Draft of 2014 financial statements

1. Bolzoni Group – Management Report
2. Consolidated financial statement – with explanatory notes
3. Independent auditors' report on consolidated report
4. Separate financial statement of Bolzoni SpA – with explanatory notes
5. Independent auditors' report on separate report
6. Statement ex art 154-bis, of D. Lgs 58/98
7. Report of the board of statutory auditors to the shareholders' meeting

Group's activity

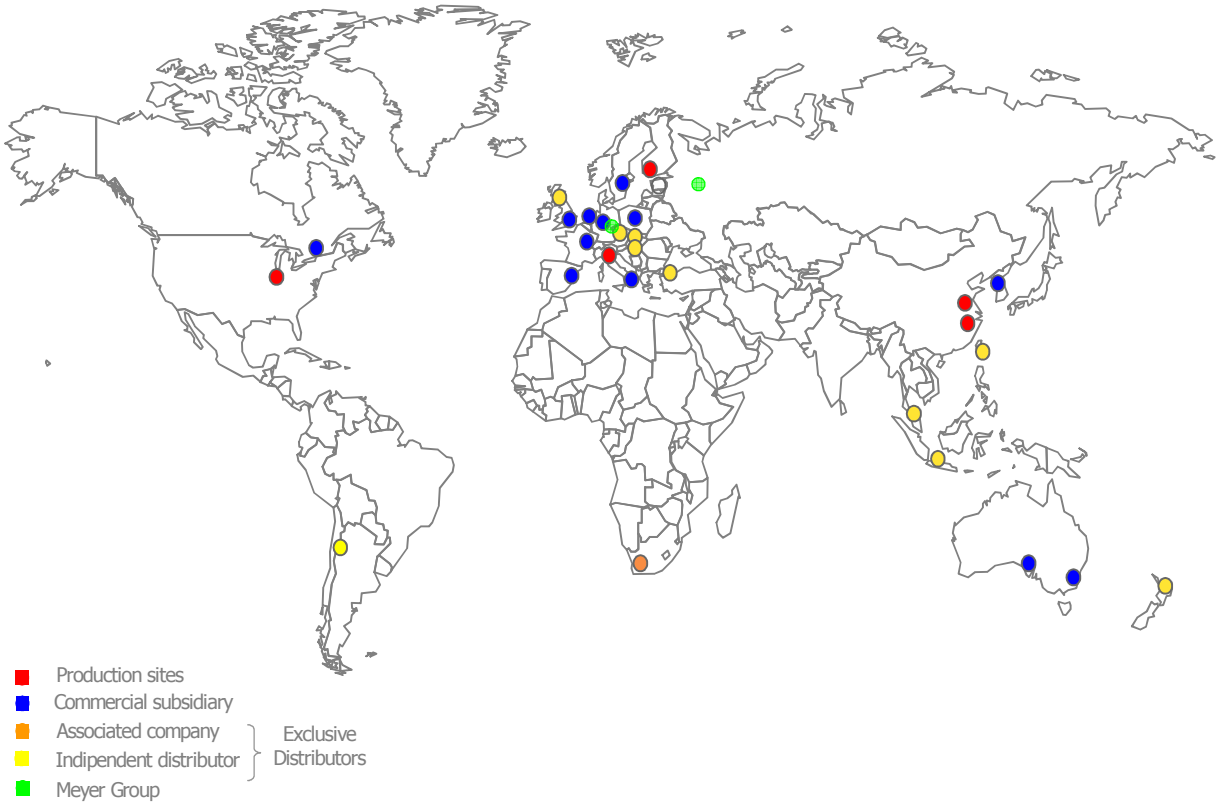
The Company has been active for seventy years in the design, production and distribution of lift truck attachments and industrial material handling equipment.

It therefore operates in a market segment closely linked to logistics and its evolution worldwide.

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

The following diagram shows the presence worldwide of the Group's companies.



Group Structure

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

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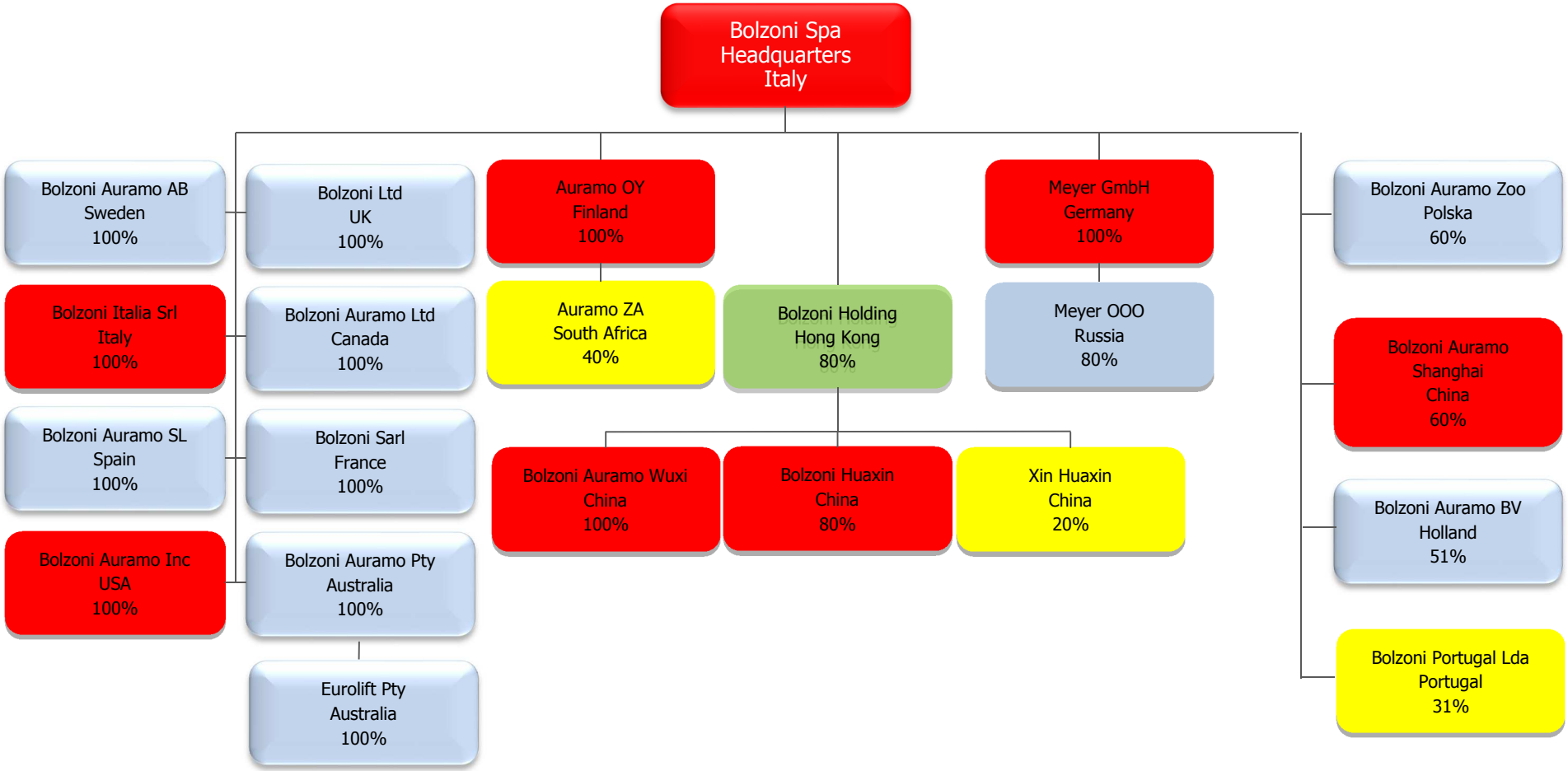

The benchmark market and competitors

The fork lift truck attachment is a highly concentrated market, 90% of which held 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 Bolzoni 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 9 years new competitors have emerged only in China but closely linked to the evolution of the Chinese domestic market.

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 2014, 2013 and 2012, divided according to the main categories and with a distinction between Italy and abroad.

	31.12.2014			31.12.2013			31.12.2012		
Category	Italy	Abroad	Total	Italy	Abroad	Total	Italy	Abroad	Total
Executives	7	26	33	8	32	40	5	23	28
First line managers	7	-	7	6	-	6	7	-	7
White collar	95	234	329	94	227	321	94	259	353
Blue collar	139	229	368	140	245	385	135	212	347
Total	**248**	**489**	**737**	**248**	**504**	**752**	**241**	**494**	**735**

Report on the consolidated financial statements for the year ended 31.12.2014

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

Comments to the Group's main results

Below are the main results of the financial period which ended on 31.12.2014 compared to the financial period 2013.

The following tables contain the management results:

	31.12.2014	*31.12.2013*	*Variation %*
Revenue	119,886	121,172	-1.06%
Ebitda	8,587	8,147	+5.40%
Ebit	2,741	2,758	-0.62%
Profit before tax	2,149	612	-251.14%
Net income	908	105	+764.76%

Revenue
2014 closes with an overall turnover slightly lower than the previous financial year (-1.06%). Consolidated turnover in the fourth quarter, amounting to 31,555,000 euros, is 7.17% higher than the average of the previous quarters despite the seasonal effect of December.

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 in 2014, compared to the previous year 2013:

Geographic area	*1st semester*	*2nd semester*	*Year*
W. Europe	+ 13.74%	+ 11.10%	+ 12.44%
North America	+ 9.84%	+ 5.15%	+ 7.30%
China	+ 13.74%	+ 1.98%	+ 8.07%
World	+ 9.34%	+ 2.68%	+ 6.01%

Source: International Association of Fork Lift Truck Manufacturers

During the financial year there have been considerable oscillations in the sales trend for fork lift trucks (our market of reference) with important differences between the various markets.
In general the financial year ends with very positive figures, particularly in West Europe with an excellent +12.44%.

Market share
There is still a disalignment between the trend in the sales of fork lift trucks and the trend in our turnover for forklift truck attachments and which has inevitably a shift in trend compared to the sales of fork lift trucks. The proof of this time lag is demonstrated in the turnover figures for the first two months of this year showing a 11.19% growth compared to the same period of the previous year and a 23.11% growth in sales compared to the same period of the previous year.

Currency aspects
At the balance sheet date the exchange rate of the Euro against the US dollar, which was 1.38 at 31.12.2013 appreciated in value reaching 1.21 at 31.12.2014 with an average annual exchange rate of 1.33.
The exchange rate of the Euro against Pound Sterling which was 0.83 euros at 31.12.2013 appreciated in value to 0.78 euros at 31.12.2014.

EBITDA
Ebitda, as defined on page 13, followed the trend indicated below during the two periods under examination:

	31.12.
% Ebitda on 2013 turnover	6.72%
% Ebitda on 2014 turnover	7.16%

This margin index has recorded a slight growth with respect to the previous financial year.

Result before tax and net income
The Consolidated Financial statements therefore close with a profit before tax of 2.149.000 euros, and a net profit of 1,044,000 euros.

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

	Equity	*Net income*
Parent company financial statements	41,331	2,277
Elimination of profits on intercompany stock (net tax effect)	(1,515)	(159)
Effect of consolidation of subsidiary companies	682	(1,210)
Foreign currency exchange reserve	(158)	-
CONSOLIDATED FINANCIAL STATEMENTS	**40,340**	**908**
Minority net equity and result	(3,911)	136
GROUP FINANCIAL STATEMENTS	**36,429**	**1,044**

Depreciation and Amortization for the period 2014

The company financial report as at 31.12.2014 for Bolzoni S.p.A. includes depreciation and amortization for 2,320,000 euros (2,368,000 euros in 2013) whereas the consolidated financial report as at 31.12.2014 includes depreciation and amortization for 5,393,000 euros (4,903,000 euros in 2013).

Investments during period 2014

Below are details of investments made by the Group companies in 2014:

Investments 2014	*Tangible*	*Intangible*	*Total Euro*
Bolzoni S.p.A.	783	433	1,216
Auramo Finland	4,250	388	4,638
Bolzoni Auramo Sweden	57	-	57
Bolzoni Auramo Holland	2	-	2
Bolzoni UK	199	-	199
Bolzoni Auramo Australia	3	-	3
Bolzoni France	44	1	45
Bolzoni Auramo Spain	42	-	42
Bolzoni Auramo USA	148	-	148
Bolzoni Auramo Canada	67	-	67
Bolzoni Auramo Poland	18	-	18
Bolzoni Auramo Shanghai	-	-	-
Meyer Group	1,410	289	1,699
Bolzoni Italia S.r.l.	122	26	148
Bolzoni Holding Hong Kong, Bolzoni Auramo Wuxi and Bolzoni Huaxin	1,039	556	1,595
TOTAL	**8,184**	**1,693**	**9,877**

The investments in tangible fixed assets are mainly related to the purchase of machine tools and equipment.
The investments in intangible fixed assets made by Bolzoni S.p.A., by Auramo in Finland, by Meyer in Germany and by Bolzoni Auramo Wuxi in China refer to the capitalization of development costs of new products, new production lines and new software.

Research and development

During the year 2014, the Company continued its research and development activity and directed its efforts mainly on projects which we believe to be particularly innovative and which are:

Activity 1: Activities regarding the conception, feasibility study, research, development, construction of prototypes, and testing of following new products characterized by innovative technological contents and the technological improvement of existing products:
- new mz type, economy fork positioner
- new m type integral positioner
- new 1.6 and 2 ton integral side shifters
- new class 3 and 4 integral positioners
- new lighter model of carton clamp

Activity 2: Activities of analysis, study, and precompetitive development of an application for optimizing loading operations in warehouses, locating goods, loading on to production line, re-ordering with connection to the company's ERP

The projects have been developed in the production plant situated in Podenzano (PC), via I Maggio 103. For the development of the above projects the Company has incurred cumulative costs in 2014 and in the previous financial years for a total amount of 827,539.82 euros.

On this amount the Company intends taking advantage of the tax reduction on IRAP art. 11 of the Legislative Decree n° 446 passed on 15 December 1997, modified by art. 17 of the Legislative Decree n° 247 passed 18 November 2005 implemented by Law 296/06 art. 1 paragraph 266.
The above-described research and development activity will continue in 2015.

We trust that the favourable effects produced by these innovations will generate positive results in terms of turnover and also positive effects on the company's economy.

Inventory at 31.12.2014

Stock levels at 31.12.2014 have increased compared to the figure at 31.12.2013. This is due to the the launch worldwide of the marketing of forks produced in our China plant Bolzoni Huaxin as well as the increase in sales and order volumes achieved in the first months of the financial year which are higher than the previous year.
The inventory in US has also been adjusted to meet the new market prospects

	31.12.2014	31.12.2013
Bolzoni S.p.A.	6.502	5,637
Auramo Oy Finland	2.053	1,966
Bolzoni Auramo Sweden	546	433
Bolzoni Auramo Holland	172	184
Bolzoni Auramo Germany	-	1,071
Bolzoni UK	551	387
Bolzoni Auramo Australia	2.256	2,033
Bolzoni France	489	427
Bolzoni Auramo Spain	415	386
Bolzoni Auramo USA	4,258	3,045
Bolzoni Auramo Canada	453	572
Bolzoni Auramo Poland	297	212
Bolzoni Auramo Shanghai	255	230
Meyer Group	4,147	3,509
Bolzoni Italia Srl	505	560
Bolzoni Holding Hong Kong	4,689	3,605
Effects of consolidation book entries	**(2,109)**	**(1,827)**
CONSOLIDATED	**25,479**	**22,430**

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

Net financial position of the Parent Company	*31.12.2014*	*31.12.2013*	*Variation*
A. Cash on hand	13	11	2
B. Current bank deposits	403	5,970	(5,567)
D. CASH AND CASH EQUIVALENTS	**416**	**5,981**	**(5,565)**
E. Financial receivables	6.547	5,172	1,375
F. Current bank debt	*(3.668)*	(1,515)	*(2,153)*
G. Current part of non-current debt	*(8.905)*	*(14.999)*	*6.094*
H. Other current financial debts	(3.065)	(3,975)	910
I. CURRENT FINANCIAL DEBTS	**(9.091)**	**(15,317)**	**6,226**
J. CURRENT NET FINANCIAL POSITION	**(8.675)**	**(9,336)**	**661**
N. NON-CURRENT NET FINANCIAL POSITION	**(13.953)**	**(12,044)**	**(1,909)**
O. NET FINANCIAL POSITION	**(22,628)**	**(21,380)**	**(1,248)**

Consolidated net financial position	*31.12.2014*	*31.12.2013*	*Variation*
A. Cash on hand	13	11	2
B. Liquid funds	4,053	11,028	(6,975)
D. CASH AND CASH EQUIVALENTS	**4,066**	**11,039**	**(6,973)**
E. Financial receivables	12	11	1
F. Current bank debts	(12,034)	(10,342)	(1,692)
G. Current part of non-current debt	(12,692)	(15,177)	2,485
I. CURRENT FINANCIAL DEBTS	**(24,714)**	**(25,508)**	**794**
J. CURRENT NET FINANCIAL POSITION	**(20,648)**	**(14,469)**	**(6,179)**
Financial assets held until maturity	-	-	-
K. NON-CURRENT FINANCIAL DEBT	(16,404)	(14,311)	(2,093)
N. NON-CURRENT NET FINANCIAL POSITION	**(16,404)**	**(14,311)**	**(2,093)**
NET FINANCIAL POSITION (NET FINANCIAL DEBTS)	**(37,052)**	**(28,780)**	**(8,272)**

Consolidated net financial position has increased from 28,780 euros at 31.12.2013 to 37.052 euros at 31.12.2014.
The increase in financial debts is amply justified by the overall investments amounting to 9,877 euros, 4,638 euros of which for the new plant in Finland.

