in IAS 39 in the determination of whether an instrument qualifies as hedging item. The use of actual return rate is required in remeasuring a debt instrument as soon as hedge accounting for fair value hedging is no longer applied. The application of the principle will have no impact on the Group's financial statement.

IAS 40 *Property investments*

The area of application has been redefined and it has been established that assets under construction or development in order to be subsequently held as property investments, must be classified as property investments.

If the fair value cannot be reliably calculated, the investment under construction will be calculated at cost until the fair value can be established or until construction has been completed.

It has also been clarified that the fair value of the property investment held through leasing contract reflects the expected financial flows (including the potential rent which is expected to be due). Consequently, if a property evaluation obtained is net of all the expected payments it will be necessary to re-add the possible accounted liabilities deriving from lease contract in order to achieve the fair value of the property investment for accounting reasons.

Lastly, conditions have been reviewed regarding a voluntary modification of the accounting policies in order to be in line with IAS 8. The application of the principle will have no impact on the Group's financial statement.

IAS 41 *Agriculture*

Reference to discount rate before tax for determination of fair value has been removed. The prohibition has also been removed regarding the taking into account , for the assessment of fair value, cash flows deriving from any subsequent transformation. Lastly, the term 'costs at sales point' has been replaced by 'sales costs'.

IFRIC 15 *Agreements for construction of Real Estate*

IFRIC 15 was enacted in July 2008 and is effective for financial periods starting on or after 1 January 2009. The interpretation must be applied retrospectively. It clarifies when and how related revenue and connected costs deriving from the sale of real estate should be recognised if an agreement has been reached between builder and buyer before construction begins. Furthermore the interpretation provides indications on how to determine whether an agreement falls within the area of application of IAS 11 or IAS 18. IFRIC 15 will not affect the Group's financial statement as it does not conduct these activities.

IFRIC 16 *Hedging of a net investment in a foreign operation*

IFRIC 16 was enacted in July 2008 and is effective for financial periods starting on or after 1 October 2008. The interpretation must be applied with the future in mind. IFRIC 16 provides indications on the accounting of hedges of a net investment in a foreign operation. In particular it gives indications on the identification of foreign currency risks qualifying for the application of hedge accounting in hedging of a net investment and on how the entity should determine the amount of exchange rate gains and losses, in connection to both the net investment and to the hedge instrument, which should be reclassified to the income statement once the investment has been sold. The Group does not use hedging instruments and therefore this interpretation is not applicable.

IFRS 2 Share-based payments – Vesting conditions and cancellations

This amendment to *IFRS 2 Share-based payments* was published in January 2008 and will be applied during the first financial period after 1 January 2009. It clarifies that vesting conditions include an explicit or implicit obligation to provide a service. Any other condition is 'non-vesting' and must be taken in to account to determine the fair value of the assigned capital instrument.

In the event of the premium not maturing as a result of the fact that it does not meet a 'non-vesting condition' which is under the control of the entity or the party, this must be accounted for in the same way as cancellations.

The Group has not performed operations with share-based payments having 'non-vesting conditions' and thereby does not expect any important effects in the accounting of agreements with share-based payments.

IFRS 8 Operating segments

IASB issued the accounting principle IFRS 8 – *Operating segments* on 30 November 2006 to be applied as of 1 January 2009 in replacement of IAS 14 – *Segment Reporting.* The new accounting principle requires the Group to base the information included in the Segment Reporting on the elements used by the management for its decision making and therefore it is necessary to identify the operating segments on the basis of reporting reviewed by management for the purpose of allocating resources to different segments and for the purpose of performance analyses. The adoption of this principle will not produce any effects from the point of view of the evaluation of the financial statement's items but only result in the new presentation of the report according to sector and geographic area.

3. Segment information

The Group has identified its segment of business as the primary segment. On the other hand the Group operates in a single segment: attachments for fork lift trucks. Consequently secondary information is reported geographically and is given below.

The geographic areas are identified as: Europe, North America and Rest of the World. In detail, the geographic areas are identified on the basis of the location of the Group's assets. Sales to external customers disclosed in geographic segments are based on the geographic location of its customers

The following tables give figures on revenue and information regarding some of the assets with reference to the Group's business segments for the financial years ended 31 December 2008 and 2007:

31 December 2008	Europe	North America	Rest of World	Total
Revenue	116,428	11,837	12,858	141,123
Other segment information				
Segment assets	93,613	7,078	2,530	103,221
Investment in associates	15	-	570	585
Total assets	93,628	7,078	3,100	103,806
Investments:				
Property, plant, machinery and other assets	4,737	180	101	5,018
Intangible fixed assets	1,677	-	-	1,677

31 December 2007	Europe	North America	Rest of World	Total
Revenue	120,309	12,398	12,391	145,638
Other segment information				
Segment assets	101,416	8,363	2,540	112,371
Investment in associates	15	-	647	662
Total assets	101,431	8,363	3,187	112,981
Investments:				
Property, plant, machinery and other assets	4,587	113	34	4,734
Intangible fixed assets	1,620	-	-	1,620

4. Tangible fixed assets

	01.01.08	Addition	Deprec.	Decr. (1)	Other var. (2)	31.12.08
Land	721	-	-	-	-	721
Buildings	15,550	858	-	-	62	16,470
Plant and machinery	32,989	1,907	-	(800)	588	34,684
Equipment	5,377	266	-	(94)	57	5,606
Other assets	13,532	1,987	-	(1,146)	(295)	14,078
Historic cost Property, plant and machinery	**68,169**	**5,018**	**-**	**(2,040)**	**412**	**71,559**
Land	-	-	-	-	-	-
Buildings	(4,822)	-	(430)	-	(237)	(5,489)
Plant and machinery	(19,093)	-	(2,075)	272	(11)	(20,907)
Equipment	(4,622)	-	(368)	94	(24)	(4,920)
Other assets	(8,927)	-	(1,054)	533	(17)	(9,465)
Accumulated Depreciation for property, plant and equipment	**(37,464)**	**-**	**(3,927)**	**899**	**(289)**	**(40,781)**
Land	721	-	-	-	-	721
Buildings	10,728	858	(430)	-	(175)	10,981
Plant and machinery	13,896	1,907	(2,075)	(528)	577	13,777
Equipment	755	266	(368)	-	33	686
Other assets	4,605	1,987	(1,054)	(613)	(312)	4,613
Net Value of property, plant and machinery	**30,705**	**5,018**	**(3,927)**	**(1,141)**	**123**	**30,778**

(1):for sales or variation in consolidation area
(2): exchange rate differences, reclassification or others

The value of property, plant and machinery generated internally, entirely attributed to items "Plant and Machinery" and "Equipment", amounts to 139 thousand euros (2007: 60 thousand euros) and includes raw material, semi-finished products and personnel costs and related social security.
Investments in plant and machinery made in 2008 refer to the completion of the new production line of forks for lift trucks and the purchase of machine tools and equipment necessary to maintain a continual level of modernization as required for increasing productivity and efficiency.
Below is an overview of the gross and net carrying values of the fixed assets acquired through lease contracts which are still in life. Such assets belong to the Parent, the French and the Spanish subsidiaries.

	31.12.2008		31.12.2007	
	Gross value	Net value	Gross value	Net value
Buildings	204	129	204	135
Plants and equipment	4,144	65	4,144	104
Total	**4,348**	**194**	**4,348**	**239**

5. Goodwill

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

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

	31.12.2007	Addition	Sale	Exchange rate diff.	31.12.2008
Auramo OY	8,150	-	-	-	8,150
Bolzoni Auramo GmbH	181	-	-	-	181
Hans H. Meyer GmbH	2,287	-	-	-	2,287
Total	**10,618**	**-**	**-**	**-**	**10,618**

Auramo OY, Bolzoni Auramo GmbH and Hans H. Meyer GmbH

The estimated recoverable value of goodwill recorded in the financial statement was performed using a discounted cash flow model which, for the determination of the assets value in use, foresees the estimate of future cash flows and the application of an appropriate discounting rate. The 7.5% discounting rate applied represents the shareholders' expected return rate for the investment in the risk capital and the time frame in which the expected cash flows are discounted is ten years. The discount rate adopted is the one currently used for the estimation of our company and published in the analyses made by the financial analysis companies.

The impairment tests performed on goodwill have not highlighted permanent impairments requiring a write-down.

On 31 December 2008 an analysis was performed on the possible recoverable value of goodwill of the principal Group companies assuming a variation in WACC of percentage point, no critical points emerged and it was considered unnecessary to proceed with a reduction in the value of goodwill indicated above.

6. Intangible fixed assets

	01.01.08	Addition	Amorti-zation	Decr. (1)	Other variations (2)	31.12.08
Development costs	2,399	746	-	-	(1)	3,144
Trademarks and patent rights	3,366	10	-	-	43	3,419
Licences	3,765	885	-	-	(1)	4,649
Sundry	142	36	-	-	7	185
Gross value of Intangible Fixed Assets	**9,672**	**1,677**	**-**	**-**	**48**	**11,397**
Development costs	(853)	-	(510)	-	1	(1,362)
Trademarks and patent rights	(923)	-	(312)	-	(90)	(1,325)
Licences	(2,642)	-	(391)	-	(6)	(3,039)
Sundry	(33)	-	(147)	-	107	(74)
Accumulated amortization for Intangible Fixed Assets	**(4,451)**	**-**	**(1,360)**	**-**	**12**	**(5,800)**
Development costs	1,546	746	(510)	-	-	1,782
Trademarks and patent rights	2,443	10	(312)	-	(47)	2,094
Licences	1,123	885	(391)	-	(7)	1,610
Sundry	109	36	(147)	-	114	112
Net Value of Intangible Fixed Assets	**5,221**	**1,677**	**(1,360)**	**-**	**60**	**5,598**

(1): for sales or variation in consolidation area
(2): exchange rate differences, reclassification or others

The value of the intangible fixed assets generated internally and capitalized in 2008, entirely attributed to item "Development costs" amounts to 746 thousand euros (2007: 636 thousand euros) and consists of personnel costs and related social security. The projects refer in particular to the development of new technical solutions for existing products. At 31 December 2008 development costs included 285 thousand euros related to running projects.

7. Investment in associates

The Group has the following investments in associated companies:

	2008	2007
Eurolift Pty Ltd	139	179
Auramo South Africa	431	468
Meyer Italia S.r.l.	15	15
Total	**585**	**662**

The following table provides the main financial information on the investment in Eurolift :

	2008	2007
Portion of the associate's equity:		
Current assets	189	236
Non-current assets	13	21
Current liabilities	(46)	(35)
Non-current liabilities	(2)	(28)
Net asset	154	194
Portion of the associate's revenue and result:		
Revenue	295	505
Earnings	5	33

The following table provides the main financial information on the investment in Auramo South Africa:

	2008	*2007*
Portion of the associate's equity:		
Current assets	505	642
Non-current assets	21	24
Current liabilities	(161)	(243)
Non-current liabilities	(7)	(29)
Net asset	358	394
Portion of the associate's revenue and result:		
Revenue	1,160	1,360
Earnings	55	109

The reference dates for the figures related to Eurolift are 30 June 2008 and 30 June 2007, as accounting reports are not available at 31 December 2008 and 2007.
The investment in the associate Meyer Italia S.r.l. is not substantial and so we have not considered it necessary to provide main financial information as there are no available figures.

8. Credits and other financial assets (non-current)

Credits and other financial assets mainly refer to loans given by the parent to associated companies and other minor credits related to various subsidiaries.

9. Financial assets held to maturity

The balance refers to the financial assets held by the Finnish subsidiary.

10. Taxation

10.1 Deferred tax

The situation at 31 December 2008 and 2007 was the following:

	Consolidated balance sheet 2008	2007	Consolidated income statement 2008	2007
Deferred tax liability				
Accelerated depreciation for tax purposes	-	-	-	780
Exchange rate fluctuations	-	-	-	-
Capitalization of internal costs	(141)	(341)	200	12
Lease evaluations	(10)	(22)	12	20
Pensions	(94)	(147)	53	(119)
Variation in evaluation parent's inventory	(107)	(136)	29	(86)
Gains on sale of fixed assets split over 5 years	(11)	(18)	7	7
Bad debt provision for tax purposes	(22)	(29)	7	6
Meyer Group	(1,461)	(1,582)	121	603
Minor balances from subsidiaries	(362)	(289)	(73)	(49)
Sundry	(30)	-	(30)	-
	(2,238)	**(2,564)**		
Deferred tax assets				
Fiscal losses carried forward on foreign subsidiaries	269	523	(254)	-
Obsolescence provision on parent's inventory	121	171	(50)	37
Offsetting infragroup's profit in stock	480	546	(66)	(209)
Non tax deductible provisions	84	112	(28)	(26)
IPO costs	290	434	(144)	(252)
Minor balances on subsidiaries	104	82	22	(61)
Exchange rate fluctuations	-	80	(80)	(2)
Meyer	67	106	(39)	(28)
Sundry	121	154	(33)	3
	1,536	**2,208**		
Deferred tax income(expense)			**(346)**	**636**

Costs incurred during IPO, directly deducted from the share premium provision, are deducted from revenue over a period of 5 financial years, thus producing the above deferred tax assets.

Deferred tax liabilities referring to the Meyer Group and amounting to 1.461 thousand euros, are related to the deferred taxation deriving from the booking of the tangible fixed assets and the Meyer trademark at fair value.

Some Group subsidiaries have fiscal losses totalling 6.393 thousand euros (2007: 7.179 thousand euros) that are available indefinitely to offset future taxable profits of those same companies where the losses have been produced. Deferred tax assets related to those losses have been recognized according to expected earnings, established on the basis of the business plans drawn up for each company. In particular, a time frame covering the next three financial years has been considered. The deferred tax assets on these losses carried to the balanced sheet amount to 269 thousand euros (2007: 523 thousand euros). The amount of available fiscal losses for which no deferred tax asset has been allocated at 31 December 2008 amounts to 5.430 thousand euros , corresponding to deferred tax not accounted for and amounting to approximately 1.5 million euros.

As for the previous year, at 31 December 2008 no deferred tax liability was recognized on the unremitted earnings of some subsidiaries and associates as the Group has determined that these earnings will not be distributed in the foreseeable future.

The payment of dividends to the shareholders of Bolzoni S.p.A. does not affect income tax.

10.2 Income tax

The main components of Income tax for the years ended 31 December 2008 and 2007 are the following:

Consolidated income statement	2008	2007
Current income tax		
Current income tax charge	2,427	3,706
Deferred income tax		
Related to origination and reversal of temporary differences	347	(636)
Income tax expense reported in the consolidated income statement	**2,774**	**3,070**

Reconciliation between tax expenses and the product of accounting profit multiplied by domestic tax rate for the years ended 31 December 2008 and 2007 gives the following:

IRES/Income tax	2008		2007	
	Amount	Rate	Amount	Rate
Theoretical tax rate		27.5%		33.0 %
Result before tax	6,087		10,042	
Theoretical tax charge	**1,674**		**3,314**	
Plus variations				
Tax free or non-taxable income	29		31	
Non deductible costs	1,381		1,599	
Minus variations				
IPO costs	(461)		(461)	
Other minus variations	-		(4,294)	
Taxable income	**7,036**		**6,917**	
CURRENT IRES	**1,935**	**31.7 %**	**3,080**	**30.7 %**

IRAP	2008		2007	
	Amount	Rate	Amount	Rate
Theoretical tax rate		3.90%		4.25%
Difference between production values and costs	6,087		6,901	
Theoretical tax charge	**237**		**293**	
Plus variations				
Personnel costs	12,350		12,036	
Other plus variations	569		2,006	
Minus variations				
Other minus variations	(6,390)		(6,206)	
Taxable amount	12,616		14,737	
CURRENT IRAP	**492**	**8.1%**	**626**	**9.1%**

11. Inventory

	2008	2007
Raw material	7,395	8,827
Obsolescence provision for raw material	(194)	(183)
Net raw materials	**7,201**	**8,644**
Semi-finished products	6,952	7,741
Obsolescence provision for semi-finished products	(122)	(165)
Net semi-finished products	**6,830**	**7,576**
Finished products	7,120	10,301
Obsolescence provision for finished products	(656)	(745)
Net finished products	**6,464**	**9,556**
Total inventory at lesser between cost and net realizable value	**20,495**	**25,776**

The substantial drop in the value of inventory is the result of a reduction project implemented in the course of 2008 both by Parent and by the subsidiaries.
Below are the variations in the obsolescence provision during the periods under examination:

	31.12.2007	Increase	Decrease	31.12.2008
Obsolesc.prov. for raw material	183	11	-	194
Obsolesc.prov. for semi-finished prod.	165	-	(43)	122
Obsolesc.prov.for finished products	745	-	(89)	656
Total	**1,093**	**11**	**(132)**	**972**

The minus variations refer to derecognition of the provision subsequent to scrapping of material during the financial year.