Equity of the group companies

	Equity 2014	2013
Bolzoni S.p.A.	41,331	40,313
Auramo OY Finland	7,658	8,156
Bolzoni Auramo Sweden	1,232	1,420
Bolzoni Auramo Holland	456	429
Bolzoni Auramo Germany	-	642
Bolzoni UK	637	385
Bolzoni Auramo Australia	(75)	(132)
Bolzoni France	1,182	1,128
Bolzoni Auramo Spain	86	54
Bolzoni Auramo Italy	-	6
Bolzoni Auramo USA	2,337	2,350
Bolzoni Auramo Canada	625	500
Bolzoni Auramo Poland	335	288
Bolzoni Auramo Shanghai	2,013	1,783
Meyer Group	4,918	4,409
Bolzoni Italia Srl	157	96
Bolzoni Holding Hong Kong	10,442	11,038
Effect of consolidation book entries	**(32,994)**	**(32,932)**
CONSOLIDATED	**40,340**	**39,933**

Transactions with Group companies and other related parties

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

Bolzoni S.p.A. turnover with subsidiaries	Products	Interest	Total in euro
Auramo OY Finland	121	-	121
Bolzoni Auramo Sweden	232	-	232
Bolzoni Auramo Holland	570	-	570
Bolzoni UK	2,203	-	2,203
Bolzoni Auramo Australia	597	54	651
Bolzoni France	2,972	-	2,972
Bolzoni Auramo Spain	1,126	-	1,126
Bolzoni Auramo USA	5,811	22	5,833
Bolzoni Auramo Canada	300	5	305
Bolzoni Auramo Poland	899	-	899
Bolzoni Auramo Shanghai	-	-	-
Meyer Group	3,626	24	3,650
Bolzoni Italia S.r.l.	941	2	943
Bolzoni Holding Hong Kong	1,040	30	1,070
TOTAL	**20,438**	**137**	**20,575**

Bolzoni S.p.A. turnover with associates	Products	Interest	Total in euro
Auramo South Africa	182	-	182

Bolzoni Portugal	78	-	78
TOTAL	**260**	**-**	**260**

Consolidated turnover with associates	*Products*	*Interest*	*Total in euro*
Auramo South Africa	654	-	654
Bolzoni Portugal	277	-	277
Jing County Xin Huaxin	660	-	660
TOTAL	**1,591**	**-**	**1,591**

Turnover of subsidiaries with Bolzoni S.p.A.:	*Products*	*Interest*	*Total in euro*
Auramo OY Finland	1,420	70	1,490
Bolzoni Auramo Sweden	-	10	10
Bolzoni Auramo Holland	6	-	6
Bolzoni UK	-	-	-
Bolzoni Auramo Australia	-	-	-
Bolzoni France	36	-	36
Bolzoni Auramo Spain	5	-	5
Bolzoni Auramo USA	-	-	-
Bolzoni Auramo Canada	-	-	-
Bolzoni Auramo Poland	-	-	-
Bolzoni Auramo Shanghai	-	-	-
Meyer Group	1,700	-	1,700
Bolzoni Italia S.r.l.	889	-	889
Bolzoni Holding Hong Kong	1,317	-	1,317
TOTAL	**5,373**	**80**	**5,453**

Consolidated turnover from associates	*Products*	*Interest*	*Total in euro*
Auramo South Africa	-	-	-
Jing County Xin Huaxin	573	-	573
TOTAL	**573**	**-**	**573**

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

Bolzoni S.p.A. receivables with subsidiaries:	Trade	Financial	Total in euro
Auramo OY Finland	8	-	8
Bolzoni Auramo Sweden	42	-	42
Bolzoni Auramo Holland	81	-	81
Bolzoni UK	709	-	709
Bolzoni Auramo Australia	196	2,200	2,396
Bolzoni France	627	-	627
Bolzoni Auramo Spain	332	-	332
Bolzoni Auramo USA	3,750	955	4,705
Bolzoni Auramo Canada	179	200	379
Bolzoni Auramo Poland	264	-	264
Bolzoni Auramo Shanghai	278	-	278
Meyer Group	589	1,000	1,589
Bolzoni Italia S.r.l.	419	50	469
Bolzoni Holding Hong Kong	2,375	2,142	4,517
TOTAL	**9,849**	**6,547**	**16,396**

Bolzoni S.p.A. payables with subsidiaries:	Trade	Financial	Total in euro
Auramo OY Finland	314	2,700	3,014
Bolzoni Auramo Sweden	2	365	367
Bolzoni Auramo Holland	2	-	2
Bolzoni UK	3	-	3
Bolzoni Auramo Australia	-	-	-
Bolzoni France	13	-	13
Bolzoni Auramo Spain	3	-	3
Bolzoni Auramo USA	3	-	3
Bolzoni Auramo Canada	(29)	-	(29)
Bolzoni Auramo Poland	-	-	-
Bolzoni Auramo Shanghai	-	-	-
Meyer Group	259	-	259
Bolzoni Italia S.r.l.	142	-	142
Bolzoni Holding Hong Kong	313	-	313
TOTAL	**1,025**	**3,065**	**4,090**

Receivables with associated companies	Bolzoni S.p.A.	Consolidated
Auramo South Africa	20	226
Bolzoni Portugal	55	215
Jing County Xin Huaxin	-	19
TOTAL	**75**	**460**

Payables with associated companies	Bolzoni S.p.A.	Consolidated
Jing County Xin Huaxin	-	31
TOTAL	**-**	**31**

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 as 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 and the Parent's results, below are the figures for some of the indicators usually employed in financial analysis:

Profitability indexes consolidated financial report		
	31.12.2014	**31.12.2013**
ROE *Return on equity*	2.25%	0.26%
ROI *Return on investment*	3.54%	4.01%

Profitability indexes parent's financial report		
	31.12.2014	**31.12.2013**
ROE *Return on equity*	6.78%	4.94%
ROI *Return on investment*	4.42%	3.26%

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 consolidated financial report		
	31.12.2014	**31.12.2013**

DI	*Current ratio*	1.14	1.20
LS	*Quick ratio*	0.63	0.75

Liquidity indexes parent's financial report			
		31.12.2014	**31.12.2013**
DI	*Current ratio*	0.81	0.74
LS	*Quick ratio*	0.61	0.59

***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 consolidated financial report			
		31.12.2014	**31.12.2013**
CI	*Fixed asset self-coverage ratio*	0.74	0.82
LEV	*Leverage*	1.92	1.72
IN	*Indebtedness ratio*	1.02	0.81

Indexes of financial solidity parent's financial report			
		31.12.2014	**31.12.2013**
CI	*Fixed asset self-coverage ratio*	0.72	0.68
LEV	*Leverage*	1.53	1.52
IN	*Indebtedness ratio*	0.53	0.52

***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. The higher the value of the index the greater the risk for the company.

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 progressively deteriorated the international financial and economic situation in 2008 and 2009 has represented an element of risk for the Group.
In recent months however there have been signs of recovery in the European market and a consolidation of the growth in the US market.

Financial risks
The recent decisions of the ECB have considerably improved financial outlook in the entire Euro area including our country.
Both short and medium term rates have gone down significantly.
As a consequence financial risks have also significantly diminished.

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, for 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 detailed examination of this type of risk is to be found in the explanatory notes, note 36 of the consolidated financial statements and note 32 of the company financial statements.

Legal risks
An update 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 statements.

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

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 2014 and 2013.

2014	Europe	North America	Others	Total
Consolidated Revenues	89,344	16,418	14,124	119,886
Parent's Revenues	52,181	6,359	4,813	63,353

2013	Europe	North America	Others	Total
Consolidated Revenues	88,144	15,231	17,797	121,172
Parent's Revenues	50,716	6,245	5,549	62,510

It should also be noted that the trend in revenue does not follow any particular seasonal pattern.

Events after 31 December 2014

No significant events have occurred since that date.

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.p.A. In particular and for illustrative yet incomplete purposes, the Issuer autonomously manages the treasury and business relations with its customers and suppliers and does not make use of any 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 section 'Investor Relations - Corporate Governance' of the web-site www.bolzoni-auramo.com, is made up of 18 chapters.

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

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 fifteen. The Shareholders' Assembly held on 29 April 2012 established the number of Board members to be 11 with office expiring on the date of the Shareholders' Assembly convening for the approval of the Financial statements at 31.12.2014. Following the resignation of director Dott. Davide Turco from the Board as of the Shareholders' meeting on 29.4.2014, the Board of Directors now has 10 members.

On 29 November 2010 the Board defined the procedure for operations performed with related parties by which 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 21 April 2009, 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 Control and Risk 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 Control and Risk System are given by the person responsible for the Control and Risk system, appointed in accordance with TUF, as well as by the functioning of the Control and Risk 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 Compliance Committee, 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 29 April 2013 by the Shareholders' Assembly, the Board of Statutory Auditors is made up of the Chairman Giorgio Picone and the permanent auditors Carlo Baldi and Maria Gabriella Anelli . Their office expires on the date of the Shareholders Assembly convened for the approval of the Financial statements for year 2015. 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 statements for 2014, 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 31.12.2013	Number of shares purchased	Number of shares sold	Number of shares held at 31.12.2014
Bolzoni Emilio	Bolzoni S.p.A.	21,873	-	-	21,873
Bolzoni Franco	Bolzoni S.p.A.	208,726	-	166,665	42,061
Pisani Luigi	Bolzoni S.p.A.	34,002	-	34,002	-
Scotti Roberto	Bolzoni S.p.A.	50,913	15,000	-	65,913
Magnelli Pierluigi	Bolzoni S.p.A.	22,267	-	-	22,267
Staack Karl Peter Otto	Bolzoni S.p.A.	912,282	-	-	912,282
Salsi Giovanni	Bolzoni S.p.A.	2,000	-	-	2,000
Mazzoni Paolo	Bolzoni S.p.A.	1,570,000	-	668,335	901,665

The Board of Directors' proposal to the Shareholders

Gentlemen,

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

We therefore propose:

- the approval of the financial statements at 31.12.2014;
- the allocation of the amount of 111,603.44 euros to legal reserve;
- the distribution to shareholders of a dividend calculated on the basis of the dividend per unit, which will be applied to the number of shares in circulation at the date of coupon detachment , of 0.035 euros per share;
- the allocation of all the remaining profit to extraordinary reserve.

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

Podenzano, 12 March 2015

The Board of Directors

CONSOLIDATED BALANCE SHEET at 31 December 2014

BALANCE SHEET €/000	Notes	31/12/2014	31/12/2013
ASSETS			
Non-current assets			
Property, plant and equipment	4	33,909	29,270
Goodwill	5	10,618	10,618
Intangible fixed assets	6	4,143	3,605
Investments in associated companies	7	2,240	1,987
Financial receivables and other financial assets	8	62	179
Deferred tax assets	9	3,454	3,334
Total non-current assets		**54,426**	**48,993**
Current assets			
Inventory	10	25,479	22,430
Trade receivables	11	25,818	24,538
- of which related to associated and related companies	*11,34*	*460*	*93*
Tax receivables	12	1,090	1,128
Other receivables	13	815	608
Financial assets available for sale	14	12	11
Cash and cash equivalent	15	4,066	11,039
Total current assets		**57,280**	**59,754**
TOTAL ASSETS		**111,706**	**108,747**

CONSOLIDATED BALANCE SHEET at 31 December 2014

BALANCE SHEET €/000	Notes	31/12/2014	31/12/2013
GROUP EQUITY			
Share capital	17	6,498	6,498
Reserves	17	28,887	28,860
Net result of the year		1,044	123
TOTAL GROUP EQUITY		**36,429**	**35,481**
NON-CONTROLLING INTERESTS			
Capital, reserves and retained earnings		4,047	4,470
Net result of the year		(136)	(18)
TOTAL EQUITY		**40,340**	**39,933**
LIABILITIES			
Non-current liabilities			
Long term loans	17	15,881	13,900
Employee benefits -T.F.R. retirement allowance	18	2,812	2,665
Deferred tax liability	9	1,325	1,187
Long-term provisions	19	190	180
Liabilities for derivatives	20	523	411
Other long-term liabilities		358	601
Total non-current liabilities		**21,089**	**18,944**
Current liabilities			
Trade payables	21	18,890	17,400
- of which towards related parties	*34*	*31*	*259*
Financial short-term liabilities and current portion of long term loans	17	24,726	25,519
Other current payables	22	6,093	6,527
Payable for income taxes	23	262	123
Current provision	19	306	301
Total current liabilities		**50,277**	**49,870**
TOTAL LIABILITIES		**71,366**	**68,814**
TOTAL EQUITY AND LIABILITIES		**111,706**	**108,747**

CONSOLIDATED INCOME STATEMENT for fiscal year ended 31 December 2014

INCOME STATEMENT €/000	Notes	2014	2013
Net sales	3	119,886	121,172
- of which related to associated and related companies	*34*	*1,591*	*2,867*
Other revenues	24	808	418
Total revenues		**120,694**	**121,590**
Costs for raw material and consumables	25	(55,176)	(55,781)
- of which related to associated companies	*34*	*(573)*	*(1,541)*
Costs of services	26	(21,020)	(22,367)
- of which towards related parties	*34*	*(348)*	*(309)*
Personnel costs	27	(34,805)	(34,476)
- of which non-recurring	27	-	*(472)*
Other operating expenses	28	(1,125)	(862)
Result of associated companies accounted for under equity method	7	19	43
Gross operating result		**8,587**	**8,147**
Depreciation and Amortization	4,6	(5,393)	(4,903)
Accruals and impairment losses	11,19	(453)	(486)
Operating result		**2,741**	**2,758**
Financial expenses	29	(1,930)	(1,529)
Financial income	29	241	187
Currency exchange gain and losses	29	1,097	(804)
Result before tax		**2,149**	**612**
Income tax	9	(1,241)	(507)
Result of continuing activities		**908**	**105**
Net Result of the year		**908**	**105**
Attributable to:			
- Group		1,044	123
- Non-controlling interests		(136)	(18)
Earnings per share	31		
- basic, for the year's profit attributable to ordinary shareholders of the parent		0,040	0.005
- diluted, for the year's profit attributable to ordinary shareholders of the parent		0,040	0,005

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for fiscal year ended 31 December 2014

STATEMENT OF COMPREHENSIVE INCOME €/000	31/12/2014	31/12/2013
Profit/Loss of the year (A)	**908**	**105**
Items which will subsequently be reclassified in the year result		
Loss on hedging instruments designated in cash flow hedge	(79)	59
Tax effect of cash flow hedge	20	(16)
Profit/loss from translation of foreign companies' financial statements	1,549	(484)
Items which will not subsequently be reclassified in the year result		
Actuarial gain /loss of defined benefit plans	(427)	204
Tax effect of defined benefit plans	113	(56)
Total Other comprehensive income (B)	**1,176**	**(293)**
Total comprehensive income (A + B)	**2,084**	**(188)**
Attributable to:		
Group	1,858	(94)
Non-controlling interests	226	(94)

BOLZONI
The Material Handling Group

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for years ended 31 December 2013 and 31 December 2014

	Capital	Share prem. reserve	Legal reserve	Other reserves	Retained earnings	Transl. differ.	Year result	Total NE for the Group	Minority interests	Minority result	Total Equity
Balances as at 31.12.2012	**6,498**	**17,544**	**1,378**	**(235)**	**10,680**	**(938)**	**1,948**	**36,875**	**4,314**	**(62)**	**41,127**
Year result							123	123		(18)	105
Other comprehensive income				191		(408)		(217)	(76)		(293)
Total comprehensive income				191		(408)	123	(94)	(76)	(18)	(188)
Profit allocation			84		1,864		(1,948)		(62)	62	-
Dividends					(1,300)			(1,300)	(61)		(1,361)
Other changes									355		355
Balances as at 31.12.2013	**6,498**	**17,544**	**1,462**	**(44)**	**11,244**	**(1,346)**	**123**	**35,481**	**4,470**	**(18)**	**39,933**
Year result							1,044	1,044		(136)	908
Other comprehensive income				(373)		1,187		814	362		1,176
Total comprehensive income				(373)		1,187	1.044	1,858	362	(136)	2,084
Profit allocation			52		71		(123)	-	(18)	18	-
Dividends					(910)			(910)	(95)		(1,005)
Exchange rate variations									(672)		(672)
Other changes											
Balances as at 31.12.2014	**6,498**	**17,544**	**1,514**	**(417)**	**10,405**	**(159)**	**1,044**	**36,429**	**4,047**	**(136)**	**40,340**

CONSOLIDATED CASH FLOW STATEMENT for fiscal year closed 31 December 2014

The statement contains operations with related parties only when they are not directly inferable from other statements in this report. Items related to operations with related parties are described at note 34 of the Explanatory Notes.

€/000	Notes	2014	2013
Net profit of the year		**908**	**105**
Adjustments to reconcile net profit with cash flow generated (absorbed) by operating activities:			
Depreciation and Amortization	3/4	5,393	4,903
Accrual to Employee benefits - T.F.R. retirement allowance and financial expenses	18	884	1,029
Services paid	18	(1,147)	(1,192)
Accrual of provision	19	294	276
Reversal of provision	19	(279)	(333)
Net change of other long term liabilities		(243)	(93)
Change in derivative value	20	41	(165)
Net change in deferred tax	9	151	(709)
Net change in investments accounted for under equity method.	7	(253)	29
Variations in operating assets and liabilities:			
(Increase) decrease in inventory	10	(3,049)	(667)
(Increase) decrease in trade receivables	11	(1,280)	(108)
(Increase) decrease in other receivables	13	(207)	610
Increase (decrease) in trade payables	21*	1,387	1,141
Increase (decrease) in other payables	22	(434)	135
Increase (decrease) in tax payables	23	139	(261)
(Increase) decrease in tax receivables	12	38	(566)
NET CASH FLOW FROM OPERATING ACTIVITIES:	a)	**2,343**	**4,134**
Cash flow absorbed by investment activity:			
Gross investments paid in tangible assets	4*	(8,081)	(4,622)
Net disinvestment in tangible assets	4	441	839
Net investments paid in intangible assets	6	(1,693)	(1,584)
Exchange rate differences		(1,135)	213
NET CASH FLOW FROM INVESTING ACTIVITIES	b)	**(10,468)**	**(5,154)**
Cash flows from financing activities:			
New loans (repayment) and transfer of short t. portions to current liab.	17**	(978)	10,140
Net change of other financial assets/liabilities	8/14	92	208
Dividends paid	32	(1,005)	(1,361)
Monetary flows from share capital increase and stock options		-	-
Other variations to equity and non-controlling interests		877	(142)
CASH FLOW GENERATED (ABSORBED) BY FUNDING ACTIVITIES	c)	**(1,014)**	**8,845**
EFFECT OF EXCHANGE RATES ON CASH AND EQUIVALENTS			
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	a+b+c	**(9,139)**	**7,825**
NET CASH AND EQUIVALENTS AT START OF THE YEAR	15	8,252	427
NET CASH AND CASH EQUIVALENTS AT END OF THE YEAR	15	(887)	8,252
CHANGE		(9,139)	7,825
ADDITIONAL INFORMATION:			
Interest paid		1,673	866
Income tax paid		1,200	1,359

* Under net variation of trade payables and investments, the cash flow statement also considers the103 thousand euros variation in unpaid investments in tangible assets

** Except variations in bank overdrafts and advance trade payments, included in net liquid funds.

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 production and marketing of attachments for fork lift trucks.

The consolidated financial statements of Bolzoni S.p.A. (the Company or the Parent) for the year ended 31 December 2014 were approved by the Board of Directors on 12th March 2015.

As at December 31, 2014 the majority of Bolzoni S.p.A.'s share capital is owned by Penta Holding S.p.A. with registered offices in Podenzano, Località I Casoni (Piacenza) which acts as a holding of industrial investments.

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 statements for 2014 have 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 statements are those formally approved by the European Union and in force at 31 December 2014. 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, and in Release n° DEM/6064293 dated 28.07.2006.

The financial statements as at 31 December 2014 have been drawn up on the basis of the historic cost, modified as required by the accounting standards of reference for the evaluation of certain financial instruments, if necessary.

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;
- Changes 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 statements at 31 December 2014 have been prepared on the going concern assumption. Indeed the Group has assessed that, despite a difficult economic and financial context, no material uncertainties exist regarding its going concern, also considering the actions already taken in the previous financial years to adjust to the altered levels of demand, the Group's industrial and financial flexibility, the availability of lines of credit from banks, the cash flow generated by the operating activity, in addition to the economic and financial forecasts included in the budget approved by the Board of Directors for the period 2015.

IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLICABLE SINCE JANUARY 1, 2014

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

- **IFRS 10 – Consolidated Financial Statements** supersedes the portion of IAS 27 – *Consolidated and Separate Financial Statements* concerning consolidated financial statements, and SIC-12 *Consolidation – Special Purpose Entities* (special purpose vehicles). IAS 27 has been renamed *Separate financial statements* and now addresses only the how to account for equity investments in separate financial statements. The key changes introduced by this new principle for consolidated financial statements are as follows:

  - IFRS 10 establishes a single basic principle for the consolidation of all types of entities, i.e. the principle of control;
  - A more detailed definition of control has been introduced, based on three elements that must exist at the same time: (a) power over the investee; (b) exposure, or rights, to variable returns from the investor's involvement with the investee; (c) ability on the part of the investor to use its power over the investee to affect the amount of the investor's variable returns;
  - for the purpose of determining whether an investor has control over an investee, IFRS 10 requires investor to focus on the activities that significantly affect the investee's return (concept or relevant activities);
  - for the purpose of determining whether an investor has control over an investee, IFRS 10 requires that only substantive rights be considered, i.e. those rights that can be exercised when significant decisions need to be taken concerning the investee;
  - IFRS 10 provides practical guidance to help determine whether control exist in complex scenarios.

  Generally speaking, IFRS 10 application requires significant insight on a certain number of application issues.

  The standard is applicable retrospectively from January 1, 2014. The adoption of this new standard had no impact on the scope of consolidation of the Group.

- **IFRS 11 – Joint Arrangements replacing IAS 31 –** *Interests in Joint Ventures and SIC-13 Jointly-controlled Entities – Non-monetary Contributions by Venturers*. The new standard provides the criteria for joint arrangement accounting by focusing on the rights and obligations of the arrangement, rather than its legal form and classifies joint arrangements into joint ventures and joint operations. According to IFRS 11, the existence of a separate vehicle alone is not sufficient to classify a joint arrangement as a joint venture, as was the case with its IAS 31 predecessor. Joint ventures, in which the parties have rights only to the net assets relating to the arrangement, are required to be accounted for in the consolidated financial statements using the equity method. For joint operations, in which the parties have rights to the assets and obligations for the liabilities relating to the arrangement, the party recognises its share of assets, liabilities, revenue and expenses relating to the joint operation in the consolidated – and separate – financial statements.
  Generally speaking, IFRS 11 application requires significant insight into certain business segments in order to differentiate between joint ventures and joint operations.
  The new standard is applicable retrospectively from January 1, 2014.
  Following the issuance of the new IFRS 11, IAS 28 – *Investments in associates* has been amended to include also accounting for investments in jointly-controlled entities in its scope of application (from the date of effect of the standard). The adoption of this new standard had no impact on the scope of consolidation of the Group.

- **IFRS 12 – *Disclosure of interests in other entities*** is a new, comprehensive standard concerning additional disclosures required for all types of interests in other entities in the consolidated financial statements. The standard is applicable retrospectively from January 1, 2014. The adoption of this new standard has not affected disclosure in the notes to the Group's consolidated financial statements.

- Amendments to **IAS 32 – *Offsetting Financial Assets and Financial Liabilities*** clarify the application of the offsetting criteria for financial assets and liabilities. The amendments are applicable retrospectively from January 1, 2014. The adoption of these amendments had no impact on the consolidated financial statements of the Group.
- The amendments to **IFRS 10, IFRS 12 and IAS 27 – *Investment Entities*** introduce an exemption from the consolidation of subsidiaries for investment entities, unless the investees provide them with services related to their investment activities. Under these amendments, an investment entity must measure its investment in subsidiaries on a fair value basis. The amendments and the original standards are applicable from January 1, 2014. The adoption of these amendments had no impacts on the consolidated financial statements of the Group.
- Amendments to **IAS 36 – *Impairment of Assets – Recoverable amount disclosures for non-financial assets***. These amendments clarify that the additional disclosures on the recoverable amount of assets subject to impairment testing when such recoverable amount is based on fair value less costs of disposal, are only required for those assets or cash-generating units for which an impairment loss was recognised or reversed during the reporting period. The amendments are applicable retrospectively from January 1, 2014. The adoption of these amendments had no impact on the disclosures provided in the consolidated financial statements of the Group.
- Amendments to **IAS 39 – *Financial instruments: Recognition and measurement – Novation of derivatives and continuation of hedge accounting***. These amendments introduce certain exceptions to the hedge accounting requirements in IAS 39 applicable when an existing derivative is required to be replaced with a new derivative in specific situations where a derivative is novated to a central counterparty (CCP) as a result of the introduction of new laws or regulation. The amendments are applicable retrospectively from January 1, 2014. The adoption of these amendments had no impacts on the consolidated financial statements of the Group.

IFRS AND IFRIC ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPROVED BY THE EUROPEAN UNION, NOT YET MANDATORILY APPLICABLE AND NOT EARLY ADOPTED BY THE GROUP AS OF DECEMBER 31, 2014

- On May 20, 2013, **IFRIC interpretation 21 – *Levies*** was issued. The interpretation clarifies when a liability for levies (other than income tax) imposed by government agencies should be recognised. The interpretation is applicable retrospectively to periods beginning on or after June 17, 2014. Directors believe that the adoption of this interpretation will not affect the consolidated financial statements of the Group.
- On December 12, 2013, the IASB published document Annual Improvements to IFRSs: 2010-2012 Cycle, amending certain standards as part of the annual improvement process. Key amendments are as follows:
  - IFRS 2 *Share Based Payments – Definition of vesting condition*. The definitions of "vesting condition" and "market condition" were amended and the definitions of "performance condition" and "service condition" (previously included in the definition of "vesting condition") were added;
  - IFRS 3 *Business Combination – Accounting for contingent consideration.* The amendment clarifies that contingent consideration within a business combination that is classified as a financial asset or liability should be remeasured at fair value at each reporting date and changes in fair value should be recognised in profit or loss or in the Consolidated Statement of Other Comprehensive Income in accordance with IAS 39 (or IFRS 9);
  - IFRS 8 *Operating segments – Aggregation of operating segments*. The amendments require an entity to disclose judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and of the economic indicators used in determining that the aggregated segments have similar economic characteristics;

- IFRS 8 *Operating segments – Reconciliation of total of the reportable segments' assets to the entity's assets*. The amendments clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets is only required if the total of segment assets is regularly provided to the chief operating decision-maker;
- IFRS 13 *Fair Value Measurement – Short-term receivables and payables.* The Basis for Conclusions of this standard was amended to clarify that short-term receivables and payables can still be accounted for without discounting, where the effect of discounting is immaterial after IAS 39 and IFRS 9 were amended as a result of the issuance of IFRS 13;
- IAS 16 *Property, plant and equipment and IAS 38 Intangible Assets – Revaluation method: proportionate restatement of accumulated depreciation/amortization*. The amendments remove inconsistencies in the accounting for provision for depreciation/amortisation when items of property, plant and equipment and/or intangible assets are revalued. The amended requirements clarify that the gross carrying amount of the asset is adjusted to the revalued amount of the asset and the provision for depreciation/amortisation is adjusted to equal to the difference between the gross carrying amount and the net carrying amount less recognised impairment losses;
- IAS 24 *Related Parties Disclosures – Key management personnel*. The amendment clarifies that an entity (not an individual) that provides key management personnel services to a reporting entity, is a related party.

These amendments are to be applied for financial periods beginning on or after February 1, 2015 at the latest. Directors do not expect a significant effect of these amendments on the consolidated financial statements of the Group.

- On December 12, 2013, the IASB published document ***Annual Improvements to IFRSs: 2011-2013 Cycle,*** amending certain standards as part of the annual improvement process. Key amendments are as follows:
  - IFRS 3 *Business Combinations – Scope exception for joint ventures*. This amendment clarifies that paragraph 2(a) of IFRS 3 excludes the formation of all types of joint arrangements as defined in IFRS 11 from the scope of IFRS 3;
  - IFRS 13 *Fair Value Measurement – Scope of portfolio exception* (par. 52.) This amendment clarifies that the portfolio exception included in paragraph 52 of IFRS 13 applies to all contracts within the scope of IAS 39 (or IFRS 9), regardless of whether they meet the definitions of financial assets or financial liabilities as defined in IAS 32;
  - IAS 40 *Investment Properties – Interrelationship between IFRS 3 and IAS 40*. This amendment clarifies that IFRS 3 and IAS 40 are not mutually exclusive and that when it is necessary to determine whether the acquisition of investment property falls within the scope of IFRS 3 or IAS 40, such determination is based on the guidance in IFRS 3 or IAS 40, respectively;

  These amendments are to be applied for financial periods beginning on or after January 1 2015. Directors do not expect any significant effect on the consolidated financial statements of the Group.

- On November 21, 2013, the IASB issued the amendment to IAS 19 – ***Defined Benefit Plans: Employee Contributions,*** proposing that contributions (related to service rendered by the employee during the period) to defined benefit plans from employees or third parties be recognized as a reduction in the service cost in the period in which the contribution is paid. These amendments are to be applied for financial periods beginning on or after February 1, 2015 at the latest. Directors do not expect any significant effect on the consolidated financial statements of the Group.

IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET ENDORSED BY THE EUROPEAN UNION

The European Union has not yet completed its endorsement process for the standards and amendments below reported at the date of these financial statements.

- On January 30, 2014, the IASB issued ***IFRS 14 – Regulatory Deferral Accounts*** that permits an entity which is a first-time adopter of IFRSs to continue to account for amounts relating to Rate Regulation Activities in accordance with the accounting standards adopted previously. The Company/Group is not a first-time adopter and this standard is not applicable to it.
- On May 6, 2014, the IASB issued some amendments to ***IFRS 11 – Joint Arrangements – Accounting for acquisitions of interests in joint operations*** on the accounting for the acquisition of interests in a joint operation that is a business as defined in IFRS 3. The amendments establish that the principles in IFRS 3 for the recognition of the effects of business combinations should be applied in this situation. The amendments are applicable from January 1, 2016. Early adoption is allowed. Directors do not expect any effect on the consolidated financial statements of the Group when these amendments are adopted.
- On May 12, 2014, the IASB published some amendments to I***AS 16 – Property, plant and Equipment*** and ***IAS 38 Intangibles Assets – Clarification of acceptable methods of depreciation and amortisation.*** These amendments establish that a revenue-based amortisation method is not appropriate, except under limited, specific circumstances relating to intangible assets. The amendments are applicable from January 1, 2016. Early adoption is allowed. Directors do not expect any effect on the consolidated financial statements of the Group when these amendments are adopted.
- On May 28, 2014, the IASB issued ***IFRS 15 – Revenue from Contracts with Customers***, which is to replace *IAS 18 – Revenue and IAS 11 – Construction Contracts*, as well as interpretations *IFRIC 13 – Customer Loyalty Programmes, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers and SIC 31 – Revenues-Barter Transactions Involving Advertising Services*. This standard establishes a new revenue recognition model that will apply to all contracts with customers except for those within the scope of other IAS/IFRS standards. According to the new model, revenue is accounted for through five key steps:
  - Identify the contract with a customer;
  - Identify the performance obligations in the contract;
  - Determine the price;
  - Allocate the price to the performance obligations in the contract;
  - Criteria for recognising revenue when the entity satisfies each performance obligation.