12. Trade receivables (current)

	2008	2007
Trade receivables	20,473	26,366
Bills subject to collection	5,702	5,130
Bad debt provision	(99)	(41)
Total minority receivables	**26,076**	**31,455**
Eurolift Pty Ltd	182	174
Auramo South Africa	306	461
Meyer Italia S.r.l.	615	344
Total associate receivables	**1,103**	**979**
Total trade receivables	**27,179**	**32,434**

The decrease in trade receivables is the result of the lower Group turnover.

Below the trade receivables are divided according to due date:

	2008	2007
Receivables not yet due	18,589	24,599
Receivables 30 days overdue	4,556	3,848
Receivables 60 days overdue	1,640	2,012
Receivables 90 days overdue	634	919
Receivables more than 90 days overdue	1,760	1,056
Total trade receivables	**27,179**	**32,434**

Below are variations to the bad debt provision:

	2008	2007
Initial balance	41	108
Amount used	15	315
Provisions	73	248
Final balance	**99**	**41**

For the terms and the conditions covering related party receivables, refer to note 33.
Trade receivables are non-interest bearing and generally have a due date of 30-90 days. We would like to point out that these amounts are covered by a credit insurance.

13. Tax receivables

	2008	2007
Sundry	734	806
Total	**734**	**806**

This item mainly includes the balance of tax paid in advance by some group companies and which is greater than tax income liabilities pertaining to the financial year.

14. Other receivables

	2008	2007
VAT receivables	464	283
Advance to suppliers	16	47
Prepaid expenses	74	66
Sundry	387	541
Total	**941**	**937**

Prepaid expenses are mainly related to costs incurred but not pertaining to the parent.

15. Cash and cash equivalents

	2008	2007
Cash in hand and bank accounts	5,040	3,060
Total	**5,040**	**3,060**

Bank accounts have a variable interest rate.

For the purpose of the consolidated cash flow statement, the item 'Cash and cash equivalents' includes the following at 31 December :

	2008	2007
Cash in hand and bank accounts	5,040	3,060
Bank overdrafts and advance on collectable bills subject to final payment (note 18)	(5,647)	(2,956)
Total	**(607)**	**104**

16. Share capital and reserves

	2008	2007
Ordinary shares at 0.25 euros each	25,993,915	25,839,913

During year 2008 the following share capital increase was made:

- on 22 May 2008 following the stock option plan approved on 23 January 2006, a share capital increase was made for 154,002 ordinary shares each worth 0.25 euros for a total of 38 thousand euros (note 30).
-

Details of other reserves:

	Other reserves (of parent)	Curr. Transl. Diff.	IFRS transl. reserve	Consolid. reserve	Total
Balance at 31.12.2007	**24,584**	**(1,097)**	**1,344**	**5,267**	**30,098**
Share capital increase	276				276
Profit allocation	4,831			1,891	6,722
Variation in translation reserve	103	57			160
Payment of dividends	(3,101)				(3.101)
Balance at 31.12.2008	**26,693**	**(1,040)**	**1,344**	**7,158**	**34,155**

Other reserves of the Parent

The other reserves of the parent are made up of the revaluation reserve as per Law 342/2000, the statutory reserve and the retained earnings after the distribution of profits as approved by the Shareholders of Bolzoni S.p.A.

Reserve for currency translation differences

This reserve is used to record the currency differences resulting from the translation of the financial statements belonging to the foreign subsidiaries.

IAS/IFRS conversion reserve

This contains the effects on net equity following the first-time adoption of the IAS/IFRS principles on 1 January 2004.

Consolidation reserve

The consolidation reserve highlights the effects on net equity normally resulting from consolidation operations required for standardizing the items in the financial statements of the consolidated companies to the Group's criteria, from write-offs of infragroup non-realizable profits and from the off-setting of investments against their net equity.

17. Interest bearing loans and borrowings

	Actual interest rate %	Maturity	2008	2007
Short term				
Bank overdrafts		On request	287	195
Advance subject to final payment and on foreign business		30-90 days	5,647	2,956
Subsidiary loans			6,241	6,551
7,750,000 euro bank loan	Euribor +0.70	2009	1,107	1,107
6,500,000 euro unsecured bank loan	Euribor +0.40	2009	2,040	1,264
8,500,000 euro unsecured bank loan	Euribor +0.30	2009	1,689	1,616
4,500,000 euro unsecured bank loan	Euribor +0.25	2009	750	375
Government loan 394/81	1.72	2009	303	303
			18,064	**14,367**
Medium/short term				
7,750,000 euro bank loan	Euribor +0.70	2010	1,107	2,214
2,000,000 euro unsecured bank loan	Euribor +0.40	2009	-	667
2,000,000 euro unsecured bank loan	Euribor +0.40	2010	420	830
2,500,000 euro unsecured bank loan	Euribor +0.40	2011	2,439	519
1,500,000 euro unsecured bank loan	Euribor +0.30	2011	714	1,031
7,000,000 euro unsecured bank loan	Euribor +0.30	2012	3,852	5,152
4,500,000 euro unsecured bank loan	Euribor +0.25	2012	1,875	2,625
Government loan 394/81	1.72	2009	-	303
Handelsbanken loan	Euribor +0.60	2010	1,200	1,077
Other minor loans			307	271
			11,914	**14,689**

Bank overdrafts and advances on collectable bills subject to final payment and advance on foreign business

These mainly refer to the parent and the Spanish subsidiary.

7,750,000 euro bank loan

This loan, given by Intesa-Sanpaolo, is secured by a first degree mortgage on the property in Podenzano and is repayable in equal half yearly instalments.

6,500,000 euro bank loans

The loans are unsecured and are repayable in equal half yearly instalments

8,500,000 euro bank loans

The loans are unsecured and repayable in equal half yearly instalments

4,500,000 euro bank loan

The loan is unsecured and repayable in equal half yearly instalments

Government loan in accordance with Law 394/81

This loan, secured by a bank guarantee specifically obtained for the amount of 0.595 million euros, is repaid in half yearly, fixed principal value instalments.

Foreign subsidiary loans

These consist of:

- 0.5 million dollar loan obtained by the subsidiary Bolzoni Auramo Inc.
- 0.4 million euro loan obtained by the subsidiary Bolzoni Auramo GmbH;
- loan obtained by the subsidiary Auramo OY amounting to about 1.2 million euros

All loans are secured by comfort letters given by the parent.

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

Loan	Covenants	2008	Limit
6.500 €/000	Net financial debts/Net equity	0.57	1.50
6.500 €/000	Net financial debts/Gross operating margin	1.73	3.50

As previously shown, the covenants have all been observed. The non-observance could result, among other things, in the possible early repayment of the loan.

Net financial position	31.12.2008	31.12.2007	Variation
A. Cash on hand	21	19	2
B. Current bank accounts	5,019	3,041	1,978
- *of which related to Intesa Sanpaolo*	*749*	*467*	*282*
D. LIQUIDITY	**5,040**	**3,060**	**1,980**
F. Current bank debts	(12,184)	(9,716)	(2,468)
- *of which related to Intesa Sanpaolo*	*(3,423)*	*(2,984)*	*(439)*
G. Current part of non-current indebtedness	(5,880)	(4,651)	(1,229)
- *of which related to Intesa Sanpaolo*	*(3,135)*	*(2,465)*	*(670)*
I. CURRENT FINANCIAL INDEBTEDNESS	**(18,064)**	**(14,367)**	**(3,697)**
J. CURRENT NET FINANCIAL POSITION	**(13,024)**	**(11,307)**	**(1,717)**
Financial Assets held until maturity	59	60	(1)
K. NON-CURRENT FINANCIAL DEBTS	**(11,914)**	**(14,689)**	**2,775**
- *of which related to Intesa Sanpaolo*	*(4,902)*	*(6,537)*	*1,635*
N. NON-CURRENT NET FINANCIAL POSITION	**(11,855)**	**(14,629)**	**2,774**
NET FINANCIAL POSITION (NET FINANCIAL INDEBTEDNESS)	**(24,879)**	**(25,936)**	**1,057**
- of which related to Intesa Sanpaolo	***(10,711)***	***(11,519)***	***808***

18. T.F.R. retirement allowance fund and other employee benefits

Below are shown the variations to this fund:

	2008	2007
T.F.R. fund at 01.01	**3,284**	**4,150**
Current cost of the service	633	583
Financial charges	132	136
Actuarial earnings/losses	195	(499)
(benefit paid)	(930)	(1,086)
T.F.R. fund at 31.12	**3,314**	**3,284**

This fund is part of those plans with defined benefits.

Liabilities have been determined using the Projected Unit Credit Cost method which can be broken down into the following phases:

- on the basis of a series of possible financial assumptions (increase in the cost of life, increase in salaries etc.), estimates have been made regarding the possible future benefits which could be paid to each employee included in the programme in the event of retirement, death, disablement, resignation etc. This estimate will include possible increases corresponding to longer length of service matured as well as the presumable growth in the level of retribution on the date of evaluation;

- the current average value of future benefits paid has been calculated at the evaluation date, on the basis of annual interest rate adopted and the possibilities of each sum actually being paid out;
- the company's liability has been defined by identifying the portion of the current average value for the future sum paid referring to service matured in the company by the employee at the evaluation date;
- based on the liability determined at the previous point, and the reserve allocated in the financial statement in accordance with Italian civil laws, the reserve considered as being valid for the IAS purposes has been identified.

Below are details of possible assumptions:

Demographic suppositions	Executives	Non Executives
Probability of death	Mortality rate tables for the Italian population as measured by ISTAT for year 2002 divided according to sex	Mortality rate tables for the Italian population as measured by ISTAT for year 2002 divided according to sex.
Probability of disablement	Tables, divided according to sex, adopted in the INPS model for projections up to 2010	Tables, divided according to sex, adopted in the INPS model for projections up to 2010
Probability of resignation	7.5% in each year	7.5% in each year
Probability of retirement	Achievement of the first of the pension requirements valid for Mandatory General Insurance	Achievement of the first of the pension requirements valid for Mandatory General Insurance
Probability for an employee of: -receiving advance payment of 70% of the accrued retirement allowance at the start of the year	3.0% in each year	3.0% in each year

Financial theories	Executives	Non Executives
Increase in the cost of life	2.0% per annum	2.0% per annum
Discounting rate	4.25% per annum	4.25% per annum
Increase in TFR retirement allowance	3.0% per annum	3.0% per annum

19. Provision for contingencies and charges

	31.12.07	*Incr.*	*Decr.*	*31.12.08*	*Within 12 mths*	*After 12 mths*
Agents' termination benefit provision	120	15	-	135	-	135
Product Warranty provision	570	104	(135)	539	539	-
Other provisions	104	-	(68)	36	36	-
Total	**794**	**119**	**(203)**	**710**	**575**	**135**

Agents' termination benefit provision

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

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

20. Trade payables

	2008	2007
Advance from customers	20	21
Domestic suppliers	10,818	18,167
Foreign suppliers	4,308	6,923
	15,146	**25,111**

Trade payables are non-interest bearing and are normally settled on a 90 day basis approx.

For terms and conditions concerning related parties, see note 33.

Domestic supplier payables at 31 December 2008 include 1.001 thousand euros for investments in tangible fixed assets made during the second half of the period (Note 5). The variation is likewise affected by the parent's increased inventory.

21. Other payables

	2008	2007
Payables to employees for wages	982	761
Payables to employees for matured but unused holidays	1,189	1,236
Other accrued expenses	510	556
VAT	836	633
Other short term liabilities	1,070	1,389
Social security payables	1,229	1,416
	5,816	**5,991**

22. Payables to taxation authorities

	2008	2007
For wages and salaries	435	578
For income tax	224	790
Sundry	439	268
	1,098	**1,636**
Within the financial period	*964*	*1,401*
After the financial period	*134*	*235*

Decrease in the item regarding income tax is due to the different impact of advance tax payment paid in the two different financial periods.

INCOME STATEMENT

Revenue

For the break-down of revenue, please read note 4 regarding Segment Information.

23. Other revenue

	2008	2007
Sundry income	1,453	1,369
Gains on equity	24	172
	1,477	**1,541**

24. Costs for raw material and consumable supplies

	2008	2007
Raw material	26,769	27,315
Commercial goods	3,642	3,769
Semi-finished products	20,521	19,359
Other purchases for production	3,686	5,054
Sundry purchases	295	294
Additional expenses	263	328
Finished products	2,814	1,636
	57,990	**57,755**

The impact of costs for raw materials and consumable supplies in percentage has increased compared to the previous year due to higher prices for raw materials.

25. Service costs

	2008	2007
Industrial services	14,420	16,183
Commercial services	7,370	8,387
General services	8,046	7,972
Costs related to use of third party assets	2,146	2,214
	31,982	**34,756**

26. Personnel costs

	2008	2007
Wages and salaries	29,631	28,177
Social security	6,545	6,958
TFR retirement allowance (note 19)	828	84
Sundry costs	512	640
	37,246	**35,859**

The variation in personnel costs is related to the increase in the average number of employees (15) and to higher wages.

Average number of Group employees:

	31.12.2008	31.12.2007	Variation
Top Managers	34	33	1
First-line managers	5	5	-
White collar	328	333	(5)
Blue collar	402	383	19
Total	**769**	**754**	**15**

27. Other operating costs

	2008	2007
Tax and duty	230	144
Bad debt	29	17
Losses on sale of fixed assets	102	190
Sundry	581	741
	942	**1,092**

Under the item 'Sundry' are recorded costs of administrative and legal nature, association fees and donations referred to the various group companies.

28. Financial income and charges

	2008	2007
Financial charges	(2,200)	(1,969)
Financial income	233	256
Net financial income (charges)	**(1,967)**	**(1,713)**

Compared to the previous year, net financial charges have increased mainly due to the increase in interest rates.

28.1 Financial charges

	2008	2007
Interest on short term payables (overdrafts and credit disinvestments)	818	426
Interest on medium/long term loan payables	1,106	1,157
Charges other than above (lease contracts and sundry)	276	386
	2,200	**1,969**

28.2 Financial income

	2008	2007
Interest income from customers	197	196
Income other than above	36	60
	233	**256**

28.3 Exchange rate gains and losses

	2008	2007
Exchange rate gains	1,252	605
Exchange rate differences following translation	(75)	(289)
Exchange rate losses	(2,029)	(1,132)
	(852)	**(816)**

Variations are mainly due to the effects from fluctuations in English pound's exchange rate during 2008. The devaluation of this currency has caused negative effects on both the result of exchange rate handling and on the translation of items in foreign currencies to exchange rates on the balance sheet date.

29. Stock option plan

In May 2008 the third and last tranche was exercised, for a total of 154,002 shares, in accordance with the stock option plan approved by the Board of Directors on 7.3.2006 and by the Extraordinary Shareholders Assembly on 23.3.2006. The plan established an overall number of 462,000 shares limited to the company executives divided into three tranches. The minimum price of issue was established in 2.04 euros per share and the period for exercising the first tranche of rights was subjected to a mandatory lock-up time of 180 days after the date the Company shares were admitted to listing on the Italian Screen Based Market organized and controlled by Borsa Italiana S.p.A.
The evaluation of the third tranche has produced a cost of 30 thousand euros, accounted for under the item "Personnel Costs".

At the balance sheet date, the Bolzoni Company has not issued any convertible bonds.

30. Earnings per share

Basic earnings per share are calculated by dividing the year's net profit attributable to the ordinary shareholders of the parent by the weighted average number of ordinary shares outstanding during the year.
At 31 December 2008 the diluted earning calculation took into consideration the assignment of option rights for the purchase of shares coming from the stock option plan approved March 23 2006.

Below are details on earnings and information on the shares used to calculate basic and diluted earnings per share:

Basic earnings/ (losses) per share	*2008*	*2007*
Net group profit attributable to ordinary shareholders	3,104	6,722
Average number of ordinary shares (n°/000)	25,934	25,780
Basic earnings per ordinary share	0.120	0.261

Diluted earnings / (losses) per share	*2008*	*2007*
Net group profit attributable to ordinary shareholders	3,104	6,722
Average number of ordinary shares (n°/000)	25,934	25,830
Basic earnings per ordinary share	0.120	0.260

31. Dividends

Dividends approved and paid out during the year amount to 3,100,789 euros (2007: 2,568,591 euros). Dividends proposed for approval by the Shareholders (not recorded as liabilities at 31 December) amount to 779,817 euros (2007: € 3,100,789)

If approved, the proposed resolution regarding earnings will result in a payment of 0.03 euros per share.(2007: € 0.12).

32. Commitments and contingencies

Capital commitments

At December 31 2008 and at December 31 2007 the value of the Group's commitments was not material.

Legal litigations

Following the inspection made in March 2003 by the Inland Revenue of Piacenza, on June 13th 2006 the Regional Tributary Commission pronounced their verdict in favour of Bolzoni S.p.A. On November 24 2006 the Law Officers made an appeal to the Supreme Court against the verdict pronounced by the Regional Tributary Commission. Bolzoni S.p.A. has not recognized any provision as, supported by the favourable verdict and by the opinion of its lawyer, it believes the objection to be without grounds.

At 31 December 2008 no new facts emerged regarding this litigation.

During the financial year 2008 the Tax Police made an inspection on financial year 2006 and subsequent periods. The notification report dated 3.7.2008 does not evidence any irregularities of particular importance. The Company is in discussion with the competent offices in order to settle the litigation and is convinced that the matter can be closed without the payment of significant sums.

Guarantees granted

At 31 December 2008 the following guarantees have been granted by the Bolzoni Group:

- it has destined some land and buildings as guarantee against a bank loan (see note 15);
- it has granted comfort letters to a bank on a loan given to the subsidiary Bolzoni Auramo Inc. for the amount of US$ 500,000 (2007: US $ 500,000);
- it has granted a surety to a bank for the amount of € 2,000,000 (2007: € 2,000,000) in favour of the subsidiary Auramo OY;
- it has granted a surety to a bank for the amount of € 630,000 (2007: € 630,000) in favour of the subsidiary Bolzoni Auramo S.a.r.l.;
- it has granted a surety to a bank for the amount of € 237,370 (2007: € 237,370) in favour of the subsidiary Bolzoni Auramo S.a.r.l.;
- it has granted a surety to a bank for the amount of € 750,000 (2007: € 750,000) in favour of the subsidiary Bolzoni Auramo GmbH;
- it has granted a surety to a bank for the amount of € 750,000 (2007: € 750,000) in favour of the subsidiary Bolzoni Auramo S.l.;
- it has granted a surety to a bank for the amount of € 850,000 (2007: € 850,000) in favour of the subsidiary Bolzoni Auramo S.l.;
- it has granted a surety to a bank for the amount of € 300,000 (2007: € 300,000) in favour of the subsidiary Bolzoni Auramo S.l.;
- it has granted a surety to a bank for the amount of € 750,000 (2007: € 750,000) in favour of the subsidiary Hans H. Meyer GmbH.;
- it has granted a surety to a bank for the amount of € 750,000 (2007: € 750,000) in favour of the subsidiary Hans H. Meyer GmbH.;
- it has granted a surety to a bank for the amount of € 3,200,000 (2007: € 3,200,000) in favour of the subsidiary Hans H. Meyer GmbH;
- it has granted a surety to a supplier for the amount of € 100,000 (2007: 0) in favour of the subsidiary Bolzoni Auramo Shanghai;
- it has granted a surety to a bank for the amount of € 650,000 (2007: 0) in favour of the associated company Meyer Italia Srl.

33. Information on related parties

The following table indicates the total amount of transactions with related parties for the relevant financial year (further information on open balances at the end of the year can be found in notes 13 and 18).

Related parties		Sales to related parties	Purchases from related parties	Related parties receivables	Related parties payables
Associates:					
Eurolift Pty	2008	633	–	182	–
	2007	517	–	174	–
Auramo South Africa	2008	1,145	–	306	–
	2007	1,390	–	461	–
Meyer Italia S.r.l.	2008	789	–	615	–
	2007	723	–	344	–
Directors – other related companies : Intesa-Sanpaolo Group	2008	13	602	748	11,459
	2007	15	579	467	11,986
Directors - other related companies:	2008	–	522	-	-
	2007	–	522	–	–

Associated companies

The Group owns the following investments:

- 24.5% interest in Eurolift Pty (2007: 24.5%)
- 40% interest in Auramo South Africa (2007: 40%) owned throughy Auramo Oy
- 30% interest in Meyer Italia srl (2007: 30%)

Terms and conditions of transactions between related parties

Transactions between related parties are performed at normal market prices and conditions. Outstanding balances at year end are unsecured, interest free and are settled in cash. No guarantees have been provided or received for any related party receivables or payables. For the year ended 31 December 2008 the Group, as in previous years, has not made any provision for doubtful debts referring to amounts owed by related parties.

Transactions with other related parties

Directors – other related parties

Auramo OY, entirely controlled group company, rents the property situated in Vantaa (Finland) where its offices and production plant are located, from Kinteisklo OY Auran Pihti, a company controlled by Mr Karl-Peter Otto Staack, a member of the board of directors. The contract establishes the payment of an annual rent of approximately 522 thousand euros (2007: approx. 522 thousand euros) .

At 31 December 2008 Intesa-Sanpaolo Group holds less than 5% of share capital of Bolzoni S.p.A. (2007: less than 5%) and a manager of Intesa-Sanpaolo Group (Davide Turco) is a member of the parent's Board of Directors. The Bolzoni Group has business relations of a financial nature with the Intesa-Sanpaolo Group and, as a consequence, at 31 December 2008, the total value of debts towards the Intesa-Sanpaolo Group amounted to approximately 10.7 million euros (2007: € 11.5 million). Intesa-Sanpaolo Group also holds a mortgage right of the value of 10.85 million euros on the property situated in Podenzano as guarantee for a loan.

34. Financial risk management: objectives and policies

The Group's principal financial instruments, other than derivatives, include bank loans, financial leases, short term deposit and cash bank accounts. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial instruments, such as trade payables and receivables, which arise directly from its operations.

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

The Group's policy is that no trading in financial instruments shall be undertaken. This policy has been observed for the financial year under examination.

The main risks arising from the Group's financial instruments are those in connection with interest rates, liquidity, exchange rates and receivables. The Board of Directors reviews and agrees on the policies for handling each of these risks and they are summarised below. The Group's accounting principles in relation to derivatives are set out in note 2.3.

Interest rate risk

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

	Variations in presumptions	Effect on gross profit before tax
2008	0.25 BPS	(74)
	-0.25 BPS	74
2007	0.25 BPS	(71)
	-0.25 BPS	71

As at 31.12.2008 the Group does not have any Interest Rate Swap contracts running which foresee the exchange of the difference between variable and one or more fixed rate interest amounts, calculated by reference to an agreed notional principal amount.

Foreign currency risk

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

As described in the section dedicated to the consolidation principles the financial reports of the subsidiaries prepared in currencies other than Euro, are translated using the exchange rates published in the web site of the Italian Exchange Rate Office. Below is a table showing the effects of possible variations to exchange rates on the main items of financial reports for the subsidiaries operating outside the Euro zone.

	Currency	Increase/ Decrease	Effect on Net Equity*	Variation on Turnover	Variation on profit before tax
2008	*USD*	+ 5% / -5%	+17 / -19	- 501 / + 553	+ 17 / - 19
	SEK	+ 5% / -5%	-20 / +23	- 192 / + 212	- 20 / + 23
	GBP	+ 5% / -5%	-13 / +14	- 302 / + 334	-13 / + 14
	$ AUS	+ 5% / -5%	+ 19 / - 21	- 84 / + 93	+ 19 / - 21
	PESOS	+ 5% / -5%	- / -	- / -	- / -
	RMB	+ 5% / -5%	-14 / +15	- 103 / + 114	- 14 / + 15
	SLOTY	+ 5% / -5%	-5 / +5	- 83 / + 92	- 5 / + 5
	$ CAN	+ 5% / -5%	-3 / +3	- 76 / + 83	- 3 / + 3
2007	*USD*	+ 5% / -5%	+ 20 / -23	- 552 / + 610	+ 20 / - 23
	SEK	+ 5% / -5%	+10 / + 12	- 183 / + 202	- 17 / + 19
	GBP	+ 5% / -5%	+ 2 / - 2	- 201 / + 222	+ 2 / - 2
	$ AUS	+ 5% / -5%	+ 8 / -9	- 71 / + 78	+ 8 / - 9
	PESOS	+ 5% / -5%	+3 / -3	- 2 / + 2	+ 3 / - 3
	RMB	+ 5% / -5%	-11 / +13	- 106 / + 117	- 16 / + 18
	SLOTY	+ 5% / -5%	-4 / +4	- 63 / + 70	- 5 / + 5
	$ CAN	+ 5% / -5%	-9 / +10	- 103 / + 114	- 10 / + 11

* net of the theoretical tax effect. The theoretical tax effect in the single countries home to the various subsidiaries has been considered. Furthermore for those subsidiaries presenting negative results no tax effects have been considered.

The Group has entered into derivative financial contracts which hedge against exchange rate risks produced by cash flow from payments received in foreign currency transactions with its American subsidiary Bolzoni Auramo Inc: more specifically, the instruments used are essentially forward currency contracts and Put options.

Following the expansion of its activities towards Asian markets, the Group is also exposed to foreign currency risks related to purchases of raw materials settled in both Chinese Yuan (CNY) and US Dollars (USD); the volume of these operations is however minimal.

As these derivative contracts are generally drawn up after the invoicing of sales or of the purchases generating the related cash flows and so it is not possible to identify a close correlation between the maturity of the derivative contracts and the dates of the underlying financial cash flows, the contracts under examination can therefore be classified as net hedging operations on trade receivables/ payables in foreign currency. Consequently, they have been recognized as financial assets held for trading and are therefore accounted for and assessed at fair value. The fair value variations are charged to income statement under financial income and charges. At 31 December 2008 there was a forward sale contract in progress for the notional value of 3 million US dollars maturing March 30th 2009 and a CALL option hedging the above mentioned contract, with the same maturity date and amount.

Risk of variations in price of raw material

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

Credit risk

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

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

Liquidity risk

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

Fair value

Below is a comparison between the carrying amounts and the fair value of all the Group's financial instruments as indicated in the financial statement, divided according to category:

	Carrying amount		Fair value	
	2008	2007	2008	2007
Financial assets				
Cash in hand	5,040	3,060	5,040	3,060
Financial assets available for sale	59	60	59	60
Other financial credits (long term)	243	494	243	494
Financial liabilities				
Bank overdrafts and advance on collectable bills subject to final payment	(5,934)	(2,956)	(5,934)	(2,956)
Loans:				
At variable rates	(23,741)	(25,936)	(23,741)	(25,936)
At fixed rates	(303)	(607)	(303)	(607)
Forward currency contracts *	-	-	-	-
Swap Interest Rates *	-	-	-	-

* accounted for in the financial statement at fair value.

Fair value
Fair value of derivatives and loans has been calculated by discounting the expected future cash flows at prevailing interest rates. The fair value of loans at fixed rates has been calculated using the market interest rates.

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

Year ended 31st December 2008

Fixed rate	*<1 year*	*>1<2 yrs*	*>2<3 yrs*	*>3<4 yrs*	*>4<5 yrs*	*> 5 yrs*	*Total*
Government loan L. 394/81	(303)	-	-	-	-	-	(303)

Variable rate	*<1 year*	*>1<2 yrs*	*>2<3 yrs*	*>3<4 yrs*	*>4<5 yrs*	*> 5 yrs*	*Total*
Liquid funds	5,040	-	-	-	-	-	5,040
Assets held to maturity	59	-	-	-	-	-	59
Overdrafts on bank accounts	(287)	-	-	-	-	-	(287)
Advance on collectable bills subject to final payment	(3,379)	-	-	-	-	-	(3,379)
Advance on foreign business	(2,268)	-	-	-	-	-	(2,268)
Subsidiary loans	(6,241)	-	-	-	-	-	(6,241)
Bank loan of Euro 7,750.000	(1,107)	(1,107)	-	-	-	-	(2,214)
Bank loan of Euro 3,000.000	(667)	-	-	-	-	-	(667)
Bank loan of Euro 2,000.000	(750)	(750)	(750)	(375)	-	-	(2,625)
Bank loan of Euro 1,500,000	(281)	(375)	(375)	(375)	(94)	-	(1,500)
Bank loan of Euro 2,000.000	(410)	(420)	-	-	-		(830)
Bank loan of Euro 1,000.000	(203)	(209)	(107)	-	-	-	(519)
Bank loan of Euro 2.500.000	(476)	(499)	(523)	(548)	-	-	(2.046)
Bank loan of Euro 1.500.000	(480)	(506)	(398)	-	-	-	(1.384)
Bank loan of Euro 1.500.000	(296)	(309)	(322)	(83)	-	-	(1.010)
Bank loan of Euro 1.500.000	(329)	(344)	(358)	-	-	-	(1.031)
Bank loan of Euro 1.500.000	(294)	(305)	(318)	(164)	-	-	(1.081)
Bank loan of Euro 1,500,000	(293)	(309)	(320)	(164)			(1,086)
Subsidiary loan	-	(1,200)	-	-	-		(1,200)
Other minor loans	-	(307)	-	-	-		(307)

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

35. Remuneration of Directors and Statutory Auditors

The following table shows the remuneration during year 2007 for the Directors and Statutory Auditors of the parent and subsidiary companies:

Name	Amount paid by Parent	Amount paid by Group companies	Description
Emilio Bolzoni	193	28	Director's fee
Roberto Scotti	193	28	Director's fee
Luigi Pisani	28	-	Director's fee
Franco Bolzoni	28	-	Director's fee
Pierluigi Magnelli	28	-	Director's fee
Davide Turco	28	-	Director's fee
Karl Peter Otto Staack	28	-	Director's fee
Carlo Baldi	28	-	Director's fee
Raimondo Cinti	28	-	Director's fee
Giovanni Salsi	28	-	Director's fee
Total	**610**	**56**	
Giorgio Picone	20	-	Auditor's Fee
Fiorenzo Salvini	13	-	Auditor's Fee
Benvenuto Girometti	13	-	Auditor's Fee
Total	**46**	**-**	

36. Other information

The Parent has not carried out any operations to favour the purchase or the subscription of shares in accordance with article 2358, paragraph 3 of the Civil Code

The Group appointed its auditors in March 2006. Below is a summary of fees paid during the financial period in exchange for services rendered to the Group by the following:

a) by the auditing company for auditing services

b) by the auditing company. for services other than above, divided between verification services necessary for the issue of certifications and other services, separated according to type;

c) by companies belonging to the auditing company's network, for services divided according to type.