  The standard is applicable from January 1, 2017. Early adoption is allowed. Directors expect IFRS 15 to have an effect on the Group. However, it is not possible to estimate such impact until the Group completes a detailed review of contracts with customers.
- On June 30, 2014, the IASB published some amendments to IAS 16 – Property, plant and Equipment and IAS 41 – Agriculture – Bearer Plants. These amendments require that bearer plants, i.e. fruit trees that bear produce yearly, be accounted for in accordance with IAS 16 (rather than IAS 41). The amendments are applicable from January 1, 2016. Early adoption is allowed. The standard is not applicable to the Group.
- On July 24, 2014, the IASB published the final version of **IFRS 9 – *Financial instruments***. This new standard replaces the previous versions of IFRS 9, and applies to periods starting on or after January 1, 2018.

  With this publication, which also addresses impairment, IFRS 9 is completed, except for macro hedging criteria, for which IASB initiated a separate project.

  The standard introduces new criteria for the classification and measurement of financial assets and liabilities. In particular, as regards financial assets, the new standard adopts a single approach based on how an entity manages its financial instruments and the contractual cash flows

characteristics of the financial assets, in order to determine its valuation criteria and replacing the many different rules in IAS 39. The most significant effect of the standard regarding the financial liabilities relates to the accounting for changes in the fair value of a financial liability designated as measured at fair value through profit or loss, when such changes are attributable to changes in the credit risk of the issuer of that financial liability. According to the new standard, these changes must be recognised in "Other Comprehensive Income" and will no longer be recognised in the Income Statement.

With regard to the impairment model, the new standard requires that credit losses be estimated using the expected loss model (rather than the incurred loss model) based on supportable information that is available without undue cost or effort and that includes historical, current and forecast information. The standard establishes that such impairment model applies to all financial instruments, i.e. financial assets measured at amortised cost, financial assets measured at fair value through other comprehensive income, and lease and trade receivables.

Lastly, the standard introduces a new hedge accounting model to amend IAS 39 requirements, which have often been considered as too stringent and not suitable for reflecting the entities' risk management policies. The increased flexibility of the new accounting rules is offset by additional disclosures required on the company risk management activities. Directors do not expect IFRS 9 to have a significant impact on the balances and the relevant disclosures in the consolidated financial statements of the Group. However, it is not possible to estimate such impact until the Group completes a detailed analysis.

- On September 11, 2014, the IASB issued the amendment to **IFRS 10 and IAS 28 – *Sales or Contribution of Assets between an Investor and its Associate or Joint Venture***. The amendments establish that the portion of gain or loss resulting from the sale or transfer of an asset or a subsidiary to a joint venture or an associate to be recognised in the financial statements of the seller/transferor is to be determined based on whether the asset or subsidiary sold/transferred constitutes or not a business as defined in IFRS 3. If the asset or subsidiary is a business, the entity should recognise the profit or loss on the total interest held before the transaction; otherwise, the portion of profit or loss on the interest still held by the entity must be eliminated. The amendments are applicable from January 1, 2016. Early adoption is allowed. Directors do not expect any effect on the consolidated financial statements of the Group when these amendments are adopted.

- On September 25, 2014, the IASB published document **"Annual Improvements to IFRSs: - 2014 Cycle"**. These amendments are to be applied for financial periods beginning on or after January 1, 2016.

  This document introduces several amendments to the following standards:

  - IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations*. The amendment introduces specific guidance for when an entity reclassifies an asset (or a disposal group) held for sale as held for distribution (or viceversa), or when the requirements for classifying an asset as held for distribution are no longer met. According the amendments, (i) such reclassifications should not be considered as changes to a plan to sell or distribute the asset and applicable classification and measurement criteria remain unchanged; (ii) those assets that no longer meet the classification criteria established for assets held for distribution should be treated as assets that cease to be classified as held for sale;
  - IFRS 7 – *Financial Instruments: Disclosure.* The amendments provide additional guidance to clarify whether a servicing contract constitutes continuing involvement in a transferred asset in order to determine whether disclosures are required for the transferred assets. In addition they clarify that – as a general rule – disclosures on offsetting of financial assets and liabilities are not expressly required for interim financial statements. However, such disclosure might be required under IAS 34, if they provide significant information;
  - IAS 19 – *Employee Benefits.* This document amends IAS 19 to clarify that high quality corporate bonds used to determine the discount rate of post-employment benefits should be in the same currency in which the benefits are to be paid.

- IAS 34 – *Interim Financial Reporting.* This document introduces several amendments to clarify which requirements are to be met when the required disclosures are included in the interim financial report, however not in the interim financial statements.

  Directors do not expect a significant effect on the consolidated financial statements of the Group once these amendments have been applied.

- On December 18, 2014, the IASB issued the amendment to **IAS 1 – *Disclosure Initiative***. The purpose of these amendments is to clarify certain disclosure elements and remove perceived impediments to presenting clear, understandable financial reports. Amendments are as follows:
  - Materiality and aggregation: clarifies that an entity should not obscure information by aggregating or disaggregating information and that materiality considerations apply to the primary statements, notes and specific disclosure requirements in IFRSs. Disclosures specifically required by IFRSs need to be provided only if the information is material;
  - Statement of financial position and statement of profit or loss or other comprehensive income: clarifies that the list of line items specified by IAS 1 for these statements can be disaggregated and aggregated as relevant. Guidance is provided on the use of subtotals in these statements;
  - Presentation of items of other comprehensive income ("OCI"): clarifies that the share of OCI of associates and joint ventures accounted for using the equity method should be presented in aggregate as a single line item, classified between those items that will or will not be subsequently reclassified to profit or loss;
  - Notes: clarifies that entities have flexibility when designing the structure of the notes and provides guidance on systematic ordering of the notes.

  These amendments are to be applied for financial periods beginning on or after January 1, 2016. Directors do not expect any significant effect on the consolidated financial statements of the Group when these amendments are adopted.

- On December 18, 2014, the IASB published document "***Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)"*** with amendments that address issues about the application of the consolidation exception granted to investment entities. These amendments are to be applied for financial periods beginning on or after January 1, 2016. Early adoption is permitted. Directors do not expect any significant effect on the consolidated financial statements of the Group when these amendments are adopted, as the Company does not meet the definition of investment entity.

2.2 Consolidation principles and consolidation area

The consolidated financial statements comprise 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 statements the assets, the liabilities, as well as the total amounts of costs and revenue of the consolidated companies are acquired line by line and the portion of equity and the year's result belonging to minority interests is attributed to the specific caption of the Income Statement and Balance Sheet. This consolidation method (integral consolidation) is only valid for the subsidiary companies whereas for the associated companies the equity method is used. There are however no Joint Ventures.

The accounting value of the investment in each of the subsidiaries is eliminated against the corresponding 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. Investments in associated companies are accounted for using the equity method.

Below is the list of the group companies at 31 December 2014:

Name	Location	Share capital (thousands of currency)	% of direct ownership	% of indirect ownership
Bolzoni Auramo Incorporated	Homewood – Illinois - USA	US $ 2,500	100 %	
Bolzoni Limited	Warrington - UK	GBP 980	100 %	
Bolzoni Auramo Polska Sp Zoo	Lublin - Poland	PLN 350	60 %	
Bolzoni Auramo S.L.	Barcellona - Spain	€ 200	100 %	
Bolzoni S.A.R.L.	Forbach – France	€ 198	100 %	
Auramo Oy	Jarvenpaa – Finland	€ 565	100 %	
Bolzoni Auramo BV	Helmond - Netherlands	€ 18	51 %	
Bolzoni Auramo Australia PTY Ltd	Dudley Park SA - Australia	AUD 3,871	100 %	
Eurolift Pty Ltd	Dudley Park SA – Australia	AUD 300		100%(***)
Bolzoni Auramo Ltd.	Dollard des Ormeaux - Canada	CAD 856	100 %	
Bolzoni Italia S.r.l.	Prato - Italy	€ 50	100 %	
Bolzoni Auramo AB	Gavle - Sweden	SEK 100	100 %	
Bolzoni Auramo Shanghai	Minhang District - China	RMB 11,576	60 %	
Bolzoni Holding Hong Kong	Hong Kong	HK$ 112,608	80%	
Xin Huaxin China (*)	Longhua - China	RMB 43,750		20% (**)
Bolzoni Huaxin China	Longhua - China	RMB 30,000		80%(**)
Bolzoni Auramo Wuxi	Wuxi - China	RMB 62,883		100%(**)
Auramo South Africa (*)	Benoni – South Africa	ZAR 100		40%(****)
Bolzoni Portugal Lda (*)	Palmela – Portugal	€ 50		31%
Meyer GmbH	Salzgitter – Germany	€ 1,023	100 %	
LLC "Hans H. Meyer OOO"	Moscow - Russia	RUB 1,025		80%

(*) = Associated companies assessed using the N.E. method
(**) = Percentage ownership by Bolzoni Holding Hong Kong
(***) = Percentage ownership by Bolzoni Auramo Australia PTY Ltd
(****) = Percentage ownership by Auramo OY

During the first half-year 2014 the merger by incorporation of Bolzoni Auramo GmbH into Meyer GmbH became effective, the winding up of Bolzoni Auramo Srl was completed and a minority interest (31%) was subscribed in the sales company Bolzoni Portugal Lda.

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 fully eliminated.

2.3 Significant accounting judgements and estimations

Untaxed reserves in the equity of the subsidiaries

Various Group companies have untaxed reserves of 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 statements 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 inventory, benefits to employees, taxes impairment tests on goodwill and land accrual to provisions for contingencies and risks.

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.

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 on the basis of a suitable discount rate. The carrying amount of goodwill at 31 December 2014 was 10.618 thousand euro (2013: 10.618 thousand euros). More details are given in Note 5.

Amortization and depreciation (for assets with definite useful life)

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

2.4 Summary of principal accounting policies

Foreign currency translation

The consolidated financial statements are 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 indicated below:

Bolzoni Auramo Inc.	US Dollar
Bolzoni Auramo Canada	Canadian Dollar
Bolzoni Ltd	Pound Sterling
Bolzoni Auramo AB	Swedish Crown
Bolzoni Auramo Pty Ltd /Eurolift Pty Ltd	Australian Dollar
Bolzoni Auramo Sp Zoo	Polish Zloty
Bolzoni Auramo Shanghai	Chinese Renminbi (Yuan)
Bolzoni Auramo Wuxi	Chinese Renminbi (Yuan)
Bolzoni Huaxin	Chinese Renminbi (Yuan)
Bolzoni Holding Hong Kong	Hong Kong Dollar
LLC "Hans H. Meyer OOO"	Russian Ruble

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. 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 generally attributed to the various categories of 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 amount of property, plant and equipment is reviewed for possible impairment whenever events or changes in circumstance indicate that the carrying amount may not be recoverable, according to the established depreciation plan. If an indication of this type exists and in the event that the carrying amount 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 de-recognition (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 rewards 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 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 for 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 liabilities (including potential liabilities and excluding future restructuring) of the acquired company.

Goodwill accounted for in a business combination is represented by 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 decreased by any accumulated impairment losses. Goodwill is reviewed annually for impairment, or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. The impairment procedure is approved by the Directors independently and prior to the approval of the financial reports. For further details regarding the criteria applied for impairment testing see note on "Impairment of non-financial fixed 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 amount 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 & 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
Impairment testing/tests on recoverable amounts	Annually and more frequently when an indication of impairment exists.	Annually or more frequently when an indication of impairment exists.

Gains or losses deriving from de-recognition 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.

Investments in associates

The Group's investment in its associates is accounted for under the equity method. 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. The investment is assessed on the basis of the income and financial situation at 31 December. The accounting principles conform to those used by the Group.

Impairment of non-financial fixed 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 amount 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 amount. The recoverable amount 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 amount 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 independently and prior to the date of approval of the financial reports, 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 amount.

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 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, on the current market value of another substantially similar instrument, on the discounted cash flow analysis and on the option pricing models.

When the fair value cannot be reliably estimated, investments in other companies are left at cost value.

Inventories

Inventories are measured at the lower of purchase or production cost, including costs for transport and storage, and expected net realizable value. Costs incurred for bringing each good to its current location and storage are calculated 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 30-120 days' payment terms, are recognized at the original invoice amount less an allowance for any non-collectable amounts in order to reflect their presumable realization value. This provision is made in the presence of objective elements indicating 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.

De-recognition 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 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 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 amount 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 in 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 equity. Evaluations in fair value subsequent to the assignment date do not have any effect on the initial evaluation.
The Group does not have any retribution schemes in the form of investment in capital.

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 defined benefits plan 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 immediately recognized in the statement of the financial position by crediting or charging the retained earnings through the other components of the comprehensive income statement in the financial year in which they occurred. Some Group companies have operated defined contribution pension schemes; the payments related to defined contribution plans are recognized in income statement as costs when incurred.

Non-current 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 lower between the carrying amount 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.

The Group does not own any non-current assets available for sale and liabilities associated with these non-current assets.

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 when the service is actually rendered.

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. On the other hand, when the grants are related to fixed assets (contribution in capital) they are recognized as components adjusting the book value of the assets to which they refer. Consequently, they are recognized as income during the useful life of the amortizable asset through the reduction of the amortization cost.

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

Derivatives are recognized at fair value and variations in fair value are taken to profit and loss when they do not qualify as hedge accounting due to the type of instrument or because the Company chooses not to perform the hedge effectiveness test. Derivative instruments may be classified as hedging instruments when the relation between the derivative and hedged object is formally documented and hedge effectiveness, periodically verified, is measured in accordance to IAS 39. When the hedging derivatives cover the risk of variations in cash flow of the hedged elements (Cash Flow Hedge) the derivatives' effective portion of variations in fair value is directly taken to net equity, whereas the ineffective portion is directly taken to profit and loss. The amounts recognised directly in net equity are reflected in profit and loss coherently with the economic effects produced by the hedged element. On the other hand, when the derivatives hedge against the risk of variation in fair value of the hedged objects (Fair Value Hedge) the fair value variations of the derivatives are directly recognised in profit and loss; coherently, the hedged instruments are suitable for reflecting variations in fair value associated with the hedged risk.

3. Segment information

Below information is provided on the Group's operating segment, corresponding to the following geographic areas: Europe, North America and Rest of the World. Sales to external customers disclosed in geographic segments are based on their geographic location. With regards to the gross operating result and the operating result the costs are allocated according to their origin as the Group's business model and the reporting system used by management identify the origin as the management system used for costs.

The following tables provide figures for the financial years ended 31 December 2014 and 2013 according to geographic areas:

31 Dec 2014	Revenue	Group sales	Revenue in contr.	Gross Oper. Result	Oper. Result	Finan. Inc./ Costs	Value adjust. on financ. assets	Comp. results at NE	Result before tax	Tax for the period
Europe	122,092	(32,748)	89,344	9,057	3,221	-	-	-	-	-
North America	25,945	(9,527)	16,418	51	802	-	-	-	-	-
Rest of World	17,683	(3,559)	14,124	(521)	(1,282)	-	-	-	-	-
Items not allocated or adjusted	-	-	-	-	-	(592)	-	19	2,149	1,241
Total	**165,720**	**(45,834)**	**119,886**	**8,587**	**2,741**	**(592)**	**-**	**19**	**2,149**	**1,241**

31 Dec 2013	Revenue	Group sales	Revenue in contr.	Gross Oper. Result	Oper. Result	Finan. Income/ Costs	Value adjust on financ assets	Comp. results at NE	Result before tax	Tax for the period
Europe	120,396	(32,252)	88,144	7,992	3,947	-	-	-	-	-
North America	24,253	(9,022)	15,231	348	(488)	-	-	-	-	-
Rest of World	23,459	(5,662)	17,797	(193)	(701)	-	-	-	-	-
Items not allocated or adjusted	-	-	-	-	-	(2,146)	-	43	612	507
Total	**168,108**	**(46,936)**	**121,172**	**8,147**	**2,758**	**(2,146)**	**-**	**43**	**612**	**507**

31 Dec. 2014	Segment Assets	Invest. in Assoc.	Total assets	Amortiz.	Invest.tang. assets	Invest. Intang. assets
Europe	62,513	-	62,513	4,419	6,894	1,137
North America	10,043	-	10,043	217	215	-
Rest of the World	36,910	2,240	39,150	757	1,075	556
Total	**109,466**	**2,240**	**111,706**	**5,393**	**8,184**	**1,693**

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

4. Tangible fixed assets

	01.01.14	Addit.	Deprec.	Decr. (1)	Reclass.	Other var. (2)	31.12.14
Land	721	-	-	-	-	-	721
Buildings	21,180	419	-	-	329	717	22,645
Land lease right	888	-	-	-	-	75	963
Plant and machinery	37,003	3,085	-	(369)	(343)	521	39,897
Equipment	6,892	1,326	-	(245)	23	3	7,999
Other assets	13,690	2,226	-	(953)	(246)	36	14,753
Fixed assets in progress	9	1,128	-	-	164	3	1,304
Gross carrying amount of Property, plant and machinery	**80,383**	**8,184**	**-**	**(1,567)**	**(73)**	**1,355**	**88,282**
Land	-	-	-	-	-	-	-
Buildings	(7,690)	-	(652)	-	-	(104)	(8,446)
Land lease right	(20)	-	-	-	-	20	-
Plant and machinery	(27,083)	-	(2,090)	342	-	(215)	(29,046)
Equipment	(5,999)	-	(297)	239	(2)	(2)	(6,061)
Other assets	(10,321)	-	(1,149)	545	74	31	(10,820)
Fixed assets in progress	-	-	-	-	-	-	-
Accumulated Depreciation for property, plant and equipment	**(51,113)**	**-**	**(4,188)**	**1,126**	**72**	**(270)**	**(54,373)**
Land	721	-	-	-	-	-	721
Buildings	13,490	419	(652)	-	329	613	14,199
Land lease right	868	-	-	-	-	95	963
Plant and machinery	9,920	3,085	(2,090)	(27)	(343)	306	10,851
Equipment	893	1,326	(297)	(6)	21	1	1,938
Other assets	3,369	2,226	(1,149)	(408)	(172)	67	3,933
Fixed assets in progress	9	1,128	-	-	164	3	1,304
Net carrying amount of property, plant and machinery	**29,270**	**8,184**	**(4,188)**	**(441)**	**(1)**	**1,085**	**33,909**

(1): for sales
(2): exchange rate differences or others

Investments in plant, machinery and other assets, made in 2014 refer to the purchase of goods mainly linked to the new production plant in Finland, and the completion of investment activities in the Chinese production plants.