Type of service	Subject giving the service	Beneficiary	Fees (thousands of euros)
Accounting audit	Parent's auditors	Parent Company	135
Certification service	Parent's auditors	Parent Company	40
Accounting audit	Parent's auditors	Parent's subsidiaries	35
	Parent's auditors network	Parent's subsidiaries	109

37. Events after the balance sheet date

It is important to highlight that the market continues its recessionary trend. This tendency has had an important and positive effect on the cost of steel and consequently on all the costs for our products' components.

During the last quarter of 2008 and the first months of 2009 all the necessary actions have been taken to adjust both variable and fixed costs to the market trend.

STATEMENT ON THE COMPANY AND CONSOLIDATED FINANCIAL REPORT

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

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

   ✓ the appropriateness in relation to the company's characteristics (also taking into account any changes which may have occurred during the financial year) and

   ✓ the actual application,

   of the administrative and accounting procedures behind the preparation of the company and consolidated financial statement for the period 1 January – 31 December 2008.

2. In this respect, the C.E.O. and the manager responsible for the preparation of the corporate accounting documents highlight that

   - as of 1 January 2008 an ERP programme has been adopted by the Issue and will be extended to the subsidiaries controlled by the Group;
   - the introduction of this new system has required the revision of certain existing accounting and administrative procedures ;
   - the accounting figures for the financial period 2008 have been subjected to specific and adequate controls which have not highlighted any significant deficiencies.

3. We also certify that the company and consolidated financial statements at 31 December 2008:

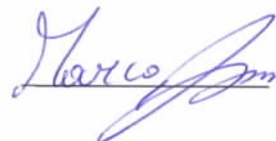
   a) correspond to the results of the accounting books and entries;

   b) have been drawn up according to the dispositions established by the Civil Code and the IAS/IFRS accounting principles and, apparently appear to be suitable for providing a true and correct portrayal of the balance sheet and economic-financial situation of the issuer and the group of companies included in the consolidation

Casoni di Podenzano, 11 March 2009

Signature of the C.E.O.

Signature of the Manager Responsible for the Preparation of the company accounting documents



BOLZONI S.p.A. Società per Azioni
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Bolzoni SpA Accounting Statements at 31 December 2008

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BALANCE SHEET as at 31 December 2007

BALANCE SHEET *(euros)*	Notes	31/12/2008	31/12/2007
ASSETS			
Non-current assets			
Property, plant and equipment	3	18,148,638	19,108,309
Intangible fixed assets	4	1,684,042	1,302,494
Investment in subsidiaries	5	31,962,727	31,962,727
Investment in associated companies	6	61,311	61,311
Credits and other financial assets	7	1,060,208	1,342,831
- of which related to subsidiaries		*850,000*	*1,131,813*
Deferred tax assets	8	550,740	857,697
Total non-current assets		**53,467,666**	**54,635,369**
Current assets			
Inventory	9	7,810,105	10,922,374
Trade receivables	10	18,624,851	22,918,068
- *of which related to subsidiaries*		*8,842,000*	*9,874,334*
- *of which related to associates*		*408,689*	*449,978*
Tax receivables	11	85,544	695,916
Other receivables	12	559,153	521,204
Cash and cash equivalent	13	1,611,468	1,001,216
- of which related to Banca Intesa-Sanpaolo		*748,506*	*463,629*
Total current assets		**28,691,120**	**36,058,778**
TOTAL ASSETS		**82,158,786**	**90,694,147**

BALANCE SHEET as at 31 December 2008

BALANCE SHEET *(euros)*	**Notes**	**31/12/2008**	**31/12/2007**
NET EQUITY			
Share capital	14	6,498,479	6,459,978
Reserves	14	29,043,223	26,934,429
Result of the period	14	3,493,375	4,904,091
TOTAL NET EQUITY		**39,035,077**	**38,298,498**
LIABILITIES			
Non-current liabilities			
Long-term loans	*15*	*10,406,925*	*13,340,841*
- of which related to Banca Intesa-Sanpaolo		*4,902,320*	*6,536,801*
T.F.R. provision (retirement allowance)	16	2,531,396	2,429,343
Tax payables	20	133,647	234,419
Deferred tax liability	8	414,998	534,735
Contingency and expenses provisions	17	135,000	120,000
Total non-current liabilities		**13,621,966**	**16,659,338**
Current liabilities			
Trade payables	*18*	*16,840,816*	*26,420,603*
- of which related to subsidiaries		*5,062,000*	*6,461,479*
Payables to banks and current portion of L.T. loans	*15*	*9,969,760*	*6,084,676*
- of which related to Banca Intesa-Sanpaolo		*4,134,481*	*2,999,359*
Other payables	19	2,023,204	2,571,501
Tax payables	20	584,979	564,194
Current portion of contingency provision	17	82,984	95,337
Total current liabilities		**29,501,743**	**35,736,311**
TOTAL LIABILITIES		**43,123,709**	**52,395,649**
TOTAL NET EQUITY AND LIABILITIES		**82,158,786**	**90,694,147**

INCOME STATEMENT as at 31 December 2008

INCOME STATEMENT *(euros)*	**Notes**	**31/12/2008**	**31/12/2007**
Turnover	21	73,736,870	78,078,530
- of which related to subsidiaries and associates	*31*	*24,540,071*	*26,768,837*
Other operating revenue	22	121,829	120,266
Total revenue		**73,858,699**	**78,198,796**
Costs for raw material and consumables	23	(36,736,522)	(37,474,690)
- of which related to subsidiaries	*31*	*(4,363,321)*	*(5,063,537)*
Costs for services	24	(17,441,678)	(19,713,066)
Personnel expenses	25	(12,228,968)	(11,655,251)
Other operating expenses	26	(290,306)	(232,628)
Adjustment of investments	5	-	-
Gross operating result (Ebitda)		**7,161,225**	**9,123,161**
Amortization	3,4	(2,643,716)	(2,220,257)
Provisions and write-downs	17	(146,730)	(149,522)
Operating result		**4,370,779**	**6,753,382**
Financial expenses	27	(1,556,898)	(1,308,669)
- *of which related to subsidiaries*	*31*	*(226,649)*	*(199,945)*
- *of which related to Banca Intesa-Sanpaolo*	*31*	*(480,546)*	*(461,835)*
Financial income	27	1,899,184	1,903,245
- *of which related to subsidiaries*	31	*1,852,460*	*1,876,001*
- *of which related to Banca Intesa-Sanpaolo*	31	*13*	*15*
Exchange rate earnings and losses	27	200,026	(532,993)
Result before tax		**4,913,091**	**6,814,965**
Income tax	8	(1,419,716)	(1,910,874)
Result of the period		**3,493,375**	**4,904,091**

VARIATIONS TO NET EQUITY for the financial year ended 31 December 2008

	Capital	Revaluation reserve	Share premium provision	Legal reserve	Other Reserves	Stock Option reserve	Profit	Total Net Equity
Balances on 31.12. 2006	**6,421,478**	**2,329,967**	**16,663,656**	**699,804**	**5,955,262**	**175,406**	**3,280,146**	**35,525,719**
Profit allocation				164,008	3,116,138		-3,280,146	-
Dividends					-2,568,591			-2,568,591
Increase from stock option (1)	38,500		432,266			-167,706		303,060
Other variations						134,219		134,219
Year result							4,904,091	4,904,091
Balances on 31.12.2007	**6,459,978**	**2,329,967**	**17,095,922**	**863,812**	**6,502,809**	**141,919**	**4,904,091**	**38,298,498**
Balances on 31.12. 2007	**6,459,978**	**2,329,967**	**17,095,922**	**863,812**	**6,502,809**	**141,919**	**4,904,091**	**38,298,498**
Profit allocation				245,205	4,658,886		-4,904,091	-
Dividends					-3,100,790			-3,100,790
Increase from stock option (1)	38,501		447,620			-171,956		314,164
Other variations					-208	30,037		29,829
Year result							3,493,375	3,493,375
Balances on 31.12.2008	**6,498,479**	**2,329,967**	**17,543,542**	**1,109,017**	**8,060,698**	**-**	**3,493,375**	**39,035,077**

(1) Increase in share capital, share premium provision and stock option reserve refers to the stock option plan in progress (see Notes 14 and 28)

CASH FLOW STATEMENT

(euros)	*Notes*	**2008**	**2007**
Net profit of the year		**3,493,375**	**4,904,091**
Adjustment to reconcile net profit with cash flow generated (used) by operating activities:			
Amortization		2,643,716	2,220,257
Net variation in TFR provision (retirement allowance)		102,053	(823,600)
Net variation of contingency and charges provision		2,647	(162,175)
Net variation of deferred tax		187,219	(348,210)
Net variation of investments		-	(5,212,323)
Variations in operating assets and liabilities:			
(Increase) decrease in inventory		3,112,270	(2,343,386)
(Increase) decrease in trade receivables		4,293,218	(2,276,929)
(Increase) decrease in other receivables		(37,949)	4,251,483
Increase (decrease) in trade payables		(9,798,498)	1,860,439
Increase (decrease) in other payables		(548,297)	845,548
Increase (decrease) in tax payables		(79,987)	(257,323)
(Increase)decrease in tax receivables		610,372	(695,916)
NET CASH FLOW GENERATED BY OPERATING ACTIVITIES	a)	**3,980,139**	**1,961,956**
Cash flows generated by investment activity:			
Gross investments in tangible activities		(1,024,816)	(4,791,681)
Disinvestments in tangible activities		-	17,000
Net investments in intangible activities		(822,066)	(998,684)
NET CASH FLOW USED FOR INVESTMENT ACTIVITIES	b)	**(1,846,882)**	**(5,773,365)**
Cash flows generated by financing activity:			
New loans (repayment) and transfer of short term portions to current liabilities.		(1,395,935)	4,956,539
Net variation of other non-current financing assets/liabilities		-	-
Dividends paid		(3,100,790)	(2,568,591)
Share capital increase		38,501	303,060
Other variations to net equity and third party interests		305,493	134,219
CASH FLOW GENERATED (USED) BY FINANCING ACTIVITIES	c)	**(4,152,731)**	**2,825,227**
EFFECT OF EXCHANGE RATES ON NET LIQUID FUNDS		**-**	**-**
NET INCREASE (DECR.) IN NET LIQUID FUNDS	a)+b)+c)	**(2,019,474)**	**(986,182)**
NET LIQUID FUNDS AT START OF YEAR		(435,670)	550,512
NET LIQUID FUNDS AT END OF YEAR		(2,455,144)	(435,670)
VARIATION		(2,019,474)	(986,182)
ADDITIONAL INFORMATION:			
Interest paid		1,394,042	1,134,575
Income tax paid		736,318	3,070,562

ACCOUNTING PRINCIPLES AND EXPLANATORY NOTES

1. Corporate information

Bolzoni S.p.A. is a limited company incorporated and domiciled in Podenzano (PC), località "I Casoni" and its principal activity is in the sector of attachments for fork lift trucks.

The publication of Bolzoni S.p.A.'s (the Company) financial statement for the year ended 31 December 2008 was authorized by the resolution taken by the directors on March 11th 2009.

As at December 31 2008 the majority of Bolzoni SpA's share capital is owned by Penta Holding srl with registered offices in Podenzano, Località I Casoni (Piacenza).

Bolzoni S.p.A. is not subject to management and coordinating activities on behalf of companies or bodies and establishes in full autonomy its general and operational strategic orientations.

2. Basis of Preparation and Accounting Principles

2.1 Basis of preparation

Bolzoni S.p.A.'s financial statement has been prepared in conformity with the International Accounting Standards and related interpretations, as approved by the IASB and enacted according to the procedure indicated in article 6 of Ruling (CE) n° 1606 passed on 19 July 2002.

The accounting principles used for this financial statement are those formally approved by the European Union and ruling on December 31st 2008, in addition to the regulations issued to implement art. 9 of the Legislative Decree n° 38/2005.

The figures indicated in the accounting statements are given in euros whereas, in the explanatory notes they are rounded to the nearest thousand of euros, except where indicated.

Information has been supplied according to the specific requirements established in CONSOB's resolution n° 15519 dated July 27 2006, CONSOB's resolution n° 15520 dated July 27 2006 and in Circular n° DEM/6064293 dated July 28 2006.

The financial statement as at 31 December 2008 has been drawn up on the basis of the historic cost, modified where necessary as required for the evaluation of certain financial instruments.

The company financial statement at 31 December 2008 has been prepared with the prospect of a continuation in the Group's activity. Indeed the Company has estimated that, despite a difficult economic and financial context, no significant uncertainties exist regarding its continuity, also considering the actions already identified to adjust to the altered levels of demand and the industrial and financial flexibility of the Company itself

With reference to the Statements, the following should be noted:

- Balance Sheet: the Company differentiates between non-current assets and liabilities and current assets and liabilities;
- Income Statement: the Company presents a classification of costs according to their nature, which is believed to be more representative of the Company's predominantly commercial and distribution activities;
- Cash Flow Statement: it has been drawn up using the indirect method to determine cash flows produced by the activity during the period;
- Variations to Net Equity: the Company includes all variations to net equity including those deriving from transactions with shareholders (distribution of dividends, share capital increases)

The following table lists the international accounting principles and interpretations, approved by IASB and enacted for adoption in Europe, applied for the first time (where the case) during the period under examination:

Description	*Effective from*
Modifications to IAS 39 and IFRS 7 Reclassification of Financial instruments	1 July 2008
IFRIC 11– Operations with own or group equity instruments	1 March 2007

The modifications listed in the above table have not been applied to the consolidated financial statement as at 31 December 2008.

The consolidated financial reports has been prepared on the basis of the historic cost principle.

Unless indicated differently, the figures in the accounting sheets and explanatory notes are written in thousands of euros..

2.2 Accounting principles

Property, plant and equipment

Property, plant and equipment are stated at historic cost, less accumulated depreciation and accumulated impairment in value. Such cost includes costs for replacing part of plant and equipment when that cost is incurred if the recognition criteria are met. Depreciation is calculated on a straight-line basis over the expected useful life of the assets.

Depreciation, which begins when the assets are available for use, is calculated on a straight-line basis over the expected useful life of the assets and taking into account their residual value. The depreciation rates used, which reflect the useful life generally attributed to the various categories of assets, and which have remained unvaried with respect to the previous financial year, are the following:

Buildings and light constructions	3 %
Plants and equipment	from 10 to 15.5%
Industrial and commercial equipment	from 25% to 30%
Other assets	from 10% to 25%

Land, which normally has an unlimited useful life, is not subject to depreciation.

The carrying value of property, plant and equipment is reviewed for possible impairment whenever events or changes in circumstance indicate that the carrying value may not be recoverable, according to the established depreciation plan. If an indication of this type exists and in the event that the carrying value exceeds the expected realizable value, the assets or the cash-generating units to which the assets have been allocated are revalued until they actually reflect their realizable value.

The residual value of the asset, the useful life and the methods applied are reviewed annually and adjusted if necessary at the end of each financial year.

A tangible asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) are included in the income statement in the year the asset is derecognized.

Leases

Finance leases, which basically transfer to the Company all the risks and benefits incidental to the ownership of the leased item, are capitalized among property, plant and equipment at the inception of the lease, at the fair value of the leased item or, if lower, at the present value of the minimum lease payments. A debt of the same amount is booked in liabilities and is progressively reduced according to the plan for refunding the portions of capital included in the installments.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income. The assets are depreciated according to and at the rates indicated in the previous paragraph.

The lease contracts where the lessor substantially retains all the risks and benefits typical of ownership are classified as operating leases.

The initial negotiation costs incidental to the operating lease contracts are considered as increasing the cost of the leased asset and are measured over the lease term so that they balance the income generated by the same lease.

Operating lease payments are recognized as an expense in the income statement on a straight-line basis over the lease term.

Intangible assets

Acquired intangible assets are recognized as assets, according to the contents of IAS 38 (Intangible Assets) when it is probable that the use of the asset will generate future economic benefits and when the cost of the asset can be reliably determined.

Intangible assets acquired separately are measured on initial recognition at cost, whereas those acquired in a business combination are measured at fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is charged against profits in the year in which the expenditure is incurred. The useful lives of intangibles assets are assessed to be either definite or indefinite. Intangible assets with definite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortization period and the amortization methods for an intangible asset with a definite useful life is reviewed at least at each financial year end or even more frequently if necessary. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates . The amortization expense on intangible assets with finite lives is recognized in the income statement in the expense category consistent with the function of the intangible asset.
The Company has not recognized any intangible assets with indefinite lives in the balance sheet.

Research and development costs

Research costs are expensed as incurred. Development costs arising from a particular project are capitalized only when the Company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of technical, financial or other types of resources to complete development and its capacity to reliably measure the expenditure during the development of the asset and the existence of a market for the products and services resulting from the activity or of their use for internal purposes. The capitalized research costs include only those expenses sustained that can be directly attributed to the development process. Following the initial recognition, the development costs are measured at the cost less any accumulated amortization or loss. Any capitalized costs are amortized over the period in which the project is expected to generate income for the Company.

The carrying value of development costs is reviewed for impairment annually, when the asset is not yet in use or more frequently when an indication of impairment arises during the reporting year.

A summary of the policies applied by the Company to intangibles assets follows:

	Licences and Patents	Development costs
Useful lives	Definite	Definite
Method used	Licences amortized over 3/5 years ; Patents amortized over 10 years	Amortized over 5 years, on a straight-line basis, corresponding to the period of expected future sales deriving from the related project
Internally generated or acquired	Acquired	Internally generated
Impairment testing/tests on recoverable amounts	Annually or more frequently when there is indication of impairment.	Annually for assets not yet in use and more frequently when there is indication of impairment. The amortization method is reviewed at each financial year end.

Gains or losses deriving from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the income statement when the asset is disposed of.

Impairment of assets

The Company assesses annually at each reporting date whether there is an indication that an asset (intangible assets, property, plant and equipment owned and finance leased assets) may be impaired. In making this assessment of the assets, both internal and external sources of information are considered. With regards to the former (internal sources) the following are considered: obsolescence or the physical deterioration of the asset; if, during the financial year there have been significant changes in the use of the asset; if the economic trend of the business appears to be worse than expected. With regards to

external sources however the following are considered: if the market prices of the asset have significantly dropped; if there are particular technological, market or legislative issues capable of reducing the asset's value.

Regardless of whether there are internal or external indications of impairment loss, goodwill and the other possible intangible assets with indefinite useful life are subjected to impairment testing at least once a year.

In both cases (either the annual check of the carrying value of goodwill or the other tangible and intangible assets with a definite useful life with indications of possible impairment loss) the Company makes an assessment of the recoverable value. The recoverable value is the higher between the fair value of an asset or cash-flow generating unit, net of selling costs, and the value in use; it is determined for each asset, except when the asset does not generate cash flows which are largely independent from those generated by other assets or groups of assets, in which case the Company assesses the recoverable value of the cash-flow generating unit to which the asset belongs. In particular, as goodwill does not generate cash-flows independently from other assets or groups of assets, impairment testing involves the unit of the group of units to which goodwill has been allocated.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time-value of money and the risks specific to the asset.

For the assessment of value in use, the future financial flows are taken from the company business plans approved by Board of Directors, and which form the best assessment that the Company can make of the expected economic conditions during the period covered by the plan. Projections usually cover a period of three years; the long-term growth rate used for assessing the terminal value of the asset or the unit is normally lower than the average, long-term growth rate of the segment, of the Country or of the benchmark market and, if appropriate, may correspond to zero or can even be negative. The future financial flows are assessed by using the current conditions as benchmark: therefore the estimations do not consider either the benefits arising from future re-organisation in which the Company is not yet involved or future investments for improvement or optimization of the asset or unit.

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

At each reporting date the Company also assesses whether there are any indications that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously written-off impairment loss, excluding goodwill, may only be reversed if there have been changes in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. In that case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit and loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining life. In no case can the goodwill amount previously written-down return to the original.

Investments in subsidiary and associated companies

Investments in subsidiary and associated companies are carried at the adjusted cost when there is an impairment. Whenever the Company's possible share of the associated/subsidiary company's losses exceeds the carrying value of the investment, it is necessary to proceed to the cancellation of the investment value and the portion of further impairment is taken to provision in the liabilities in the event of the Company being obliged to account for it.

Financial assets

Financial assets are initially recognized at the cost – plus the additional charges at acquisition – representing the fair value of equivalent paid. After the initial recognition, financial assets are assessed in relation to their operating destination on the basis of the following outline.

Financial assets held for trading

These are financial assets acquired for the scope of obtaining a profit from short term price fluctuations. After initial recognition, these assets are measured at the fair value and the related profit or loss is charged to the income statement. The derivative financial instruments (interest rate swap, options, forward etc…) are classified as held for trading, unless designated as effective hedging.

Financial assets held to maturity

These are non-derivative financial assets with fixed or determinable payments, and a fixed maturity date, for which the Company has the firm intention and ability to hold until maturity.

After initial recognition, these assets are carried at the amortized cost, using the effective interest rate method.

This cost is calculated as the amount initially recognized less the repayments of capital, plus or minus the accumulated depreciation using the effective interest rate method of any difference between the initially recognized value and the maturity amount. This calculation includes all the fees and points paid or received between the parties to the contract that are an integral part of the effective interest rate, transaction costs and other premiums or discounts. For investments carried at the amortized cost, gains and losses are recognized in income when the investments are derecognized or impaired, as well as through the amortization.

The financial assets the Company decides to maintain in its portfolio for an indefinite period are not included in this category.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These assets are carried at amortized cost using the effective discount rate. Gains and losses are recognized in income when the loans and receivables are derecognized or impaired, as well as through the amortization.

Available-for-sale financial assets

Includes financial assets not classified in the previous categories. After initial recognition these assets are measured at fair value with gains or losses being recognized as a separate component of equity until they are derecognized or until they are determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in the income statement.
In the case of securities that are actively traded in organized financial markets, the fair value is determined by referring to quoted market bid prices at the close of business on the balance sheet date. For those investments where there is no active market, the fair value is determined by using valuation techniques based on recent transaction prices between independent parties; the current market value of another substantially similar instrument; discounted cash flow analysis; option pricing models.
When the fair value cannot be reliably estimated, investments in other companies are left at cost value.
The Company does not own any available-for-sale financial assets.

Inventories

Inventories are evaluated at the lesser between the purchase or production cost and expected net realizable value.

Costs incurred for bringing each product to its present location and stockage are accounted for as follows:

Raw material	– purchase cost based on average weighted cost;
Finished and semi-finished goods	– average production cost for the financial year based on cost of direct materials and labour plus a portion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

The net realizable value is the estimated selling price less estimated costs of completion and the estimated costs necessary to make the sale.

If necessary, provisions have been allocated for write-down of materials, finished products, spare parts and other supplies considered obsolete or with a low turnover rate, considering their expected future use and their realizable value.

Trade and other receivables

Trade receivables, which generally have a 30-120 days' payment terms, are recognized at the original invoice amount less an allowance for any non-collectable amounts. This provision is made when there is objective evidence that the Company will not be able to collect the debts. Bad debts are written off when identified.

Cash and cash equivalent

Cash and short term deposits in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity of three months or less.

For the purpose of the cash flow statement, cash and cash equivalents are represented by cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Interest-bearing loans and borrowings

All loans and borrowings are initially recognized at the fair value of the consideration received less directly attributable transaction costs.

After the initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost, using the effective interest rate method.

Gains and losses are recognized in net profit or loss when the liabilities are derecognized, as well as through the amortization process.

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset but has assumed an obligation to pay them in full without material delay to a third party;
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and benefits of the ownership of the assets, or (b) has neither transferred nor retained substantially all the risks and benefits of the asset but has transferred the control of the asset.

Where the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and benefits of the asset nor transferred the control of the asset, the asset is recognized in the Company's balance sheet to the extent of the Company's continuing involvement in the asset itself. The continuing involvement which takes the form of a guarantee over the transferred asset, is measured at the lesser between the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender, on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

Impairment of financial assets

The Company assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

Assets carried at amortized cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced either directly or through use of an allowance account. The amount of the loss shall be recognized in profit or loss.

The Company first assesses whether objective evidence of impairment exists individually, for financial assets that are individually significant, and individually or collectively for the financial assets that are not individually significant. In the absence of objective evidence of impairment for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in the income statement, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

Financial assets carried at cost

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

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

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

Provisions for contingencies and charges

Provisions for contingencies and charges are recognized when the Company has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a borrowing cost.

Pensions and other post-employment benefits

TFR retirement allowance, calculated in compliance with the laws and current labour contracts, as it is considered a plan with defined benefits in accordance with IAS 19, is determined separately for each company at the end of each financial period using the projected unit credit actuarial valuation method. The actuarial gains and losses are recognized in the income statement, either as labour costs or financial charges depending on the case.

Assets available for sale and liabilities associated with these assets

The non-current assets (or groups of assets and liabilities) are classified as intended for sale if available for immediate sale in the present state, except for recurring transaction conditions for the sale of that type of asset and if the sale is highly probable.

These assets are carried at;

- the lesser between the carrying value and fair value net of sales costs, any impairment loss is take to profit and loss, unless part of a business combination operation, or else
- at fair value net of sales costs (without the possibility of measuring write-downs during initial recognition), if part of a business combination operation.

In any case the depreciation process is interrupted when the asset is classified as available for sale.

The assets and the liabilities directly connected to a group of assets to be sold are distinctly classified in the income statement, as well as the pertinent reserves of accumulated profits or losses directly taken to equity. The net result of sale operations is indicated in a specific item of the profit and loss statement.

Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized in the Income Statement:

Sale of goods

Revenue is recognized when the significant risks and rewards linked to the ownership of the goods have passed from the company to the buyer.

Services rendered

Revenue from services rendered (technical servicing, repairs, other services rendered) is recognized with reference to the stage of completion, measured as a percentage of total labour hours, with respect to the hours estimated for each operation.

Interest income

Revenue is recognized as interest accrues (using the effective interest method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

Dividends

Dividends are recognized when the shareholders' rights to receive the payment is established

Government grants

Government grants are recognized where there is reasonable assurance that the grants will be received and all attaching conditions will be complied with. When the grants relate to expense items they are recognized as income over the period necessary to match the grants on a systematic basis to the costs that they are intended to compensate.

Financial charges

Financial charges are taken to income statement when they are incurred.

Income tax

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and the tax laws used to compute the amount are those that are enacted by the balance sheet date.

Deferred tax

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the same time of the transaction, affects neither the accounting profit nor taxable profit or loss;

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent of the probability that taxable profit will be available and against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised, excepting:

- where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow

all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income tax related to items recognized directly in equity is recognized directly in equity and not in the income statement.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable rights exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Value Added Tax

Revenues, expenses and assets are recognized net of the amount of VAT except where the tax incurred on a purchase of assets or services is not recoverable from the taxation authority in which case VAT is recognized as part of the cost of acquisition of the asset or part of the expense item taken to the income statement. The net amount of VAT that can be recovered from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Derivative financial instruments and hedging

The Company uses derivative financial instruments such as forward currency contracts to cover risks mainly associated with foreign currency fluctuations. The Company can also use financial instruments to cover interest risks such as Interest Rate Swap, even though there were none existing at 31 December 2008 and 2007 nor were any drawn up during the two financial periods closed on these dates. These derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. They are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are taken directly to net profit or loss for the period.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of interest rate swap contracts is calculated by reference to the market value for similar instruments.

At 31st December 2007 there were no derivative contracts in existence.

At 31 December 2008 there was a forward contract in existence for nominal 3 million US dollars maturing on 30th March 2009 which has been considered unsuitable for hedge accounting as it has not being possible to identify a technical-financial correlation between the characteristics of the stipulated contracts and those of one or more specific financial instruments existing at the balance sheet date.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into euros (the functional currency) at the exchange rate ruling at the balance sheet date. All exchange rate differences are taken to the income statement. The non-monetary items assessed in foreign currencies at the historical cost are translated using the exchange rate ruling on the date the transaction is registered. Non monetary items carried in foreign currencies at the fair value are translated using the exchange rate ruling on the date the value is determined.

Variation in the accounting principles

The accounting principles adopted are in line with those applied in the previous financial year.

Judgements and accounting estimations

In accordance with IAS/IFRS principles, the preparation of the financial statement requires estimates and assumptions on behalf of the management which have an effect on the value of assets and liabilities and on their disclosure at the date of the statement. The actual results could however differ from these estimates. The estimates are used for measuring depreciation, write-downs and recovery of value of investments, benefits to employees, taxes and accrual to provisions for contingencies and risks.

Estimations of the Provision for Doubtful Debt and the Inventory Depreciation Provision are based on the losses expected by the Group. If the current economic and financial crisis were to protract or worsen this could possibly deteriorate the financial conditions of the Group’s debtors more than has been estimated in this financial statement.

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

2.3 Future changes in accounting policies

Interpretations effective in the future

It should be noted that the following standards will take effect from the financial year 2009:

Amendments to IFRS 1 – *First time adoption of international accounting standards and IAS 27 Consolidated and separate financial statement*
Amendments to IFRS 1 give an entity the possibility of establishing, in its first financial statement according to IFRS, the 'cost' of its holding in associated, subsidiary and joint-venture companies according to IAS 27 or using a substitute (deemed cost).
Amendment to IAS 27 requires that all the dividends resulting from associates, subsidiaries and joint-ventures be indicated in the separate financial report's income statement. Both amendments will be effective for financial periods starting on or after 1 January 2009. Amendment to IAS 27 should be applied with reference to the future.
The amendments will have no effect on Bolzoni SpA's company financial statement.
IFRS 3R *Business combinations and IAS 27R Consolidated and Separate Financial Statements*
The amended standards were enacted in January 2008 and are effective for financial periods starting on or after 1 July 2009.
IFRS 3R introduces numerous amendments to the accounting of business combinations after that date and will therefore produce effects on the amount of the good-will measured, on the results presented in the period during which acquisition occurs and on future results.
IAS 27R regulates the variations to the share held in a subsidiary company (without this becoming a loss of control). As a consequence of these transactions any difference between the value of minority stake (sold or bought) and the fair value of the corresponding amount received or paid will be taken directly to net equity and attributed to the majority shareholders.
Furthermore, the standard changes the accounting of losses produced by subsidiary in addition to the loss of control of a subsidiary.
Other amendments connected to the previous refer to IAS 7 *Cash Flow Statement*, IAS 12 *Income Taxes,* IAS 21 *Effects of variations in exchange rates of foreign currencies,* IAS 28 *Investments in associates* and IAS 31 *Interests in joint ventures.*
Amendments to IFRS 3R and IAS 27R produce effects on future business combinations, on operations resulting in the loss of control of a subsidiary and on transactions with minorities.
Despite the fact that the standards can be applied in advance, the Company does not intend taking advantage of this possibility.

IAS 1 *Presentation of the modified Financial Statement*
The amended standard was enacted in September 2007 and is effective for financial periods starting on or after 1 January 2009.
The standard specifies how variations in the control stakes and variations in minority interests should be presented. The table showing variations to net equity should include only the details related to group's net equity whereas the transactions regarding minority interests should be indicated in a single line.
Furthermore, the standard introduces the sheet for the overall income statement, according to which the entity must present all the components of the income statement alternatively in a single overall income statement or in two connected statements, one showing the components of the economic result and the other showing the components of 'other items of the overall income statement'. The Company is still considering which of the two solutions will be adopted.
IAS 32 *Financial instruments:* Presentation and IAS 1 *Presentation of Financial Statement – Puttable Instruments and obligations arising on liquidation*
These amendments to IAS 32 and IAS 1 were enacted in February 2008 and come into effect for financial periods starting on or after 1 January 2009. The amendments of the standard envisage one exception, with a very limited application area, which enables the classification of puttable options and similar instruments as capital instruments if they meet specific requirements. The amendments to the standard will not affect the Company's Net Equity or result as it has not issued such instruments.