Below is an overview of the gross and net carrying amounts of the fixed assets acquired through lease contracts which are still in life. Such assets belong to the Parent and the French subsidiary.

	31.12.2014		31.12.2013	
	Gross value	Net value	Gross value	Net value
Buildings	204	93	204	93
Plants and machinery	3,422	-	3,422	-
Equipment	45	-	45	-
Other goods	677	-	677	-
Total	**4,348**	**93**	**4,348**	**93**

5. Goodwill

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

- Auramo Oy
- Meyer GmbH

	31.12.2013	Addition	Sale	Exchange rate diff.	31.12.2014
Auramo OY	8,150	-	-	-	8,150
Bolzoni Auramo GmbH	181	-	(181)	-	-
Meyer GmbH	2,287	181	-	-	2,468
Total	**10,618**	**181**	**(181)**	**-**	**10,618**

Auramo OY, Bolzoni Auramo GmbH and Meyer GmbH
The 181 thousand euros goodwill of Bolzoni Auramo GmbH has been transferred to Meyer GmbH following the completion of the merger by incorporation of the first company into the second.
The estimated recoverable amount of goodwill recorded in the financial statements has been calculated by four-year business plan and related discounted cash flows model approved by the Board of Directors, 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.
With reference to the impairment tests it should be noted that to determine the value in use, the following assumptions have been considered:

- the Terminal Value has been determined on the basis of the estimated expected net operating income over a period of time equivalent to the estimated useful life of the activity of the company under evaluation, assuming a 'g' growth rate of 0%, less than the expected growth rate for the sector;
- discount rates (WACC) applied to projections of cash flows range from 6.54% for Germany (Meyer GmbH) and 6.64% for Finland (Auramo Oy). These rates, from which tax effects have been deducted, have been determined, in line with those used in the previous financial year. The variability of these rates between the different cash flow generating units mainly depends on the different risk premium related to the specific country and on the different tax effects in each country where the single units are situated.

The impairment tests performed on existing goodwill have highlighted that the values used are significantly above the book value.
A sensitivity analysis was performed on the possible recoverable value of goodwill assuming a variation in WACC of one percentage point, whereas it is not applicable on g as it is already zero, and no critical points emerged.

6. Intangible fixed assets

	01.01.14	Addition	Amorti-zation	Decr. (1)	Reclass.	Other variations (2)	31.12.14
Development costs	5,908	1,192	-	-	-	54	7,154
Trademarks and patent rights	3,534	3	-	-	-	108	3,645
Licences	6,341	491	-	-	(89)	31	6,774
Sundry	180	7	-	-	-	(10)	177
Original cost of Intangible Fixed Assets	**15,963**	**1,693**	**-**	**-**	**(89)**	**183**	**17,750**
Development costs	(3,891)	-	(554)	-	-	(9)	(4,454)
Trademarks and patent rights	(2,824)	-	(252)	-	-	(96)	(3,172)
Licences	(5,510)	-	(370)	-	90	(41)	(5,831)
Sundry	(133)	-	(29)	-	-	12	(150)
Accumulated amortization for Intangible Fixed Assets	**(12,358)**	**-**	**(1,205)**	**-**	**90**	**(134)**	**(13,607)**
Development costs	2,017	1,192	(554)	-	-	45	2,700
Trademarks and patent rights	710	3	(252)	-	-	12	473
Licences	831	491	(370)	-	1	(10)	943
Sundry	47	7	(29)	-	-	2	27
Net carrying amount of Intangible Fixed Assets	**3,605**	**1,693**	**(1,205)**	**-**	**1**	**49**	**4,143**

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

The value of the intangible fixed assets generated internally and capitalized in 2014, entirely attributed to item "Development costs" amounts to 1.192 thousand euros (2013: 1.143 thousand euros) and consists of personnel costs. These projects refer in particular to the development of new technical solutions for existing products and involve the production plants in Italy, Finland, Germany and China. At 31 December 2014 development costs included 158 thousand euros related to running projects but whose amortization has not yet begun.

7. Investment in associates companies

The Group has the following investments in associated companies assessed at net equity:

	2014	*2013*
Xin Huaxin China	1,832	1,613
Auramo South Africa	393	374
Bolzoni Portugal Lda	15	-
Total	**2,240**	**1,987**

The variation in the Xin Huaxin investment (owned by Bolzoni Holding Hong Kong) is solely due to the appreciation of the Hong Kong dollar against the Euro. At the date of this document the 2014 financial statement of the Chinese company is not available therefore the value has been maintained with reference to the previous year. From the information available to Company's management positive net economic results are expected.

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

	2013
Portion of the associate's equity:	
Current assets	4,834
Non-current assets	4,083
Current liabilities	(1,266)
Non-current liabilities	-
Net asset	7,651
Portion of the associate's revenue and result:	
Revenue	16,089
Earnings/(losses)	932

At the date of this note the associate's financial statements for 2014 are not available.

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

	2014	*2013*
Portion of the associate's equity:		
Current assets	254	200
Non-current assets	990	851
Current liabilities	(249)	(106)
Non-current liabilities	(13)	(13)
Net asset	982	932
Portion of the associate's revenue and result:		
Revenue	732	744
Earnings/(losses)	13	(51)

The following table provides the main financial information on Bolzoni Portugal Lda:

	2014
Portion of the associate's equity:	
Current assets	342
Non-current assets	-
Current liabilities	(274)
Non-current liabilities	-
Net asset	68
Portion of the associate's revenue and result:	
Revenue	360
Earnings/(losses)	19

8. Financial receivables and other financial assets (non-current)

Credits and other financial assets mainly refer to security deposits. During the financial year 2014 the Parent collected the amount of 82 thousand euros related to the appeal with the *Commissione Tributaria Provinciale* (Tax Commission for the Province):

9. Taxation

9.1 Deferred tax

The situation at 31 December 2014 and 2013 was the following:

	Consolidated balance sheet		Consolidated income statement	
	2014	2013	2014	2013
Deferred tax liability				
Capitalization of internal costs	(15)	(27)	12	12
Pensions	(8)	(4)	(4)	-
Variation in tax evaluation parent's inventory	-	(8)	8	38
Gains on sale of fixed assets split over 5 years	(6)	(6)	-	-
Fair value assessment as deemed cost of Meyer fixed assets	(629)	(609)	(20)	23
Fair value assessment as deemed cost of Meyer brand	(194)	(212)	18	75
Sundry	(473)	(261)	(212)	(111)
Sundry with no impact on Income Statement	-	(60)	-	-
	(1,325)	**(1,187)**		
Deferred tax assets				
Fiscal losses carried forward on foreign subsidiaries	2,456	2,234	222	725
Obsolescence provision on parent's inventory	74	74	-	(12)
Offsetting infra-group's profit in stock	650	586	64	(81)
Non tax deductible provisions	71	80	(9)	10
Minor balances on subsidiaries	94	198	(104)	2
Exchange rate fluctuations	-	45	(45)	6
Sundry	16	97	(81)	22
Sundry without Income Statement impact	93	20	-	-
	3,454	**3,334**		
Deferred tax income			**(151)**	**709**

Some of the Group subsidiaries have fiscal losses totalling 12,774 thousand euros (2013: 11.273 thousand euros) that are available indefinitely to offset future taxable profits of those same companies where the losses have been produced. Deferred tax assets related to those losses have been recognized according to expected earnings, established on the basis of the business plans drawn up for each company. In particular, a maximum time frame covering the next three financial years has been considered. The deferred tax assets on these losses carried to the balanced sheet amount 2.456 thousand euros (2013: 2,234 thousand euros). The amount of available fiscal losses for which deferred tax assets at 31 December 2014 have been written down amounts to 8,209 thousand euros, corresponding to deferred tax amounting to approximately 2.646 thousand euros. These write-downs mainly refer to fiscal losses belonging to USA, Australia and Spain recoverable on the basis of the plans approved by the board of directors over the third financial year for the USA and the fourth financial year for Spain and Australia pending a better consolidation of the economic results.

Some of the variations in deferred tax assets under the item 'Sundry' only effect the comprehensive income statement and not the income statement.

As for the previous year, at 31 December 2014 no deferred tax liability was recognized on the un-distributed earnings of some subsidiaries and associates as the Group has determined that these earnings will not be distributed in the foreseeable future.

9.2 Income tax

The main components of Income tax for the years ended 31 December 2014 and 2013 are the following:

Consolidated income statement	*2014*	*2013*
Current income tax		
Current income tax charge	1,090	1,216
Deferred income tax		
Related to recognition and reversal of temporary differences	151	(709)
Income tax expense reported in the consolidated income Statement	**1,241**	**507**

Reconciliation between effective tax charge and the theoretical tax charge, calculated as product of accounting profit multiplied by domestic tax rate for the years ended 31 December 2014 and 2013, is the following:

Income tax	*2014*		*2013*	
	Amount	*Rate*	*Amount*	*Rate*
Applicable ordinary tax rate		27.50%		27.50%
Result before tax	2,089		612	
Theoretical tax charge	**574**		**168**	
Plus variations				
Tax free or non-taxable income	10		9	
Tax losses carried forward	-		582	
Exchange rate fluctuations	-		165	
Non-deductible costs	1,129		323	
Minus variations				
Other minus variations	(776)		(684)	
Taxable income	**2,452**		**1,007**	
INCOME TAX	**674**	**35.20%**	**817**	**133.50%**

IRAP	2014 Amount	Rate	2013 Amount	Rate
Applicable ordinary tax rate		3.90%		3.90%
Result before tax	2,089		612	
Theoretical tax charge	**81**		**24**	
Plus variations				
Personnel costs	12,695		12,340	
Other plus variations	804		1,684	
Minus variations				
Other minus variations	(4,921)		(4,410)	
Taxable amount	**10,667**		**10,226**	
IRAP INCOME TAX	**416**	**19.90%**	**399**	**65.20%**

10. Inventory

	2014	2013
Raw material	10,537	8,880
Obsolescence provision for raw material	(306)	(308)
Net raw materials	**10,231**	**8,572**
Semi-finished products	6,223	5,155
Obsolescence provision for semi-finished products	(444)	(363)
Net semi-finished products	**5,779**	**4,792**
Finished products	10,577	9,946
Obsolescence provision for finished products	(1,108)	(912)
Net finished products	**9,469**	**9,034**
Advance	**-**	**32**
Total inventory at lesser between cost and net realizable value	**25,479**	**22,430**

The higher inventory value is mainly due to the prospects of an increase in turnover which the Group is preparing for.
Increases in inventory are concentrated on the fork market for lift trucks on all the group companies, particularly USA and China.

Below are the variations in the obsolescence provision during the periods under examination:

	31.12.2013	Variation	31.12.2014
Obsolesc.prov. for raw material	308	(2)	306
Obsolesc.prov. for semi-finished prod.	363	81	444
Obsolesc.prov. for finished products	912	196	1,108
Total	**1,583**	**275**	**1,858**

The obsolescence provision has been adjusted following specific analyses of recuperability made on the single Group companies.

11. Trade receivables (current)

	2014	2013
Trade receivables	20,316	20,065
Bills subject to collection	5,572	4,834
Bad debt provision	(511)	(454)
Total minority receivables	**25,377**	**24,445**
Auramo South Africa	226	93
Bolzoni Portugal Lda	215	-
Total associate receivables	**441**	**93**
Total trade receivables	**25,818**	**24,538**

Trade receivables are in line with the previous financial year thanks to a careful management of working capital.

Below the trade receivables are divided according to due date:

	2014	2013
Receivables not yet due	19,166	18,045
Receivables 30 days overdue	4,525	4,419
Receivables 60 days overdue	880	839
Receivables 90 days overdue	370	322
Receivables more than 90 days overdue	877	913
Total trade receivables	**25,818**	**24,538**

Below are variations to the bad debt provision:

	2014	2013
Initial balance	454	446
Write-offs	102	198
Provisions	159	206
Final balance	**511**	**454**

For the terms and the conditions covering related party receivables, refer to note 34.
Trade receivables are non-interest bearing and generally have a due date of 30-120 days. It should be noted that these amounts are covered by a credit insurance on 90% of the nominal value, therefore the overdue receivables do not represent a risk considered significant.

12. Tax receivables

	2014	2013
IRES tax receivable claimed by Parent	413	561
Sundry	677	567
Total	**1,090**	**1,128**

The amount related to “IRES tax receivable claimed by Parent” refers to a receivable following the request for a refund made by the Parent in relation to the acknowledged right to IRAP deduction for years 2007-2011. The item also includes the balance of the advance tax payments made by some of the group companies, beyond the tax payable pertaining to the financial year.

13. Other receivables

	2014	2013
VAT receivables	669	238
Sundry	146	370
Total	**815**	**608**

14. Financial Assets available for sale

	2014	2013
Sundry	12	11
Total	**12**	**11**

The amount of 12 thousand euros includes investments in government bonds made by the subsidiary Bolzoni Auramo Pty.

15. Cash and cash equivalents

	2014	2013
Cash in hand and bank deposits	4,066	11,039
Total	**4,066**	**11,039**

Bank deposits have a variable interest rate.
Decrease in cash is due to the use of the medium-term loans obtained in the previous financial year.

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

	2014	2013
Cash in hand and bank deposits	4,066	11,039
Bank overdrafts (note 17)	(12)	(10)
Advance on request (note 17)	(4,941)	(2,777)
Total	**(887)**	**8,252**

16. Share capital and reserves

	2014	2013
Ordinary shares at 0.25 euros each	25,993,915	25,993,915

During year 2014 there have been no variations to share capital.

Details of other reserves:

	Currency Transl. Diff.	IFRS transl. reserve	Others and retained earnings	Total
Balance at 31.12.2013	**(1,346)**	**1,344**	**28,862**	**28,860**
Profit allocation			123	123
Payment of dividends			(910)	(910)
Other changes	1,187		(373)	814
Balance at 31.12.2014	**(159)**	**1,344**	**27,702**	**28,887**

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.

Others and retained earnings

This item includes the Parent's reserves (made up of the revaluation reserve pursuant to Law 342/2000, the statutory reserve and the retained earnings resulting from the distribution of profits resolved by the Assembly of Bolzoni S.p.A. Shareholders) and highlights the effects on net equity normally resulting from consolidation operations, from cash flow hedge typically required for standardizing the items in the financial statements of the consolidated companies to the Group's criteria, from write-offs of infra-group non-realizable profits and from the off-setting of investments against their net equity.