IAS 39 *Financial instruments: recognition and measurement – Instruments qualifying as hedging items*

These amendments to IAS 39 were enacted in August 2008 and are effective for financial periods starting on or after 1 July 2009. The amendment deals with the designation of a one-side risk of a hedged item and the designation of inflation as hedged risk or portion of hedged risk in certain situations. The amendment specifies that the entity may choose to designate a portion of variations in fair value or of the variations in cash flow of a financial instrument as hedged item. The Company has concluded that the amendment will not affect its financial or income position as it does not have any operations of this nature in progress.

Improvements to the IFRS (so-called 'Improvement Project')

The Company has not applied in advance the amendments made to the standards following the project regarding improvements to IFRS 2007 and believes that they will not have significant effects on the financial statement.

IFRS 7 *Financial instruments: disclosure*

Reference to overall interest income as a component of financial costs is removed.

IAS 8 *Accounting policies, changes in accounting estimates and errors*

This specifies that in selecting an accounting policy, the application of the Implementation Guidance is mandatory only when this constitutes an integral part of the related international accounting standard (IFRS).

IAS 10 *Events occurring after the balance sheet date*

This clarifies that the dividends declared after the end of the financial period must not be recognised as liabilities as on the date of the balance sheet there is no obligation.

IAS 16 *Property, plant and equipment*

Parts of property, plant and equipment held for rental purposes and which, on termination of the leasing contract, are invariably sold must be classified as inventory at the end of the leasing contract, when they become available for sale. The application of the principle will have no impact on the Company's financial statement.

IAS 18 *Revenue*

The term 'direct costs' is replaced by 'transaction costs' as established by IAS 39.

IAS 19 *Employee benefits*

Modification to the definition of 'social security costs related to past service', 'yield on the activities of the plan', 'short-term benefits' and 'other long-term benefits'. Modifications to a plan meaning a reduction in benefits related to future service are accounted for as a reduction. Reference to recognition of potential liabilities has been eliminated to ensure coherency with IAS 37.

IAS 20 *Government grants*

Financing granted in future at zero interest rate or at lower rates than market will not be exempted from the need to allocate interest. The difference between the amount collected and the amount shown is accounted for under government grant. Furthermore, the terminology has been reviewed to ensure coherency with the other IFRS. The application of the principle will have no impact on the Company's financial statement.

IAS 27 *Consolidated and separate financial statement*

When the parent accounts for its subsidiaries at the fair value, in accordance with IAS 39, in its own separate financial statement, this treatment continues even when the subsidiary is classified as held for sale. The application of the principle will have no impact on the Company's financial statement.

IAS 29 *Financial reporting in hyperinflationary economies*

Reference has been amended to the exception which allows the measurement of assets and liabilities at historical cost, specifying that property, plant and equipment represent an example and not a detailed list. The terminology has also been reviewed to ensure coherency with the other IFRS.

IAS 34 *Interim Financial Reporting*

Earning per share in the interim financial report falls within the application area of IAS 33.

IAS 39 *Financial instruments: recognition and measurement*
Variations in the circumstances related to derivative financial instruments are not grounds for reclassification and therefore the derivatives cannot be transferred from or included in the category of 'at fair value with variations carried to income statement'. Reference to 'segment' has been eliminated in IAS 39 in the determination of whether an instrument qualifies as hedging item. The use of actual return rate is required in remeasuring a debt instrument as soon as hedge accounting for fair value hedging is no longer applied. The application of the principle will have no impact on the Company's financial statement.

IAS 40 *Property investments*
The area of application has been redefined and it has been established that assets under construction or development in order to be subsequently held as property investments, must be classified as property investments.
If the fair value cannot be reliably calculated, the investment under construction will be calculated at cost until the fair value can be established or until construction has been completed.
It has also been clarified that the fair value of the property investment held through leasing contract reflects the expected financial flows (including the potential rent which is expected to be due). Consequently, if a property evaluation obtained is net of all the expected payments it will be necessary to re-add the possible accounted liabilities deriving from lease contract in order to achieve the fair value of the property investment for accounting reasons.
Lastly, conditions have been reviewed regarding a voluntary modification of the accounting policies in order to be in line with IAS 8. The application of the principle will have no impact on the Company's financial statement.

IAS 41 *Agriculture*
Reference to discount rate before tax for determination of fair value has been removed. The prohibition has also been removed regarding the taking into account , for the assessment of fair value, cash flows deriving from any subsequent transformation. Lastly, the term 'costs at sales point' has been replaced by 'sales costs'.

IFRIC 15 *Agreements for construction of Real Estate*
IFRIC 15 was enacted in July 2008 and is effective for financial periods starting on or after 1 January 2009. The interpretation must be applied retrospectively. It clarifies when and how related revenue and connected costs deriving from the sale of real estate should be recognised if an agreement has been reached between builder and buyer before construction begins. Furthermore the interpretation provides indications on how to determine whether an agreement falls within the area of application of IAS 11 or IAS 18. IFRIC 15 will not affect the Company's financial statement as it does not conduct these activities.

IFRIC 16 *Hedging of a net investment in a foreign operation*
IFRIC 16 was enacted in July 2008 and is effective for financial periods starting on or after 1 October 2008. The interpretation must be applied with the future in mind. IFRIC 16 provides indications on the accounting of hedges of a net investment in a foreign operation. In particular it gives indications on the identification of foreign currency risks qualifying for the application of hedge accounting in hedging of a net investment and on how the entity should determine the amount of exchange rate gains and losses, in connection to both the net investment and to the hedge instrument, which should be reclassified to the income statement once the investment has been sold. The Company does not use hedging instruments and therefore this interpretation is not applicable.

IFRS 2 Share-based payments – Vesting conditions and cancellations

This amendment to *IFRS 2 Share-based payments* was published in January 2008 and will be applied during the first financial period after 1 January 2009. It clarifies that vesting conditions include an explicit or implicit obligation to provide a service. Any other condition is 'non-vesting' and must be taken in to account to determine the fair value of the assigned capital instrument.

In the event of the premium not maturing as a result of the fact that it does not meet a 'non-vesting condition' which is under the control of the entity or the party, this must be accounted for in the same way as cancellations.

Bolzoni S.p.A. has not performed operations with share-based payments having 'non-vesting conditions' and thereby does not expect any important effects in the accounting of agreements with share-based payments.

IFRS 8 Operating segments

IASB issued the accounting principle IFRS 8 – *Operating segments* on 30 November 2006 to be applied as of 1 January 2009 in replacement of IAS 14 – *Segment Reporting.* The new accounting principle requires the Company to base the information included in the Segment Reporting on the elements used by the management for its decision making and therefore it is necessary to identify the operating segments on the basis of reporting reviewed by management for the purpose of allocating resources to different segments and for the purpose of performance analyses. The adoption of this principle will not produce any effects from the point of view of the evaluation of the financial statement's items but only result in the new presentation of the report according to sector and geographic area.

3. Tangible Fixed Assets

	01.01.08	Addition	Deprec.	Decrease (1)	31.12.08
Land	721	-	-	-	721
Buildings	6,641	258	-	-	6,899
Plant and machinery	22,992	657	-	(191)	23,458
Equipment	3,355	132	-	(25)	3,462
Other assets	2,977	224	-	(80)	3,121
Historical cost of property, plant and machinery	**36,686**	**1,271**		**(296)**	**37,661**
Land	-	-	-	-	-
Buildings	(1,325)	-	(203)	-	(1,528)
Plant and machinery	(10,959)	-	(1,593)	171	(12,381)
Equipment	(3,024)	-	(173)	22	(3,175)
Other assets	(2,270)	-	(234)	76	(2,428)
Depr. reserve for property, plant and machinery	**(17,578)**	**-**	**(2.203)**	**269**	**(19,512)**
Land	721	-	-	-	721
Buildings	5,316	258	(203)	(20)	5,371
Plant and machinery	12,033	657	(1,593)	(3)	11,077
Equipment	331	132	(173)	(4)	287
Other assets	707	224	(234)	-	693
Net value of property, plant and machinery	**19,108**	**1,271**	**(2,203)**	**(27)**	**18,149**

(1): Due to sales

The value of Property, Plant and Machinery generated internally, entirely attributed to item 'Plant and Machinery', amounts to 139 thousand euros (2007: 60 thousand euros) and is represented by raw material, semi-finished products and personnel costs and related social security.
The investments made during 2008 in Plant and Machinery refer to the purchase of machine tools and equipment necessary for a continual modernization process aimed at increasing productivity and efficiency.

Below is a summary of the gross and net carrying values of the fixed assets acquired through lease contracts in the previous years and whose effects have been included in the previous table.

	31.12.2008		31.12.2007	
	Gross value	Net value	Gross value	Net value
Plant and machinery	3,223	51	3,223	86
Equipment	45	-	45	-
Other assets	677	14	677	18
Total	**3,945**	**65**	**3,945**	**104**

4. Intangible fixed assets

	01.01.08	Addition	Other variations	31.12.08
Development costs	780	189	-	969
Patent rights	90	10	-	100
Licences	2,149	618	-	2,767
Others	200	-	-	200
Assets under construction	-	6	-	6
Gross value of Intangible Fixed Assets	**3,219**	**823**	**-**	**4,042**
Development costs	(307)	(137)	-	(444)
Patent rights	(78)	(5)	-	(83)
Licences	(1,332)	(299)	-	(1,631)
Others	(200)	-	-	(200)
Assets under construction	-	-	-	-
Accumulated amortization for Intangible Fixed Assets	**(1,917)**	**(441)**	**-**	**(2,358)**
Development costs	473	52	-	525
Patent rights	12	5	-	17
Licences	817	319	-	1,136
Others	-	-	-	-
Assets under construction	-	6	-	6
Net Value of Intangible Fixed Assets	**1,302**	**382**	**-**	**1,684**

The value of intangible fixed assets generated internally and capitalized in 2008, and attributed entirely to the item 'Development costs' amounts to 190 thousand euros and includes related personnel costs and social security. These projects mainly refer to the development of new technical solutions for existing products.

As at 31 December 2008 development costs included 285 thousand euros referring to running projects.

5. Investments in subsidiaries

The Company has the following investments in subsidiary companies:

	Location	% of invest.	31.12.07	Incr. Decr.	Write down	2008
Bolzoni Auramo Inc.	USA	100	6,507	-	-	6,507
Bolzoni Auramo Ltd	UK	100	204	-	-	204
Bolzoni Auramo Polska	Poland	60	50	-	-	50
Bolzoni Auramo S.l.	Spain	100	683	-	-	683
Bolzoni Auramo S.r.l.	Italy	100	253	-	-	253
Bolzoni Auramo Shanghai	China	60	500	-	-	500
Bolzoni Auramo S.a.r.l.	France	100	376	-	-	376
Auramo Oy	Finland	100	13,119	-	-	13,119
Bolzoni Auramo Bv	Netherlands	51	-	-	-	-
Bolzoni Auramo Pty	Australia	100	46	-	-	46
Bolzoni Auramo Sa	Chile	100	-	-	-	-
Bolzoni Auramo Canada Ltd	Canada	100	123	-	-	123
Bolzoni Auramo GmbH	Germany	100	589	-	-	589
Bolzoni Auramo Ab	Sweden	100	722	-	-	722
Hans H. Meyer GmbH	Germany	100	8.791	-	-	8.791
TOTAL			**31,963**	**-**	**-**	**31,963**

On 31 December 2008 impairment tests were performed on the basis of the 3 year Business Plan approved by the Board of Directors. The results did not highlight any need to calculate impairments.

6. Investments in associated companies

The Company holds the following investments in associated companies:

	2008	2007
Eurolift Pty Ltd	46	46
Meyer Italia srl	15	15
Total	**61**	**61**

The following table sums up the main financial information regarding the investment in Eurolift:

	2008	2007
Portion of the associate's equity:		
Current assets	189	236
Non-current assets	13	21
Current liabilities	(46)	(35)
Non-current liabilities	(2)	(28)
Net assets	154	194
Portion of the associate's revenue and result:		
Revenue	295	505
Profit	5	33

7. Credits and other financial assets (non-current)

	31.12.2007	Increases	Decreases	31.12.2008
Finan. credits towards subsidiaries	1,132	-	282	850
Finan.credits towards associates	200	-	-	200
Guarantee deposits	11	-	1	10
Total	**1,343**	**-**	**283**	**1,060**

Details on the residual amount of interest-bearing loans (Euribor 3 months + 1% spread), given out to the single subsidiaries, renewable and with maturity date on 31.12.2009, are provided below:

Subsidiaries	31.12.2008	31.12.2007
Bolzoni Auramo Canada Ltd	350	350
Bolzoni Auramo Australia Pty	400	400
Bolzoni Auramo Sa	100	100
Bolzoni Auramo Ltd	-	232
Bolzoni Auramo Bv	-	50
Total	**850**	**1,132**

The loans were given in euros. None of the credits have a contract life of over 5 years.

8. Taxation

8.1 Deferred tax

Deferred tax at 31st December 2008 and 2007 is as follows:

	Balance Sheet		Income Statement
	2008	2007	2008
Deferred tax liability			
Stock adjustment	107	136	(29)
Capitalization of internal costs	141	183	(42)
Sundry	167	216	(49)
	415	**535**	
Deferred tax assets			
Inventory devaluation	78	109	(31)
IPO costs	290	434	(144)
Sundry	183	315	(132)
	551	**858**	
Deferred tax income /(expense)			**(187)**

The payment of dividends to the shareholders of Bolzoni S.p.A. has no effects on income tax.

8.2 Income tax

The major components of income tax for the years which ended 31st December 2008 and 2007 are:

	2008	2007
Income statement		
Current income tax		
Current income tax charge	1,233	1,924
Substitute tax		
Substitute tax	-	335
Deferred income tax		
Relating to origination and reversal of temporary differences	187	(348)
Income tax	**1,420**	**1,911**

A reconciliation between tax expense and the product of accounting profit multiplied by the domestic tax rate for the years ended 31st December 2008 and 2007 gives the following:

IRES/Income tax	2008		2007	
	Amount	Rate	Amount	Rate
Theoretical tax rate		27.50%		33%
Result before tax	4,913		6,815	
Theoretical tax charge	**1,351**		**2,249**	
Plus variations:				
Tax free or non-taxable income	29		32	
Exchange rate fluctuations	-		289	
Depreciation	-		259	
Company cars	100		103	
Non-deductible costs	499		504	
Other plus variations for IAS purposes	444		444	
Minus variations				
IPO costs	(461)		(461)	
Exchange rate fluctuations	(289)		(249)	
Tax depreciation	(1)		(958)	
Dividends from subsidiaries	(1,720)		(1,590)	
Other minus variations	(471)		(306)	
Other minus variations for IAS purposes	(110)		(1,191)	
Taxable amount	2,933		3,691	
CURRENT IRES	**807**	**16.42%**	**1,218**	**17.87%**

IRAP	2008		2007	
	Amount	Rate	Amount	Rate
Theoretical tax rate		3.90%		4.25%
Difference between production values and costs	4,913		6,815	
Theoretical tax charge	**192**		**290**	
Plus variations:				
Personnel costs	12,125		11,873	
Other plus variations	569		2,006	
Minus variations:				
Other minus variations	(5,182)		(6,206)	
Taxable amount	12,425		14,488	
CURRENT IRAP	**485**	**9.86%**	**616**	**9.04%**

9. Inventory

	2008	2007
Raw material	3,065	3,349
Obsolescence provision for raw material	(95)	(103)
Net raw materials	**2,970**	**3,246**
Semi-finished products	3,964	5,352
Obsolescence provision for semi-finished products	(123)	(165)
Net semi-finished products	**3,841**	**5,187**
Finished products	1,031	2,568
Obsolescence provision for finished products	(32)	(79)
Net finished products	**999**	**2,489**
Total inventory at lesser between cost and net realizable value	**7,810**	**10,922**

The substantial drop in value of inventory is the result of the 'lean manufacturing project' implemented during year 2008.

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

	31.12.2007	Increase	Decrease	31.12.2008
Obsolescence provision for raw material	103	-	(8)	95
Obsolescence provision for semi-finished products	165	-	(42)	123
Obsolescence provision for finished products	79	-	(47)	32
Total	**347**	**-**	**(97)**	**250**

The decreases in the provision are the result of a careful policy adopted with regards to inventory and scrapping during the financial year.

10. Trade receivables (current)

	2008	2007
Trade receivables	5,337	8,668
Bills subject to collection	4,122	3,965
Bad debt provision	(85)	(39)
Total third party receivables	***9,374***	***12,594***
Receivables from subsidiaries	8,842	9,874
Receivables from associates	409	450
Total trade receivables	**18,625**	**22,918**

Below the trade receivables are divided according to due date:

	2008	2007
Receivables not yet due	13,150	17,475
Receivables 30 days overdue	2,786	1,572
Receivables 60 days overdue	650	1,124
Receivables 90 days overdue	144	644
Receivables more than 90 days overdue	1,895	2,103
Total trade receivables	**18,625**	**22,918**

Below are the variations to the bad debt provision:

	2008	2007
Bad debt provision on 01.01	**39**	**108**
Accruals for the year	46	29
Use of provision	-	(98)
Amounts written-off because not used	-	-
Exchange rate adjustments	-	-
Bad debt provision on 31.12.	**85**	**39**

For the terms and the conditions concerning related party receivables, refer to note 32. Trade receivables are non-interest bearing and are generally on a 30-120 days' terms. We would like to point out that these amounts are covered by a credit insurance.
Below are details of receivables related to the single subsidiaries and associated companies:

	31.12.2008	31.12.2007	Variations
Auramo Oy	107	248	(141)
Bolzoni Auramo AB	55	122	(67)
Bolzoni Auramo GmbH	310	393	(83)
Bolzoni Auramo Pty Ltd	604	453	151
Bolzoni Auramo SA	36	35	1
Bolzoni Auramo Polska	176	146	30
Bolzoni Auramo Canada Ltd	100	96	4
Bolzoni Auramo SL	1,342	1,673	(331)
Bolzoni Auramo Inc.	2,467	2,779	(312)
Bolzoni Auramo Ltd	1,162	945	217
Bolzoni Auramo Srl	386	446	(60)
Bolzoni Auramo Sarl	905	1,333	(428)
Bolzoni Auramo BV	154	142	12
Bolzoni Auramo Shanghai	1,011	987	24
Hans H Meyer GmbH	27	76	(49)
Meyer Italia Srl	65	22	43
Eurolift Pty Ltd	182	174	8
Auramo South Africa	162	254	(92)
Total	**9,251**	**10,324**	**(1,073)**

11. Tax receivables

As at 31.12.2008 this item included a receivable from the taxation authority amounting to 39 thousand euros referring to higher advance payments of IRES tax and 47 thousand euros for higher advance payment IRAP tax made during the financial year 2008.

12. Other receivables

	2008	2007
VAT receivables	214	75
Advance to suppliers	16	47
Prepaid expenses	74	66
Sundry	255	333
Total	**559**	**521**

The item 'VAT receivables' refer to the balance of the month of December 2008.
The item 'Sundry' includes the fair value at 31 December 2008 of existing derivative contracts for the amount of 174 thousand euros set-off under financial revenue. For more details see also note 32.

13. Cash and cash equivalents

	2008	2007
Cash in hand and bank accounts	10	11
Short term deposits	1,601	990
Total	**1,611**	**1,001**

Short term deposits have a variable interest rate.

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

	2008	2007
Cash in hand and bank accounts	1,611	1,001
Bank overdrafts and advance on collectable bills subject to final payment (note 15)	(4,066)	(1,437)
Total	**(2,455)**	**(436)**

14. Share capital and reserves

	2008	2007
Ordinary shares each for 0.25 euros	25,993,915	25,839,913

During the financial year 2008 a share capital increase was made:

- on May 22 2008, following the stock option plan approved on January 23 2006, a share capital increase was made of 154,002 ordinary shares each with a value of 0.25 euro, corresponding to 38 thousand euros (Note 28).

For details regarding net equity movements please refer to the 'Table showing Variations to Net Equity'.

	Amount	Possible use	Available Portion	Tax restraints	Use for loss hedging	Other uses
A) Share capital	6,498				None	None
B) Share premium reserve	17,544	A – B - C			None	None
C) Legal reserve	1,109	B			None	None
C) Other reserves	8,061	A – B - C			None	Distribution of dividends
C) IAS reserves	0	A – B - C			None	Stock options
D) Revaluation reserve	2,330	A – B - C			None	None
Total	**35,542**					
Year's profit	**3,493**					
Total net equity	**39,035**					

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

15. Interest bearing loans and borrowings

	Actual interest rate %	Maturity	31.12.2008	31.12.2007
Short term				
Bank overdrafts		On request	15	(17)
Advance on collectable bills subject to final payment		30-90 days	1,798	1,437
Advance on foreign payments			2,268	-
Euro 7,750,000 bank loan	Euribor +0.70	2009	1,107	1,107
Euro 6,500,000 unsecured loans	Euribor +0.40	2009	1.760	1,264
Euro 8,500,000 unsecured loans	Euribor +0.30	2009	1,688	1,616
Euro 4,500,000 unsecured loans	Euribor +0.25	2009	1,031	375
Government loan 394/81	1.72	2009	303	303
			9,970	**6,085**
Medium/long term				
Euro 7,750,000 bank loan	Euribor +0.70	2010	1,107	2,214
Euro 2,000,000 unsecured loans	Euribor +0.40	2009	-	667
Euro 2,000,000 unsecured loans	Euribor +0.40	2010	420	830
Euro 2,500,000 unsecured loans	Euribor +0.40	2011	1,220	519
Euro 1,500,000 unsecured loans	Euribor +0.30	2011	701	1,031
Euro 7,000,000 unsecured loans	Euribor +0.30	2012	3,865	5,152
Euro 3,000,000 unsecured loan	Euribor +0.25	2012	1,875	2,625
Euro 1,500,000 unsecured loan	Euribor +0.40	2013	1,219	-
Government loan 394/81	1.72	2009	-	303
			10,407	**13,341**

7,750,000 euro bank loan

This loan, given by Mediocredito (Intesa Sanpaolo group) and secured by a first degree mortgage on the property in Podenzano, is repayable in half yearly instalments at fixed principal value.

6,500,000 euro bank loans

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

8,500,000 euro bank loans

The loans are unsecured and repayable in half yearly instalments.

4,500,000 euro bank loan

The loan is unsecured and repayable in half yearly instalments

Government loan in accordance with Law 394/81

This loan, secured by a bank guarantee specifically obtained for the purpose, amounting to 0.595 million euros repaid in half yearly, fixed principal value instalments.

Some loans are subject to the observance of covenants calculated in the consolidated financial statement. As at 31.12.2008 all these covenants have been observed. The non-observance would result in the loan being repaid in advance.

Net financial position	31.12.2008	31.12.2007	Variation
A. Cash on hand	10	11	(1)
B. Current bank accounts	1,602	990	612
- *of which related to Intesa Sanpaolo*	*749*	*437*	*312*
D. LIQUIDITY	**1,612**	**1,001**	**611**
F. Current bank debts	(4,090)	(1,434)	(2,656)
- *of which related to Intesa Sanpaolo*	*(1,000)*	*(534)*	*(466)*
G. Current part of non-current indebtedness	(5,880)	(4,651)	(1,229)
- *of which related to Intesa Sanpaolo*	*(3,135)*	*(2,465)*	*(670)*
I. CURRENT FINANCIAL INDEBTEDNESS	**(9,970)**	**(6,085)**	**(3,885)**
J. CURRENT NET FINANCIAL POSITION	**(8,358)**	**(5,084)**	**(3,274)**
N. NON-CURRENT NET FINANCIAL POSITION	**(10,407)**	**(13,340)**	**2,933**
- *of which related to Intesa Sanpaolo*	*(4,902)*	*(6,537)*	*1,635*
O. NET FINANCIAL POSITION	**(18,765)**	**(18,424)**	**(341)**
- of which related to Intesa Sanpaolo	***(8,288)***	***(9,099)***	***811***

16. T.F.R. retirement allowance fund

Below are the variations to this fund:

	2008	*2007*
T.F.R. retirement allowance fund at 01.01	**2,429**	**3,253**
Current cost of the service	620	570
Financial charges	132	136
Actuarial earnings/(losses)	195	(499)
(benefit paid out)	(845)	(1,031)
T.F.R. retirement allowance at 31.12	**2,531**	**2,429**

Following the reform of TFR retirement allowance introduced by the 2007 Budget Law, Bolzoni S.p.A. will no longer need to make a provision for employees but will be obliged to pay the amount matured to the INPS Treasury Fund unless otherwise allocated by the employee. Thus, the TFR allowance matured as at December 31 2006 must be discounted back without taking in account future economic career developments of the employees whereas, the amounts maturing from January 1st 2007 will be treated as defined contribution plan. In view of the new Italian regulation scheme, an evaluation was made by a registered actuary on the TFR accrued as at December 31st 2007. As a result of this evaluation in the 2007 financial statement a part of the provision amounting to 287 thousand euros wasreleased to Income statement (deducted from staff costs).

To determine liabilities the actuary has used the method called Projected Unit Credit Cost which can be broken down into the following phases:

- on the basis of a series of possible financial solutions (for example, increase in the cost of life), estimates have been made regarding the possible future benefits which could be paid to each employee included in the programme in the event of retirement, death, disablement, resignation etc.

Furthermore,

- the current average value of future benefits paid has been calculated at the evaluation date, on the basis of annual interest rate adopted and the possibilities of each sum actually being paid out;
- the company's liability has been defined by identifying the portion of the current average value for the future sum paid referring to service matured in the company by the employee at the evaluation date;

- based on the liability determined at the previous point, and the reserve allocated in the financial statement in accordance with Italian civil laws, the reserve considered as being valid for the IAS purposes has been identified.

Below are details of possible scenarios:

Demographic theories	Executives	Non Executives
Probability of death	Mortality rate tables for the Italian population as measured by ISTAT for year 2002 divided according to sex	Mortality rate tables for the Italian population as measured by ISTAT for year 2002 divided according to sex.
Probability of disablement	Tables, divided according to sex, adopted in the INPS model for projections up to 2010	Tables, divided according to sex, adopted in the INPS model for projections up to 2010
Probability of resignation	7.5% in each year	7.5% in each year
Probability of retirement	Achievement of the first of the pension requirements valid for Mandatory General Insurance	Achievement of the first of the pension requirements valid for Mandatory General Insurance
Probability for an employee of: -receiving advance payment of 70% of the accrued retirement allowance at the start of the year	3.0% in each year	3.0% in each year

Financial theories	Executives	Non Executives
Increase in the cost of life	2.0% per annum	2.0% per annum
Discounting rate	4.25% per annum	4.25% per annum
Increase in TFR retirement allowance	3.0% per annum	3.0% per annum

17. Provision for contingencies and charges

	31.12.07	Incr.	Decr.	31.12.08	Within 12 months	After 12 months
Agents' termination benefit provision	120	15	-	135	-	135
Product Warranty provision	95	83	(95)	83	83	-
Total	**215**	**98**	**(95)**	**218**	**83**	**135**

Agents' termination benefit provision

The aim of this provision is to deal with the related liability matured by agents.

Product warranty provision

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

18. Trade payables

	2008	2007
Domestic suppliers	10,988	18,013
Foreign suppliers	791	1,947
Branch suppliers	5,062	6,461
	16,841	**26,421**

Trade payables are non-interest bearing and are normally settled on a 90 day basis.
For terms and conditions for related parties, see Note 31.
Domestic supplier payables at 31 December 2008 include 1.001 thousand euros related to investments in tangible and intangible fixed assets made during the second semester of the year (Notes 3 and 4).
Below are details of payables related to the single subsidiary companies:

	31.12.2008	31.12.2007	Variations
Auramo Oy	3,829	4,396	567
Bolzoni Auramo AB	203	117	(86)
Bolzoni Auramo GmbH	9	18	9
Bolzoni Auramo SA	3	3	-
Bolzoni Auramo Polska	-	-	-
Bolzoni Auramo Ltd	4	32	28
Bolzoni Auramo SL	784	1,127	343
Bolzoni Auramo Inc.	5	13	8
Bolzoni Auramo Canada Ltd	2	2	-
Bolzoni Auramo Srl	18	18	-
Bolzoni Auramo Sarl	128	456	328
Bolzoni Auramo BV	14	15	1
Bolzoni Auramo Shanghai	33	26	(7)
Bolzoni Auramo Pty Ltd	19	-	(19)
Hans H Meyer GmbH	11	238	227
Total	**5,062**	**6,461**	**1,399**

The above includes the following three interest bearing loans, at variable rate, with maturity during the year:

- 3.5 million euros obtained by Auramo Oy
- 0.2 million euros obtained by Bolzoni Auramo AB
- 0.1 million euros obtained by Bolzoni Auramo Sarl

19. Other payables

	2008	2007
Payables to employees for wages	525	1,015
Payables to employees for matured but untaken holidays	429	490
Sundry payables	23	89
Other accrued expenses	121	123
Other short term liabilities	136	23
Social security payables	789	832
Total	**2,023**	**2,572**

Payables to employees for wages have decreased 490 thousand euros mainly due to the accrual accounting at the end of 2007 of the lump sum following the renewal of the labour contract for workers in the Metal and Mechanical Industry and to the decrease in the bonus linked to results.

20. Payables to taxation authorities

	2008	2007
Tax withheld at source on Employees pay	485	414
Substitute tax	234	335
Sundry	-	50
Total	**719**	**799**
- within the financial period	*585*	*564*
- after the financial period	*134*	*235*

Substitute tax refers to adjustment of the tax values with those contained in the financial statements, as established by Law n° 244 passed on 24th December 2007 (2008 Budget Law). With regards to this tax the amount of 100 thousand euros will be paid within 12 months and the amount of 134 thousand euros after this period.

INCOME STATEMENT

21. Revenue

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

2007	Europe	North America	R.O.W.	Total
Revenue	64,960	6,683	6,436	78,079

2008	Europe	North America	R.O.W.	Total
Revenue	63,036	5,406	5,295	73,737

Compared to the previous year, revenue in Europe has dropped by 3%, and by 19.1 % in the U.S.A. and by 17.7% in the rest of the world.

22. Other revenue

	2008	2007
Sundry income	46	31
Gains on equity	13	45
Contingent assets	63	44
Total	**122**	**120**

In the column referring to 2007, the Company has reclassified the amount of 60 thousand euros regarding the capitalization of personnel costs for internal work, into reduction of the item Personnel Costs.

23. Costs for raw material and consumable supplies

	2008	2007
Raw material	7,512	7,531
Commercial goods	3,640	3,768
Semi-finished products	18,063	20,043
Other purchases for production	4,266	4,591
Sundry purchases	295	294
Additional expenses	263	328
Finished products	2,698	920
Total	**36,737**	**37,475**

24. Service costs

	2008	2007
Industrial services	12,150	14,578
Commercial services	2,799	2,964
General services	2,260	1,911
Costs related to use of third party assets	233	260
Total	**17,442**	**19,713**

The drop in costs for industrial services is the result of lower amount of sub-contracting during 2008.

25. Personnel costs

	2008	2007
Wages and salaries	8,413	8,626
Social security	2,895	2,881
TFR retirement allowance (note 16)	620	121
Sundry costs	301	27
Total	**12,229**	**11,655**

The increase in the TFR retirement allowance is due to the lower actuarial rate in accordance with accounting standards IAS 19.

Furthermore, in the 2007 column, a reclassification has been made for the amount of 60 thousand euros as indicated in note 22.