17. Interest bearing loans and borrowings

		Actual interest rate %	Maturity	2014	2013
Short term					
Bank overdrafts			On request	2,203	2,287
Advance on foreign business			On request	2,750	500
Subsidiary loans				10,869	7,670
€10,000,000 unsecured bank loan	(1)	Euribor +1.30	2015	1,774	2,492
€ 6,000,000 mortgage loan	(3)	Euribor +1.50	2015	673	664
€ 5,000,000 unsecured bank loan	(2)	Euribor +1.50	2015	1,657	1,633
€ 6,000,000 unsecured bank loan	(4)	Euribor + 2.00	2015	1,494	670
€ 2,000,000 unsecured bank loan	(5)	Euribor + 2.30	2015	-	691
€ 2,000,000 unsecured bank loan	(7)	Euribor + 1.20	2015	1,332	-
€ 9,000,000 unsecured bank loan	(6)	Euribor + 2.50	2015	1,974	8,912
				24,726	**25,519**
Medium/short term					
€ 2,000,000 unsecured loan loan	(1)	Euribor +1.30	2015	-	250
€ 6,000,000 unsecured bank loan	(1)	Euribor +1.30	2016	774	2,299
€ 810,000 unsecured bank loan	(8)	7.00	2016	810	810
€ 5,000,000 unsecured bank loan	(2)	Euribor + 1.50	2016	1,431	3,084
€ 6,000,000 unsecured bank loan	(4)	Euribor + 2.00	2017	2,244	1,986
€ 6,000,000 mortgage loan	(3)	Euribor +1.50	2019	2,533	3,205
€ 2,000,000 unsecured loan loan	(7)	Euribor +1.20	2016	668	-
€ 9,000,000 unsecured loan loan	(6)	Euribor +2.50	2018	4,971	-
Other minor loans				2,450	2,266
				15,881	**13,900**

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

These mainly refer to the parent, the Spanish subsidiary and the Italian subsidiary.

Subsidiary loans

The short term loans to the foreign subsidiaries consist of the following:

- 0.5 million € loan obtained by the subsidiary Bolzoni Auramo Inc.;
- 4.1 million € loan obtained by the subsidiary Auramo OY;
- 1.1 million € loan obtained by the subsidiary Bolzoni Auramo Wuxi;
- 1.2 million € loan obtained by the subsidiary Bolzoni Huaxin;
- 4.0 million € loan obtained by the subsidiary Meyer GmbH,

These are unsecured bank loans.

10,000,000 euro unsecured bank loans (1)
These loans are unsecured and repayable in quarterly instalments.
5,000,000 euro unsecured bank loans (2)
These loans are unsecured and repayable in quarterly instalments.
6,000,000 euro mortgage loans (3)
These loans, secured by a second degree mortgage on the property in Podenzano, are repayable in half yearly instalments at a fixed principal instalment value.
6,000,000 euro unsecured bank loan (4)
The loan is unsecured and is repayable in quarterly instalments.
2,000,000 euro unsecured bank loan (5)
The loan was unsecured and has been paid back on maturity.
9,000,000 euro unsecured bank loan (6)
The loan is unsecured and is repayable in half-yearly instalments.
2,000,000 euro unsecured bank loan (7)
The loan is unsecured and is repayable in half-yearly instalments.
810,000 euro unsecured bank loan (8)
The loan is secured by a bank guarantee for 340,000 euros and is repayable on maturity.

Other loans
Other loans consist of:
- 1.9 million € loan obtained by the subsidiary Meyer GmbH,
- 0.6 million € loans obtained by other Group companies.

All loans obtained by subsidiary companies 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 statements):

Loan	Net financial debts/ Equity		Net financial debts/Gross operating margin		Debt within 12 mnths	Debt over 12 mnths
	Limit	*2014*	*Limit*	*2014*		
Euro 2,000,000 (a)	1.50	1.02	3.50	4.31	250	-
Euro 3,000,000 (b)	1.50	1.02	3.50	4.31	771	394
Euro 9,000,000 (c)	1.25	1.02	3.00	4.31	2,000	5,000
Euro 3,000,000 (d)	1.50	1.02	3.50	4.31	1,000	750

As indicated in the above table one of the covenants has not been observed.

The non-observance of covenants would give the Bank disbursing loan c) the right to forfeit the company's benefit to the term and could therefore result in the possible early repayment of the loan (residual debt of 7.0 million, 2.0 million of which due in 2015 and therefore already included in the short term loans).

On December 30, 2014 the Bank issued a letter in which it waivers the right to ask for the residual debt to be paid back, without requiring any contractual modifications or the early repayment.

The non-observance of both covenants would give the Banks disbursing loans b) and d) the right to declare the Company no longer entitled to the benefit of the term.

Net financial position	*31.12.2014*	*31.12.2013*	*Variation*
A. Cash on hand	13	11	2
B. Current bank deposits	4,053	11,028	(6,975)
D. CASH AND CASH EQUIVALENTS	**4,066**	**11,039**	**(6,973)**
E. Financial receivables	12	11	1
F. Current bank debts	(12,034)	(10,342)	(1,692)
G. Current part of non-current debt	(12,692)	(15,177)	2,485
I. CURRENT FINANCIAL DEBTS	**(24,714)**	**(25,508)**	**794**
J. CURRENT NET FINANCIAL POSITION	**(20,648)**	**(14,469)**	**(6,179)**
Financial Assets held until maturity	-	-	-
K. NON-CURRENT FINANCIAL DEBTS	(16,404)	(14,311)	(2,093)
N. NON-CURRENT NET FINANCIAL POSITION	**(16,404)**	**(14,311)**	**(2,093)**
NET FINANCIAL POSITION (NET FINANCIAL DEBTS)	**(37,052)**	**(28,780)**	**(8,272)**

The increase in net financial position is justified by the overall investments amounting to 9,877 euros, 4,638 of which for the Finnish plant

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

Variations to this fund are given below:

	2014	*2013*
T.F.R. fund at 01.01	**2,665**	**3,032**
Current service cost	823	971
Interest cost	61	58
Actuarial gains/losses	(410)	(204)
Benefits paid/transfer of funds	(1,147)	(1,192)
T.F.R. fund at 31.12	**2,812**	**2,665**

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

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

Below are details of the assumptions adopted by the Parent for calculating staff benefits:

Demographic assumptions	Executives	Non Executives
Probability of death	Mortality rate tables (named RG 48) for the Italian population as measured by General State Accounting Office	Mortality rate tables (named RG48) for the Italian population as measured by General State Accounting Office.
Probability of disablement	Tables, divided according to sex, adopted in the INPS model for projections up to 2015	Tables, divided according to sex, adopted in the INPS model for projections up to 2015
Probability of resignation	7.5% in each year	7.5% in each year
Probability of retirement	Achievement of the first of the pension requirements valid for Mandatory General Insurance	Achievement of the first of the pension requirements valid for Mandatory General Insurance
Probability for an employee of: -receiving advance payment of 70% of the accrued retirement allowance at the start of the year	3.0% in each year	3.0% in each year

Financial assumptions	Executives	Non Executives
Increase in the cost of life	1.75% per annum	1.75% per annum
Discounting rate	0.90% per annum	0.90% per annum
Increase in TFR retirement allowance	2.81% per annum	2.81% per annum

It should be noted that the Group has used the discounting index iBoxx Eurozone Corporates AA 7-10 as reference at the date of evaluation.

19. Provision for contingencies and charges

	31.12.13	*Incr.*	*Decr.*	*31.12.14*	*Within 12 mths*	*After 12 mths*
Agents' termination indemnities provision	180	10	-	190	-	190
Product warranty provision	272	284	(272)	284	284	-
Other provisions	29	-	(7)	22	22	-
Total	**481**	**294**	**(279)**	**496**	**306**	**190**

Agents' termination benefit provision

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

Product warranty provision

This provision has been accrued 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 figures regarding staff costs and costs for materials used for warranty servicing indicating the average impact of these incurred costs incurred with respect to the pertinent turnover.

20. Liabilities related to derivate instruments

This item represents the fair value of the four derivative contracts on Group's interest rates. Of these only two contracts have all the characteristics for classification as hedging according to the related standards. For these contracts recognition is directly to net equity (cash flow hedge reserve, see variations to equity) whereas for the remaining contracts the fair value is accounted for in the income statement.

Below are the main figures of the above-mentioned contracts:

		31.12.2014			31.12.2013		
	Maturity	Notional	Positive Fair value	Negative Fair value	Notional	Positive Fair value	Negative Fair value
IRS accounted for according to cash flow hedging	2016	2,200	-	53	2,600	-	75
IRS which do not reflect the requirements established by IAS 39 IAS 39 to be qualified as hedging	2016	8,000	-	291	8,000	-	314
IRS accounted for according to cash flow hedging	2017	7,000	-	80	9,000	13	-
IRS which do not reflect the requirements established by IAS 39 to be qualified as hedging	2017	3,000	-	99	3,000	-	35
Total derivatives for hedging against interest rate risk		**20,200**	**-**	**523**	**22,600**	**13**	**424**

21. Trade payables

	2014	2013
Advance from customers	59	29
Domestic suppliers	13,786	12,708
Foreign suppliers	5,045	4,663
	18,890	**17,400**

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 34.

Domestic supplier payables at 31 December 2014 include 256 thousand euros for investments in tangible fixed assets made during the second half of the period (Note 4). The increase in trade payables is due to the increased inventories to face the expected increases in sales.

22. Other payables

	2014	2013
Payables to employees for wages	1,325	1,614
Payables to employees for matured but unused holidays	660	648
Tax collection for employees pay	354	355
Other accrued expenses	821	849
VAT	28	107
Other liabilities	1,944	1,849
Social security payables	961	1,105
	6,093	**6,527**

23. Payables for income taxes

	2014	2013
Debt for income tax	262	123
	262	**123**
Within the financial period	*262*	*123*
After the financial period	-	-

INCOME STATEMENT

Revenue

For the break-down of revenue, please read note 3 regarding Segment Information.

24. Other revenue

	2014	2013
Sundry income	752	278
Gains on equity	56	140
	808	**418**

Sundry income mainly includes refund of expenses charged to third parties and non-operating profit including the release of a pension fund due to a change in the conditions which originally generated it. Gains on equity refer mainly to the disposal of divested industrial equipment and vehicles.

25. Costs for raw material and consumable supplies

	2014	2013
Raw material	25,055	26,085
Commercial goods	2,167	2,184
Semi-finished products	18,888	18,075
Other purchases for production	3,593	3,200
Sundry purchases	1,895	1,867
Accessory expenses	526	622
Finished products	3,052	3,748
	55,176	**55,781**

The variation in costs for raw materials is linked to the trend in sales volumes.

26. Service costs

	2014	2013
Industrial services	8,922	10,370
Commercial services	3,737	3,644
General services	5,749	6,088
Costs related to use of third party assets	2,612	2,265
	21,020	**22,367**

Service costs have dropped if compared to the previous financial year despite the cost incurred for Hannover exhibition (every three years) and consequently their percentage impact on income has decreased considerably.

27. Personnel costs

	2014	2013
Wages and salaries	26,350	25,961
Social security	6,402	6,332
TFR retirement allowance (note 18)	823	971
Sundry costs	1,230	1,212
	34,805	**34,476**

Personnel costs have remain unchanged thanks to the compensation between the contractual wage increases and the reduction in the number of employees.

Average number of Group employees at 31 December:

	31.12.2014	31.12.2014	Variation
Top Managers	33	40	(7)
First-line managers	7	6	1
White collar	329	321	8
Blue collar	368	385	(17)
Total	**737**	**752**	**(15)**

28. Other operating costs

	2014	2013
Tax and duty	577	465
Bad debt	2	6
Losses on sale of fixed assets	207	74
Sundry	339	317
	1,125	**862**

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

29. Financial income and charges

	2014	2013
Financial expenses	(1,930)	(1,529)
Financial income	241	187
Gains and (Losses) on exchange rates	1,097	(804)
Net financial income (expenses)	**(592)**	**(2,146)**

Compared to the previous year, financial expenses have increased, mainly due to the greater financial exposure with regards to banks.

Exchange rate differences are mainly due to the revaluation of the US dollar against the Euro.

29.1 Financial expenses

	2014	2013
Interest on short term payables (overdrafts and credit disinvestments)	394	192
Interest on medium/long term loan payables	999	916
Fair value evaluation on derivatives	256	102
Charges other than above (lease contracts and sundry)	281	319
	1,930	**1,529**

29.2 Financial income

	2014	2013
Interest income from customers	231	134
Income other than above	10	53
	241	**187**

29.3 Exchange rate gains and losses

	2014	2013
Exchange rate gains	744	637
Exchange rate differences following translation	1,010	(358)
Income other than the above	(657)	(1,083)
	1,097	**(804)**

30. Stock option plan

At the date of the consolidated financial statements the Group does not have any stock option plans running.
At the balance sheet date, Bolzoni S.p.A. has not issued any convertible bonds.

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

Earnings/ (losses) per share	2014	2013
Net group profit attributable to ordinary shareholders	1,044	123
Average number of ordinary shares (n°/000)	25,994	25,994
Basic earnings per ordinary share	0,040	0,005

32. Dividends

During the financial year 2014 dividends were approved and paid out for the amount of € 1.005 thousand (2013: €1.361 thousand). The proposal to the Shareholders' meeting regarding dividends (not recognised as liabilities at 31 December) amounts to € 909,787.03 (2013: € 909,787.03). The proposed resolution regarding profits, if approved, will result in the payment of 0.035 euros per share (2013: €0.035).

33. Commitments and contingencies

Capital commitments

At December 31, 2014 and at December 31, 2013 the value of the Group's commitments was not material.

Legal litigations

In the course of financial year 2008 the Tax Police made an inspection on the Parent for financial years 2005 and subsequent. The notification report dated 3.7.2008 did not evidence any irregularities of particular importance.

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

On June 19, 2014 the Customs Office made an inspection on the Parent regarding the export documentation for the Intra EU and Extra EU areas for the years 2010, 2011, 2012 and 2013 discovering that with regards to transactions within the EU for an overall VAT free amount of 2.3 million euros the Company was not able to produce the complete documents proving the delivery of the related goods. Following report, on October 2, 2014 the Parent handed over to the Tax Authorities of Piacenza the requested documentation showing the consignment of the goods outside Italy. With regards to the fact that up to this moment there has been no notice of assessment, that the related procedures are still uncertain and that in any case detailed documentation was subsequently provided to the Authorities, including a declaration from the final customer that the goods has actually been received, the Directors do not believe there is any probably liability deriving from this issue.

Guarantees granted

At 31 December 2014 the Bolzoni Group has the following guarantees in progress:

- it has destined some land and buildings as guarantee against two mortgage loans (see note 17);
- it has granted comfort letters to a bank on a loan given to the subsidiary Bolzoni Auramo Inc. for the amount of US$ 749,000 (2013: US $ 910,000);
- it has granted a surety to a bank for the amount of € 800,000 (2013: € 800,000) in favour of the subsidiary Meyer GmbH;
- it has granted a surety to a bank for the amount of € 2,000,000 (2013: € 1,600,000) in favour of the subsidiary Bolzoni Auramo S.l.;
- it has granted a surety to a bank for the amount of € 1,500,000 (2013: € 1,500,000) in favour of the subsidiary Meyer GmbH;
- it has granted a surety to a bank for the amount of € 650,000 (2013: € 650,000) in favour of the subsidiary Bolzoni Italia Srl;
- it has granted a surety to a bank for the amount of € 2,700,000 (2013: € 2,700,000) in favour of the subsidiary Auramo OY;
- it has granted a surety to a bank for the amount of € 630,000 (2013: € 630,000) in favour of the subsidiary Bolzoni S.a.r.l.;
- it has granted a surety to a bank for the amount of € 304,898 (2013: € 304,898) in favour of the subsidiary Bolzoni S.a.r.l.;
- it has granted a surety to a bank for the amount of € 950,000 (2013: € 950,000) in favour of the subsidiary Meyer GmbH.;
- it has granted a surety to a bank for the amount of € 1,800,000 (2013: € 1,800,000) in favour of the subsidiary Meyer GmbH.;
- it has granted a surety to a bank for the amount of € 1,800,000 (2013: € 1,800,000) in favour of the subsidiary Meyer GmbH;
- it has granted a surety to a bank for the amount of € 500,000 (2013: € 500,000) in favour of the subsidiary Meyer GmbH.;
- it has granted a surety to a bank for the amount of € 2,000,000 (2013: € 2,000,000) in favour of the subsidiary Meyer GmbH.;
- it has granted a surety to a bank for the amount of € 1,100,000 (2013: € 1,100,000) in favour of the subsidiary Bolzoni Auramo Wuxi; and
- it has granted a surety to a bank for the amount of Rmb 10,000,000 (2013: Rmb 0) in favour of the subsidiary Bolzoni Huaxin.