Following table shows the average number of employees in Bolzoni SpA:

	31.12.2008	31.12.2007	Variation
Top Managers	5	6	(1)
First-line managers	5	5	-
White collar	94	98	(4)
Blue collar	163	158	5
Total	**267**	**267**	**-**

26. Other operating costs

	2008	2076
Tax and duty	55	53
Losses on sale of fixed assets	38	26
Sundry	197	154
Total	**290**	**233**

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

27. Financial income and charges

	2008	2007
Financial charges	(1,557)	(1,309)
Financial income	1,899	1,904
Net financial income (charges)	**342**	**595**

Net financial income/charges have decreased compared to the previous financial year, due to the higher interest rates during the period.

27.1 Financial charges	2008	2007
Interest on short-term payables (overdrafts and credit disinvestment)	99	80
Interest on medium/long term loan payables	1,216	1,132
Charges other than above (lease contracts and sundry)	242	97
Total	**1,557**	**1,309**

27.2 Financial income	2008	2007
Interest income from customers	70	207
Interest income from financial assets	18	23
Dividends from subsidiaries	1,796	1,659
Dividends from associated companies	15	15
	1,899	**1,904**

Dividends were paid out by the subsidiaries Bolzoni Auramo S.a.r.l. (600 thousand euros), Auramo Oy (900 thousand euros), Bolzoni Auramo Ab (215 thousand euros) Bolzoni Auramo Polska (37 thousand euros) and Bolzoni Auramo S.r.l. (44 thousand euros).

Dividends amounting to 15 thousand euros were also collected from the associated company Eurolift Pty.

27.3 Exchange rate gains and losses	2008	2007
Exchange rate gains	1,023	546
Exchange rate losses	(823)	(1,079)
	200	**(533)**

Variations are essentially due to effects deriving from variations in the exchange rates of the US and English currencies during 2008. These variations have produced effects both on the result of exchange rate handling and on the adjustment of items in foreign currencies to balance sheet date exchange rates.

28. Stock option plan

In May 2008 the right given under the third and final tranche of stock option scheme was exercised, for the number of 154,002 shares, as resolved by the Board of Directors on March 7 2006 and approved by the Extraordinary Shareholders' Assembly on March 23, 2006. The plan established an overall amount of 462,000 shares limited to the company executives divided into three tranches. The minimum price of issue was fixed at 2.04 euros per share and the period for excersing the first tranche of rights was subjected to a mandatory lock-up time of 180 days following the admission of the Company shares to listing on the Italian screen-based Markey organised and controlled by Borsa Italiana S.p.A.
The evaluation of the third tranche has produced a cost of 30 thousand euros, accounted for under 'Personnel Costs'. At the balance sheet date the Company has not issued any convertible bonds.

29. Dividends

Dividends approved and paid out during the year amount to € 3,100,789 (2007: € 2,568,591). Dividends proposed for approval by the Shareholders' Assembly (not recognized as liabilities as at December 31st) amount to € 779,817 (2007: € 3,100,789). If approved, the proposed resolution regarding earnings will result in the payment of a €0.03 dividend per share (2007: €0.12).

30. Commitments and contingencies

Capital commitments

As at December 31st 2008 and December 31st 2007 the value of the Company's commitments was not material.

Legal litigations

Following the inspection made in March 2003 by the Inland Revenue of Piacenza, on June 13th 2006 the Regional Tributary Commission pronounced their verdict in favour of Bolzoni S.p.A. On November 24, 2006 the State Law Officers made an appeal to the Supreme Court against the verdict pronounced by the Regional Tributary Commission. Bolzoni S.p.A. has not recognized any provision

as, supported by the favourable verdict and by the opinion of its lawyer, it believes the objection to be without grounds.
As at December 31st 2008 no new facts emerged with regards to this litigation.

During the financial year 2008 the Tax Police made an inspection on financial years 2006 and subsequent. The notification report dated 3.7.2008 does not evidence any irregularities of a certain importance. The Company has opened discussions with the competent offices in order to settle the litigation and is convinced that the matter can be closed without the payment of significant sums.

Guarantees granted

Bolzoni S.p.A. has granted the following guarantees as at 31st December 2008:

- it has destined some land and buildings as guarantee against a bank loan (see note 15);
- it has granted comfort letters to a bank on a loan given to the subsidiary Bolzoni Auramo Inc. for the amount of US$ 500,000 (2007: US$ 500,000);
- it has granted a surety to a bank for the amount of € 2,000,000 (2007: € 2,000,000) in favour of the subsidiary Auramo OY;
- it has granted a surety to a bank for the amount of € 630,000 (2007: € 630,000) in favour of the subsidiary Bolzoni Auramo S.a.r.l.;
- it has granted a surety to a bank for the amount of € 237,370 (2007: € 237,370) in favour of the subsidiary Bolzoni Auramo S.a.r.l.;
- it has granted a surety to a bank for the amount of € 750,000 (2007: € 750,000) in favour of the subsidiary Bolzoni Auramo GmbH;
- it has granted a surety to a bank for the amount of € 750,000 (2007: € 750,000) in favour of the subsidiary Bolzoni Auramo S.l.;
- it has granted a surety to a bank for the amount of € 850,000 (2007: € 850,000) in favour of the subsidiary Bolzoni Auramo S.l.;
- it has granted a surety to a bank for the amount of € 300,000 (2007: € 300,000) in favour of the subsidiary Bolzoni Auramno S.l.;
- it has granted a surety to a bank for the amount of € 750,000 (2007: € 750,000) in favour of the subsidiary Hans H. Meyer GmbH.;
- it has granted a surety to a bank for the amount of € 750,000 (2007: € 750,000) in favour of the subsidiary Hans H. Meyer GmbH.;
- it has granted a surety to a bank for the amount of € 3,200,000 (2007: € 3,200,000) in favour of the subsidiary Hans H. Meyer GmbH.;
- it has granted a surety to a supplier for the amount of € 100,000 (2007: 0) in favour of the subsidiary Bolzoni Auramo Shanghai;
- it has granted a surety to a bank for the amount of € 650,000 (2007: 0) in favour of the associated company Meyer Italia Srl.

31. Information on related parties

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

Related parties		Sales to related parties	Purchases from related parties	Related parties receivables	Related parties payables
Subsidiaries	2008	23,269	4,363	8,842	5,062
	2007	25,431	5,064	9,874	6,461
Associates	2008	1,271	-	409	1
	2007	1,338	-	450	-
Directors – other related companies : Intesa-Sanpaolo Group	2008	-	480	748	9,037
	2007	–	462	464	9,536

Subsidiary companies

For details regarding receivables and payables see notes 10 and 18.

Associated companies

The Company owns the following investments:

- 24.5% interest in Eurolift Pty (2007: 24.5%)
- 40% interest in Auramo South Africa (2007: 40%) owned through Auramo Oy
- 30% interest in Meyer Italia srl (2007: 30%)

Terms and conditions of transactions between related parties

Transactions between related parties are performed at normal market prices and conditions. Outstanding balances at year end are unsecured, interest free and are settled in cash. No guarantees have been provided or received for any related party receivables or payables. For the year ended 31 December 2008 the Company has not made any provision for doubtful debts referring to amounts owed by related parties (2007: Euro 0).

Transactions with other related parties

Directors – other related parties

As at 31 December 2008 the Intesa-San Paolo group holds less than 5% of share capital of Bolzoni S.p.A. (2007: below 5%) and a manager of the Intesa-Sanpaolo group (Davide Turco) is a member of the Board of the Company. Bolzoni S.p.A. maintains business relations of a financial nature with the Intesa-Sanpaolo Group and, consequently, as at 31st December 2008, the total value of debts towards the Intesa-Sanpaolo group amounted to approximately 8.3 million euros (2007: € 9.1 million). Intesa-Sanpaolo group also holds a mortgage right of the value of 10.85 million euros on the property situated in Podenzano as guarantee for a loan.

32. Financial risk management: objectives and policies

The Company's principal financial instruments, other than derivatives, include bank loans, short term deposit and cash bank accounts. The main purpose of these financial instruments is to raise funds for the Company's operations. The Company has various other financial instruments, such as trade payables and receivables, which arise directly from its operations.

During the financial year, the Company has also entered into derivative transactions, including principally forward currency contracts. The purpose is to manage the interest rate and currency risks arising from the Company's operations and its sources of finance.

The Company's policy is, and has been throughout the year under review, that no trading in financial instruments shall be undertaken.

The main risks arising from the Company's financial instruments are those in connection with interest rates, liquidity, exchange rates and credits. The Board of Directors reviews and agrees on the policies for handling each of these risks and they are summarised below. The Company's accounting principles in relation to derivatives are set out in note 2.2.

Interest rate risk

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

	Variations in presumptions	Effect on gross profit before tax
2008	0.25 BPS	(51)
	-0.25 BPS	51
2007	0.25 BPS	(49)
	-0.25 BPS	49

As at December 31, 2008 the Company does not have any Interest Rate Swap contracts running which foresee the exchange of the difference between variable and one or more fixed rate interest amounts, calculated by reference to an agreed notional principal amount.

Foreign currency risk

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

The following table shows the sensitivity of profit before tax (due to the variations in the fair value of current assets and liabilities) and net equity towards possible reasonable variations in foreign currency exchange rates, whilst maintaining all the other variables stable.

	Currency	Increase/ Decrease	Effect on gross profit before tax	Effect on Net Equity
2008	*USD*	+ 5%	(166)	(120)
	USD	- 5%	184	133
	GBP	+ 5%	(56)	(41)
	GBP	- 5%	62	45
	SEK	+ 5%	(2)	(2)
	SEK	- 5%	3	2
	$ CAN	+ 5%	(4)	(3)
	$ CAN	- 5%	5	4
2007	*USD*	+ 5%	(180)	(130)
	USD	- 5%	198	144
	GBP	+ 5%	(59)	(43)
	GBP	- 5%	65	47
	SEK	+ 5%	(5)	(4)
	SEK	- 5%	6	4
	$ CAN	+ 5%	(4)	(3)
	$ CAN	- 5%	5	3

The Company has entered into derivative financial contracts which hedge against exchange rate risks produced by cash flow from sales in foreign currency transactions with its American subsidiary Bolzoni Auramo Inc: more specifically, the instruments used are essentially forward currency contracts and Put options.

Following the expansion of its activities towards Asian markets, the Company is also exposed to foreign currency risks related to purchases of raw materials settled in both Chinese Yuan (CNY) and US Dollars (USD); these operations are however minimal.

As these derivative contracts are generally drawn up after the invoicing of sales or of the purchases generating the related cash flows and as it is not possible to identify a close correlation between the maturity of the derivative contracts and the dates of the underlying financial cash flows, the contracts under examination can therefore be classified as net hedging operations on trade receivables/ payables in foreign currency. Consequently, in the course of the financial period, they have been recognized as financial assets held for trading and are therefore accounted for and assessed at fair value. The fair value variations are charged to income statement under financial income and charges. At December 31st 2008 there was a forward sale contract in progress for the notional value of 3 million US dollars maturing March 30th 2009 and a CALL option hedging the above mentioned contract, with the same maturity date and amount. The effects of accounting fair value at 31 December 2008 of these instruments is described in note 12.

Risk of variations in price of raw material

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

Credit risk

The Company only trades with known and creditworthy customers. The Company has also taken out insurance to protect itself from insolvency risks and which covers almost its entire exposure.

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

Liquidity risk

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

Financial instruments - Fair value

Below is a comparison between the carrying amounts and the fair value of all the Company's financial instruments as indicated in the financial statement, divided according to category:

	Carrying amount		Fair value	
	2008	2007	2008	2007
Financial assets				
Cash in hand	1,611	1,001	1,611	1,001
Financial liabilities				
Bank overdrafts and advance on collectable bills subject to final payment	(1,799)	(1,420)	(1,799)	(1,420)
Advance on foreign business	(2,283)	-	(2,283)	-
Loans:				
at variable rates	(15,991)	(17,399)	(15,991)	(17,399)
at fixed rates	(303)	(607)	(303)	(607)
Forward currency contracts*	-	-	-	-

* accounted for at fair value in financial statement.

Fair Value

Fair value of derivatives and loans has been calculated by discounting the expected future cash flows at the prevailing interest rates. The fair value of loans at fixed rates has been calculated using the market interest rates.

Interest rate risk

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

Year ended 31st December 2008

Fixed rate	<1 year	>1<2 yrs	>2<3 yrs	>3<4 yrs	>4<5 yrs	> 5 yrs	Total
Government loan L. 394/81	(303)	-	-	–	–	–	(303)
Variable rate	**<1 year**	**>1<2 yrs**	**>2<3 yrs**	**>3<4 yrs**	**>4<5 yrs**	**> 5 yrs**	**Total**
Liquid funds	1,611	-	-	-	-	-	1,611
Overdraft on bank accounts	-	-	-	-	-	-	-
Advance on foreign business	(2,283)	-	-	-	-	-	(2,283)
Advance on collectable bills subject to final payment	(1,798)	-	-	-	-	-	(1,798)
Bank loan of Euro 7,500,000	(1,107)	(1,107)	-	-	-	-	(2,214)
Bank loan of Euro 3,000,000	(667)	-	-	-	-	-	(667)
Bank loan of Euro 2,000,000	(750)	(750)	(750)	(375)	-	-	(2,625)
Bank loan of Euro 1,500,000	(281)	(375)	(375)	(375)	(94)	-	(1,500)
Bank loan of Euro 2,000,000	(410)	(420)	-	-	-	-	(830)
Bank loan of Euro 1,000,000	(203)	(209)	(107)	-	-	-	(519)
Bank loan of Euro 2,500,000	(476)	(499)	(523)	(548)	-	-	(2,046)
Bank loan of Euro 1,500,000	(480)	(506)	(398)	-	-	-	(1,384)
Bank loan of Euro 1,500,000	(296)	(309)	(322)	(83)	-	-	(1,010)
Bank loan of Euro 1,500,000	(329)	(344)	(358)	-	-	-	(1,031)
Bank loan of Euro 1,500,000	(294)	(305)	(318)	(164)	-	-	(1,081)
Bank loan of Euro 1,500,000	(293)	(309)	(320)	(164)	-	-	(1,086)

Credit risk

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

33. Remuneration of Directors and Statutory Auditors

The following table indicates the remuneration of the directors and statutory auditors for the year 2008:

Name	Amount	Description
Emilio Bolzoni	193	Director's fee
Roberto Scotti	193	Director's fee
Luigi Pisani	28	Director's fee
Franco Bolzoni	28	Director's fee
Pierluigi Magnelli	28	Director's fee
Davide Turco	28	Director's fee
Karl Peter Otto Staack	28	Director's fee
Carlo Baldi	28	Director's fee
Raimondo Cinti	28	Director's fee
Giovanni Salsi	28	Director's fee
Total	**610**	
Giorgio Picone	20	Auditor's Fee
Fiorenzo Salvini	13	Auditor's Fee
Benvenuto Girometti	13	Auditor's Fee
Total	**46**	

34. Other information

The Company has not carried out any operations to favour the purchase or the subscription of shares in accordance with article 2358, paragraph 3 of the Civil Code

The Company appointed its auditors in March 2006. Below is a summary of fees paid during the financial period in exchange for services rendered to the Company by the following:

a) by the auditing company for auditing services

b) by the auditing company. for services other than above, divided between verification services necessary for the issue of certifications and other services, separated according to type;

c) by companies belonging to the auditing company's network, for services divided according to type.

Type of service	Subject giving the service	Fees (thousands of euros)
Accounting audit	Parent's auditors	135
Certification service	Parent's auditors	40

35. Events after the balance sheet date

It is important to highlight that the market trend continues to be recessionary. This tendency has had an important and positive effect on the cost of steel and consequently on all the costs for our products' components.

During the last quarter of 2008 and the first months of 2009 all the useful actions have been launched in order to adjust both variable and fixed costs to the market trend.