34. Disclosure 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 11 and 21).

Related parties		Revenue with related parties	Costs with related parties	Related parties receivables	Related parties payables
Associates:					
Auramo South Africa	*2014*	654	-	226	-
	2013	503	-	93	-
Bolzoni Portugal Lda	*2014*	277	-	215	-
	2013	-	-	-	-
Longxin Precise Forging	*2014*	-	-	-	-
	2013	-	333	-	198
Hebei Jing County Huaxin	*2014*	-	-	-	-
	2013	-	-	-	-
Jing County Xin Huaxin	*2014*	660	573	19	31
	2013	2,364	1.208	-	61
Other related companies:	*2014*	-	348	-	-
	2013	-	309	-	-
Total associated and related companies:	*2014*	1,591	921	460	31
	2013	2.867	1.850	93	259

Transactions with other related parties

Other related parties

During the first half of 2014 the Intesa-Sanpaolo Group reduced its stake in the Parent's share capital to under 2% and consequently, is no longer considered a related party (2013: below 2%).

Auramo OY, entirely controlled group company, has until November 2014 rented the building situated in Vantaa (Finland) where its offices and production plant are located, from Kiinteisko OY Auran Pihti, a company controlled by Mr Karl-Peter Otto Staack, a member of the board of directors. The contract established the payment of an annual rent of approximately 348 thousand euros (2013: approx. 309 thousand euros).

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 2014 the Group, as in previous years, has not made any provision for doubtful debts referring to amounts owed by related parties.

35. 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 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 2.4.

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. At 31.12.2014 there are no forward contracts open on foreign currencies.

The Group's policy is that no trading in financial instruments shall be undertaken for speculative purposes. For the financial year under examination only two IRS contracts (see Note 20) do not appear to follow the hedging parameters established by IFRS.

Interest rate risk

With a part of its loans in euro at a floating interest rate, the Group believes it is exposed to the risk that a possible increase in rates could increase future financial charges. Below are shown the effects that could derive from a 0.25 BPS variation in interest rates.

	Variations in presumptions	Effect on gross profit before tax
2014	0.25 BPS	(49)
	-0.25 BPS	49
2013	0.25 BPS	(40)
	-0.25 BPS	40

As at 31 December 2014 loans hedged against interest rate risk amounted to 20.2 million euros.

The Group has four 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. Two IRS contracts do not appear to observe the requisites established by the international accounting standards for qualification as a hedging instrument (see note 20).

Foreign currency risk

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

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 on the web site of the Italian Exchange Rate Office.

The following table shows 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
2014	*USD*	+ 5% / -5%	+14 / -16	- 653 / + 722	+14 / -16
	SEK	+ 5% / -5%	- 5 / +5	- 149 / + 165	- 8 / + 9
	GBP	+ 5% / -5%	- 7 / +8	- 293 / + 324	- 10 / + 11
	$ AUS	+ 5% / -5%	+ 6 / -7	- 138 / + 152	+ 7 / - 7
	RMB	+ 5% / -5%	+ 45 / -50	- 422 / + 467	+ 45 / - 50
	SLOTY	+ 5% / -5%	- 5 / +5	- 130 / + 144	- 7 / + 7
	$ CAN	+ 5% / -5%	-3 / +3	- 97 / + 107	- 5 / + 5
2013	*USD*	+ 5% / -5%	- 4 / + 5	- 622 / + 687	- 5 / + 5
	SEK	+ 5% / -5%	- 10 / +12	- 193 / + 213	- 14 / + 15
	GBP	+ 5% / -5%	- 1 / +1	- 240 / + 265	- 1 / + 2
	$ AUS	+ 5% / -5%	+ 34 / -38	- 178 / + 197	+ 34 / - 38
	RMB	+ 5% / -5%	+ 31 / -35	- 417 / + 461	+ 31 / - 35
	SLOTY	+ 5% / -5%	- 3 / +4	+ 98 / + 109	- 4 / + 5
	$ CAN	+ 5% / -5%	+ 1 / -1	- 97 / + 107	+ 1 / - 1

* 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.

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 2014 there are no derivative contracts running of this nature.

Following the expansion of its activities ton 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.

Risk of variations in price of raw material

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

Credit risk

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

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

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

Liquidity risk

The liquidity risk is linked to the difficulty of finding funds to meet the company commitments. It can be caused when available resources are insufficient to meet the financial obligations, according to the established terms and due dates, if a credit line is suddenly revoked or if the Group needs to fulfil its financial payables before their natural due date. Thanks to a careful and cautious financial policy and to continue monitoring of both the balance between the credit lines granted and used, and the balance between short term and medium-long term debts, the Group is provided with lines of credit adequate in quality and quantity to meet its financial needs.

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

The Group therefore performs a continue check of the estimated financial requirements so that any necessary actions can be promptly taken (finding additional lines of credit, increases in share capital, etc.).

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 statements, divided according to category:

	Carrying amount		Fair value	
	2014	2013	2014	2013
Financial assets				
Cash in hand	4,066	11,039	4,066	11,039
Other financial assets (long term)	-	-	-	-
Financial assets available for sale	12	11	12	11
Financial liabilities				
Bank overdrafts and advances	(4,952)	(2,787)	(4,952)	(2,787)
Loans:				
At variable rates	(35,368)	(36,223)	(35,368)	(36,233)
At fixed rates	(810)	(810)	(810)	(810)
Forward currency contracts *	-	-	-	-
Swap Interest Rates *	-	-	-	-

* accounted for in the financial statements 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.

Interest rate risk

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

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

Variable rate	<1 year	>1<2	>2<3	>3<4	>4<5	> 5	Total
Liquid funds	4,066	-	-	-	-	-	4,066
Financial receivables	12	-	-	-	-	-	12
Derivative liabilities	-	(524)	-	-	-	-	(524)
Overdrafts on bank accounts	(11)	-	-	-	-	-	(11)
Advance on collectable bills subject to final payment	(2,191)	-	-	-	-	-	(2,191)
Advance on foreign business	(2,750)	-	-	-	-	-	(2,750)
Subsidiary loans	(10,869)	(2,450)	-	-	-	-	(13,319)
Carisbo loan	(250)	-	-	-	-	-	(250)
Banca di Piacenza loan	(257)	(131)	-	-	-	-	(388)
Banca di Piacenza mortgage loan	(222)	(223)	(223)	(223)	(215)	-	(1,106)
Banca di Piacenza loan	(662)	(684)	-	-	-	-	(1,346)
Unicredit Bank loan	(769)	(393)	-	-	-	-	(1,162)
Unicredit Bank loan	(1,975)	(1,971)	(2,000)	(1,000)	-	-	(6,946)
Cariparma mortgage loan	(450)	(457)	(470)	(479)	(243)	-	(2,099)
GE Capital loan	(499)	(249)	-	-	-	-	(748)
B.ca Nazionale Lavoro loan	(1,332)	(662)	-	-	-	-	(1,994)
Banco Popolare loan	(1,494)	(1,500)	(750)	-	-	-	(3,744)
Deutsche Bank loan	(995)	(747)	-	-	-	-	(1,742)

36. Remuneration of Directors and Statutory Auditors

The following table shows the remuneration during year 2014 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	230	33	Director
Roberto Scotti	230	33	Director
Luigi Pisani	28	-	Director
Franco Bolzoni	28	-	Director
Pierluigi Magnelli	28	-	Director
Davide Turco	9	-	Director
Karl Peter Otto Staack	28	-	Director
Raimondo Cinti	28	-	Director
Giovanni Salsi	28	-	Director
Paolo Mazzoni	28	-	Director
Claudio Berretti	28	-	Director
Total	**693**	**66**	
Giorgio Picone	28	-	Auditor
Carlo Baldi	15	-	Auditor
Maria Gabriella Anelli	15	-	Auditor
Total	**58**	**-**	

37. 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 Deloitte & Touche S.p.A. in April 2012. 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 audit company for auditing services;

b) by the audit company, for services other than above;

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

/000 euros		*Partial consideration*	*Total consideration*
Audit	Parent's Auditor	92	
	Other companies of Deloitte & Touche network	79	171
Tax assistance services	Other companies of the Deloitte & Touche network	6	
	Network of Parent's Auditor	18	24
Other services	Other companies of the Deloitte & Touche network Network of Parent's auditor	-	-
Total			**195**

38. Events after the balance sheet date

No significant events have occurred since the balance sheet date.

Deloitte.

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AUDITORS' REPORT PURSUANT TO ART. 14 AND 16 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010

To the Shareholders of
BOLZONI S.p.A.

1. We have audited the consolidated financial statements of Bolzoni S.p.A. and subsidiaries (the "Bolzoni Group") as of December 31, 2014, which comprise the consolidated balance sheet, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement and the related explanatory notes. These consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n° 38/2005 are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

2. We conducted our audit in accordance with the Auditing Standards recommended by CONSOB, the Italian Commission for listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

   For the opinion on the prior year's consolidated financial statements, whose data are presented for comparative purposes, reference should be made to our auditors' report issued on March 26, 2014.

3. In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Bolzoni Group as of December 31, 2014, and of the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n° 38/2005.

4. The Directors of Bolzoni S.p.A. are responsible for the preparation of the Management Report and the Report on Corporate Governance and Ownership Structure published in the section "Investor Relations – Corporate Governance" of Bolzoni S.p.A.'s website, in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the report on operations and of the information reported in compliance with art. 123-bis of Italian Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) in the Report on Corporate Governance and Ownership Structure, with the financial statements, as required by law. For this purpose, we have performed the procedures required under Auditing Standard n. 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion, the report on operations and the information reported in compliance with art. 123-bis of Italian Legislative Decree n. 58/1998 paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) included in the Report on Corporate Governance and Ownership Structure are consistent with the consolidated financial statements of Bolzoni Group as of December 31, 2014.

DELOITTE & TOUCHE S.p.A.

Signed by
Valeria Brambilla
Partner

Parma, Italy
March 30, 2015

This report has been translated into the English language solely for the convenience of international readers.

BALANCE SHEET as at 31 December 2014

BALANCE SHEET *(euros)*	Notes	31/12/2014	31/12/2013
ASSETS			
Non-current assets			
Property, plant and equipment	3	9,948,635	11,110,420
Intangible fixed assets	4	1,204,808	1,164,015
Investment in subsidiaries	5	46,409,600	46,609,600
Investment in associated companies	6	15,500	-
Financial Receivables and other financial assets	7	15,796	97,695
Deferred tax assets	8	249,468	219,669
Total non-current assets		**57,843,807**	**59,201,399**
Current assets			
Inventory	9	6,502,226	5,636,124
Trade receivables	10	18,892,518	14,784,347
- *of which related to subsidiaries*	*10*	*9,848,776*	*6,410,362*
- *of which related to associates*	*10*	*75,241*	*37,480*
Tax receivables	11	412,569	620,327
Other receivables	12	398,662	363,474
- *of which related to subsidiaries*	*12*	*-*	*195,950*
- *of which related to associates*	*12*	*-*	*-*
Financial receivables and other financial assets	13	6,546,943	5,171,974
- *of which related to subsidiaries*		*6,546,943*	*5,171,974*
Cash and cash equivalent	14	415,937	5,981,193
Total current assets		**33,168,855**	**32,557,439**
TOTAL ASSETS		**91,012,662**	**91,758,838**

BALANCE SHEET as at 31 December 2014

BALANCE SHEET *(euros)*	Notes	31/12/2014	31/12/2013
EQUITY			
Share capital	15	6,498,479	6,498,479
Reserves	15	32,555,604	32,761,872
Net result of the year	15	2,277,181	1,052,570
TOTAL EQUITY		**41,331,264**	**40,312,921**
LIABILITIES			
Non-current liabilities			
Long-term loans	16	13,430,953	11,633,872
Employee benefits - T.F.R. retirement allowance	17	2,360,212	1,978,875
Deferred tax liability	8	258,254	106,816
Long-term provisions	18	190,000	180,000
Liabilities for derivatives	19	522,653	410,717
Total non-current liabilities		**16,762,072**	**14,310,280**
Current liabilities			
Trade payables	20	15,031,100	14,481,108
- of which related to subsidiaries	*20*	*1,025,123*	*771,178*
Financial short-term liabilities and current portion of long-term loans	16	15,637,746	20,488,563
- of which related to subsidiaries		*3,064,503*	*3,975,000*
Other current payables	21	2,056,775	2,073,490
Payable for income taxes	22	102,718	-
Current provision	18	90,987	92,476
Total current liabilities		**32,919,326**	**37,135,637**
TOTAL LIABILITIES		**49,681,398**	**51,445,917**
TOTAL EQUITY AND LIABILITIES		**91,012,662**	**91,758,838**

INCOME STATEMENT for fiscal year ended 31 December 2014

INCOME STATEMENT *(euros)*	Notes	31/12/2014	31/12/2013
Net sales	23	63,353,062	62,510,074
- of which related to subsidiaries and associates	*32*	*20,698,645*	*20,276,447*
Other revenues	24	197,854	75,976
Total revenues		**63,550,916**	**62,586,050**
Costs for raw material and consumables	25	(36,553,935)	(36,350,279)
- of which related to subsidiaries and associates	*32*	*(5,372,598)*	*(4,155,447)*
Costs of services	26	(9,407,084)	(9,878,525)
Personnel costs	27	(12,052,700)	(11,635,308)
Other operating expenses	28	(290,280)	(263,471)
Impairment of investments	5	(500,000)	(787,000)
Gross operating result (Ebitda)		**4,746,917**	**3,671,467**
Depreciation and Amortization	3 - 4	(2,319,632)	(2,368,249)
Accruals and impairment losses	10 -18	(125,276)	(97,278)
Operating result		**2,302,009**	**1,205,940**
Financial expenses	29	(1,136,740)	(889,052)
- *of which related to subsidiaries*	*32*	*(79,538)*	*(85,305)*
Financial income	29	1,334,801	1,538,102
- *of which related to subsidiaries*	*32*	*136,565*	*29,075*
- *of which related to dividends from subsidiaries*	*29*	*1,192,673*	*1,463,749*
Currency exchange gain and losses	29	881,746	(44,982)
Result before tax		**3,381,816**	**1,810,008**
Income taxes	8	(1,104,635)	(757,438)
Net result of the year		**2,277,181**	**1,052,570**

STATEMENT OF COMPREHENSIVE INCOME for fiscal year ended 31 December 2014

STATEMENT OF COMPREHENSIVE INCOME	31/12/2014	31/12/2013
Profit/Loss of the year (A)	**2,277,181**	**1,052,570**
Components which will be subsequently reclassified in the result of the year		
Loss on hedging instruments designated in cash flow hedge	(71,035)	58,916
Tax effect	19,535	(16,202)
Components which will not subsequently be reclassified in the result of the year		
Actuarial gain/loss of defined benefit plans	(410,415)	204,197
Tax effect	112,864	(56,154)
Total Other comprehensive income (B)	**(349,051)**	**190,757**
Total comprehensive income (A + B)	**1,928,130**	**1,243,327**

BOLZONI
The Material Handling Group

STATEMENT OF CHANGES IN EQUITY for the financial year ended 31 December 2014

	Capital	Revaluation reserve	Share premium reserve	Legal reserve	Other Reserves	IAS 19 Reserve	Cash flow hedge reserve	Profit	Total Net Equity
Balances on 31.12. 2012	**6,498,479**	**2,329,967**	**17,543,542**	**1,377,900**	**11,033,927**	**-148,645**	**-87,193**	**1,821,314**	**40,369,291**
Profit allocation				83,633	1,737,681			-1,821,314	-
Dividends					-1,299,697				-1,299,697
Year result								1,052,570	1,052,570
Other comprehensive profits/losses						148,043	42,714		190,757
Total comprehensive income						**148,043**	**42,714**	**1,052,570**	**1,243,327**
Balances on 31.12.2013	**6,498,479**	**2,329,967**	**17,543,542**	**1,461,533**	**11,471,911**	**-602**	**-44,479**	**1,052,570**	**40,312,921**
Balances on 31.12.2013	**6,498,479**	**2,329,967**	**17,543,542**	**1,461,533**	**11,471,911**	**-602**	**-44,479**	**1,052,570**	**40,312,921**
Profit allocation				52,628	999,942			-1,052,570	-
Dividends					-909,787				-909,787
Year result								2,277,181	2,277,181
Other comprehensive profits/losses						-297,551	-51,500	-	-349,051
Total comprehensive income						**-297,551**	**-51,500**	**2,277,181**	**1,928,130**
Balances on 31.12.2014	**6,498,479**	**2,329,967**	**17,543,542**	**1,514,161**	**11,562,066**	**-298,153**	**-95,979**	**2,277,181**	**41,331,264**

CASH FLOW STATEMENT for the fiscal year ended 31 December 2014

The cash flow statement shows operations with related parties only when they are not inferable from other statements in the financial report. The items related to operations with related parties are described at note 32 of the Explanatory Notes.

	Notes	2014	2013
Net profit of the year		**2,277,181**	**1,052,570**
Adjustment to reconcile net profit with cash flow generated (used) by operating activities:			
Depreciation and Amortization	3/4	2,319,632	2,368,249
Accrual to Employee benefits - T.F.R. retirement allowance and financial expenses	17	692,624	668,268
Services paid	17	(721,702)	(747,978)
Accrual of provision	18	100,987	92,476
Reversal of provision	18	(92,476)	(86,393)
Net change of deferred tax	8	254,038	28,559
Write down of investments	5/6	500,000	(3,091,971)
Changes in operating assets and liabilities:			
(Increase) decrease in inventory	9	(866,102)	(16,385)
(Increase) decrease in trade receivables	10	(4,108,171)	2,167,366
(Increase) decrease in other receivables	12	(35,189)	654,594
Increase (decrease) in trade payables		447,665	1,245,316
Increase (decrease) in other payables	21	(16,714)	261,987
Increase (decrease) in tax payables	22	102,718	(245,371)
(Increase)decrease in tax receivables	11	207,757	(155,553)
NET CASH FLOW FROM OPERATING ACTIVITIES	a)	**1,062,248**	**4,195,734**
Cash flows generated by investment activity:			
Gross investments paid in tangible assets	3	(678,543)	(1,027,058)
Disinvestments in tangible assets	3	15,627	18,533
Net investments paid in intangible assets	4	(433,396)	(443,726)
Investments	5/6	(315,500)	
NET CASH FLOW FROM INVESTING ACTIVITIES	b)	**(1,411,812)**	**(1,452,251)**
Cash flows from financing activities:			
New loans (repayment) and transfer of short term portions to current liabilities.	7-13-16	(6,563,410)	3,871,843
Net change of other non-current financial assets/liabilities			-
Dividends paid	30	(909,788)	(1,299,697)
Accrual derivatives value	19	40,901	(122,457)
Other variations to equity		-	-
CASH FLOW FROM FINANCING ACTIVITIES	c)	**(7,432,297)**	**2,449,689**
EXCH. RATE EFFECTS ON CASH AND EQUIVALENTS	a)+b)+		
NET INCREASE (DECR.) IN NET CASH & CASH EQUIVALENTS	c)	**(7,781,861)**	**5,193,172**
NET CASH AND CASH EQUIVALENTS AT START OF	14	4,529,717	(663,455)
NET CASH AND CASH EQUIVALENTS AT END OF YEAR	14	(3,252,144)	4,529,717
CHANGE		**(7,781,861)**	**5,193,172**
ADDITIONAL INFORMATION:			
Interest paid		988,324	872,896
Income tax paid		571,868	312,259

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 statements for the year ended 31 December 2014 was authorized by the resolution taken by the directors on March 12th 2015.

As at December 31 2014 the majority of Bolzoni SpA's share capital is owned by Penta Holding S.p.A. with registered offices in Podenzano, Località I Casoni (Piacenza) with 'holding' function on industrial investments.

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 statements have been prepared in compliance 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 statements are those formally approved by the European Union and ruling on December 31st 2014, 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 given in thousands 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, and in Circular n° DEM/6064293 dated July 28 2006.

The financial statements as at 31 December 2014 have been drawn up on the basis of the historic cost, modified as required by the accounting standards of reference for the evaluation of certain financial instruments, if necessary.

The company financial statements as at 31 December 2014 have been prepared on the going concern assumption. Indeed the Company has assessed that, despite a difficult economic and financial context, no material uncertainties exist regarding its going concern (as established under paragraph 25 of the IAS 1) also considering the actions already taken during the previous financial years to adjust to the altered levels of demand and the industrial flexibility, the financial availability of credit lines of the Company, the cash flow from the operating activity, the economic and financial forecasts reflected in the budget approved by the board of directors for the period 2015.

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;
- Changes in Equity: the Company includes all changes in equity including those deriving from transactions with shareholders (distribution of dividends, share capital increases)

IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLICABLE SINCE JANUARY 1, 2014

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

- **IFRS 10 – Consolidated Financial Statements** supersedes the portion of IAS 27 – Consolidated and Separate Financial Statements concerning consolidated financial statements, and SIC-12 Consolidation – Special Purpose Entities (special purpose vehicles). IAS 27 has been renamed *Separate financial statements* and now addresses only the how to account for equity investments in separate financial statements. The key changes introduced by this new principle for consolidated financial statements are as follows:
    - IFRS 10 establishes a single basic principle for the consolidation of all types of entities, i.e. the principle of control.
    - A more detailed definition of control has been introduced, based on three elements that must exist at the same time: (a) power over the investee; (b) exposure, or rights, to variable returns from the investor's involvement with the investee; (c) ability on the part of the investor to use its power over the investee to affect the amount of the investor's variable returns;
    - for the purpose of determining whether an investor has control over an investee, IFRS 10 requires investor to focus on the activities that significantly affect the investee's return (concept or relevant activities);
    - for the purpose of determining whether an investor has control over an investee, IFRS 10 requires that only substantive rights be considered, i.e. those rights that can be exercised when significant decisions need to be taken concerning the investee;
    - IFRS 10 provides practical guidance to help determine whether control exist in complex scenarios.

  Generally speaking, IFRS 10 application requires significant insight on a certain number of application issues. The standard is applicable retrospectively from January 1, 2014. The adoption of this new standard had no impact on the scope of consolidation of the Group.

- **IFRS 11 – Joint Arrangements** replacing IAS 31 – Interests in Joint Ventures and SIC-13 Jointly-controlled Entities – Non-monetary Contributions by Venturers. The new standard provides the criteria for joint arrangement accounting by focusing on the rights and obligations of the arrangement, rather than its legal form and classifies joint arrangements into joint ventures and joint operations. According to IFRS 11, the existence of a separate vehicle alone is not sufficient to classify a joint arrangement as a joint venture, as was the case with its IAS 31 predecessor. Joint ventures, in which the parties have rights only to the net assets relating to the arrangement, are required to be accounted for in the consolidated financial statements using the equity method. For joint operations, in which the parties have rights to the assets and obligations for the liabilities relating to the arrangement, the party recognises its share of assets, liabilities, revenue and expenses relating to the joint operation in the consolidated – and separate – financial statements.

  Generally speaking, IFRS 11 application requires significant insight into certain business segments in order to differentiate between joint ventures and joint operations. The new standard is applicable retrospectively from January 1, 2014.

  Following the issuance of the new IFRS 11, IAS 28 – Investments in associates has been amended to include also accounting for investments in jointly-controlled entities in its scope of application (from the date of effect of the standard). The adoption of this new standard had no impact on the Group's financial statements.

- **IFRS 12 – Disclosure of interests in other entities** is a new, comprehensive standard concerning additional disclosures required for all types of interests in other entities in the consolidated financial statements. The standard is applicable retrospectively from January 1, 2014. The adoption of this new standard had no impact on disclosure given in the Management report for the Group's Consolidated financial statements.

- Amendments to **IAS 32 – Offsetting Financial Assets and Financial Liabilities** clarify the application of the offsetting criteria for financial assets and liabilities. The amendments are applicable retrospectively from January 1, 2014. The adoption of these amendments had no impact on the Company and consolidated financial statements.

- The amendments to **IFRS 10**, **IFRS 12** and **IAS 27 – Investment Entities** introduce an exemption from the consolidation of subsidiaries for investment entities, unless the investees provide them with services related to their investment activities. Under these amendments, an investment entity must measure its investment in subsidiaries on a fair value basis.
  The amendments and the original standards are applicable from January 1, 2014. The adoption of these amendments had no impacts on the Group's consolidated financial statements.

- Amendments to **IAS 36** – **Impairment of Assets** – **Recoverable amount disclosures for non-financial assets**. These amendments clarify that the additional disclosures on the recoverable amount of assets subject to impairment testing when such recoverable amount is based on fair value less costs of disposal, are only required for those assets or cash-generating units for which an impairment loss was recognised or reversed during the reporting period. The amendments are applicable retrospectively from January 1, 2014. The adoption of these amendments had no impact on the disclosures provided in the Company and consolidated financial statements.

- Amendments to **IAS 39** – **Financial instruments: Recognition and measurement** – **Novation of derivatives and continuation of hedge accounting**. These amendments introduce certain exceptions to the hedge accounting requirements in IAS 39 applicable when an existing derivative is required to be replaced with a new derivative in specific situations where a derivative is novated to a central counterparty (CCP) as a result of the introduction of new laws or regulation.
  The amendments are applicable retrospectively from January 1, 2014. The adoption of these amendments had no impacts on the Company and consolidated financial statements.

IFRS AND IFRIC ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPROVED BY THE EUROPEAN UNION, NOT YET MANDATORILY APPLICABLE AND NOT EARLY ADOPTED BY THE GROUP AS OF DECEMBER 31, 2014

- On May 20, 2013, **IFRIC interpretation 21** – **Levies** was issued. The interpretation clarifies when a liability for levies (other than income tax) imposed by government agencies should be recognised. The interpretation is applicable retrospectively to periods beginning on or after June 17, 2014. Directors are evaluating the potential impact of this interpretation on the Group's financial statements.

- On December 12, 2013, the IASB published document **Annual Improvements to IFRSs: 2010-2012 Cycle**, amending certain standards as part of the annual improvement process. Key amendments are as follows:
  - IFRS 2 Share Based Payments – Definition of vesting condition. The definitions of "vesting condition" and "market condition" were amended and the definitions of "performance condition" and "service condition" (previously included in the definition of "vesting condition") were added;
  - IFRS 3 Business Combination – Accounting for contingent consideration. The amendment clarifies that contingent consideration within a business combination that is classified as a financial asset or liability should be remeasured at fair value at each reporting date and changes in fair value should be recognised in profit or loss or in the Consolidated Statement of Other Comprehensive Income in accordance with IAS 39 (or IFRS 9);
  - IFRS 8 Operating segments – Aggregation of operating segments. The amendments require an entity to disclose judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and of the economic indicators used in determining that the aggregated segments have similar economic characteristics;
  - IFRS 8 Operating segments – Reconciliation of total of the reportable segments' assets to the entity's assets. The amendments clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets is only required if the total of segment assets is regularly provided to the chief operating decision-maker;
  - IFRS 13 Fair Value Measurement – Short-term receivables and payables. The Basis for Conclusions of this standard was amended to clarify that short-term receivables and payables can still be accounted for without discounting, where the effect of discounting is immaterial after IAS 39 and IFRS 9 were amended as a result of the issuance of IFRS 13;
  - IAS 16 Property, plant and equipment and IAS 38 Intangible Assets – Revaluation method: proportionate restatement of accumulated depreciation/amortization. The amendments remove inconsistencies in the accounting for provision for depreciation/amortisation when items of property, plant and equipment and/or intangible assets are revalued. The amended

requirements clarify that the gross carrying amount of the asset is adjusted to the revalued amount of the asset and the provision for depreciation/amortisation is adjusted to equal to the difference between the gross carrying amount and the net carrying amount less recognised impairment losses;

- IAS 24 Related Parties Disclosures – Key management personnel. The amendment clarifies that an entity (not an individual) that provides key management personnel services to a reporting entity, is a related party.

These amendments are to be applied for financial periods beginning on or after February 1, 2015 at the latest. Directors do not expect a significant impact on the company and consolidated financial statements.

- On December 12, 2013, the IASB published document **Annual Improvements to IFRSs: 2011-2013 Cycle**, amending certain standards as part of the annual improvement process. Key amendments are as follows:
  - IFRS 3 Business Combinations – Scope exception for joint ventures. This amendment clarifies that paragraph 2(a) of IFRS 3 excludes the formation of all types of joint arrangements as defined in IFRS 11 from the scope of IFRS 3;
  - IFRS 13 Fair Value Measurement – Scope of portfolio exception (par. 52. This amendment clarifies that the portfolio exception included in paragraph 52 of IFRS 13 applies to all contracts within the scope of IAS 39 (or IFRS 9), regardless of whether they meet the definitions of financial assets or financial liabilities as defined in IAS 32;
  - IAS 40 Investment Properties – Interrelationship between IFRS 3 and IAS 40. This amendment clarifies that IFRS 3 and IAS 40 are not mutually exclusive and that when it is necessary to determine whether the acquisition of investment property falls within the scope of IFRS 3 or IAS 40, such determination is based on the guidance in IFRS 3 or IAS 40, respectively;

  These amendments are to be applied for financial periods beginning on or after January 1, 2015. Directors do not expect a significant impact on the company and consolidated financial statements.

- On November 21, 2013, the IASB issued the amendment to **IAS 19** – **Defined Benefit Plans: Employee Contributions**, proposing that contributions (related to service rendered by the employee during the period) to defined benefit plans from employees or third parties be recognized as a reduction in the service cost in the period in which the contribution is paid. These amendments are to be applied for financial periods beginning on or after February 1, 2015 at the latest. Directors do not expect a significant impact on the company and consolidated financial statements.

IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET ENDORSED BY THE EUROPEAN UNION

The European Union has not yet completed its endorsement process for the standards and amendments below reported at the date of these financial statements.

- On January 30, 2014, the IASB issued **IFRS 14 – Regulatory Deferral Accounts** that permits an entity which is a first-time adopter of IFRSs to continue to account for amounts relating to Rate Regulation Activities in accordance with the accounting standards adopted previously. The Company/Group is not a first-time adopter and this standard is not applicable to it.

- On May 6, 2014, the IASB issued some amendments to **IFRS 11 – Joint Arrangements** – **Accounting for acquisitions of interests in joint operations** on the accounting for the acquisition of interests in a joint operation that is a business as defined in IFRS 3. The amendments establish that the principles in IFRS 3 for the recognition of the effects of business combinations should be applied in this situation.
  The amendments are applicable from January 1, 2016. Early adoption is allowed. Directors do not expect any significant effect on the company and consolidated financial statements when these amendments are adopted.

- On May 12, 2014, the IASB published some amendments to **IAS 16** – **Property, plant and Equipment** and **IAS 38 Intangibles Assets** – **Clarification of acceptable methods of depreciation and amortisation.** These amendments establish that a revenue-based amortisation method is not appropriate, except under limited, specific circumstances relating to intangible assets. The amendments are applicable from January 1, 2016. Early adoption is allowed. Directors do not expect any effect on the company and consolidated financial statements once these amendments are adopted.

- On May 28, 2014, the IASB issued **IFRS 15** – **Revenue from Contracts with Customers**, which is to replace IAS 18 – Revenue and IAS 11 – Construction Contracts, as well as interpretations IFRIC 13 – Customer Loyalty Programmes, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers and SIC 31 – Revenues-Barter Transactions Involving Advertising Services. This standard establishes a new revenue recognition model that will apply to all contracts with customers except for those within the scope of other IAS/IFRS standards. According to the new model, revenue is accounted for through five key steps:

    - Identify the contract with a customer;
    - Identify the performance obligations in the contract;
    - Determine the price;
    - Allocate the price to the performance obligations in the contract;
    - Criteria for recognising revenue when the entity satisfies each performance obligation.

  The standard is applicable from January 1, 2017. Early adoption is allowed. Directors expect IFRS 15 to effect the Company and the Group. However, it is not possible to estimate such impact until the Group has completed a detailed review of contracts with customers.

- On June 30, 2014, the IASB published some amendments to **IAS 16** – **Property, plant and Equipment** and **IAS 41** – **Agriculture** – **Bearer Plants**. These amendments require that bearer plants, i.e. fruit trees that bear produce yearly, be accounted for in accordance with IAS 16 (rather than IAS 41). The amendments are applicable from January 1, 2016. Early adoption is allowed. This standard is not applicable to the Group

- On July 24, 2014, the IASB published the final version of **IFRS 9** – **Financial instruments**. This new standard replaces the previous versions of IFRS 9, and applies to periods starting on or after January 1, 2018.
  With this publication, which also addresses impairment, IFRS 9 is completed, except for macro hedging criteria, for which IASB initiated a separate project. The standard introduces new criteria for the classification and measurement of financial assets and liabilities. In particular, as regards financial assets, the new standard adopts a single approach based on how an entity manages its financial instruments and the contractual cash flows characteristics of the financial assets, in order to determine its valuation criteria and replacing the many different rules in IAS 39. The most significant effect of the standard regarding the financial liabilities relates to the accounting for changes in the fair value of a financial liability designated as measured at fair value through profit or loss, when such changes are attributable to changes in the credit risk of the issuer of that financial liability. According to the new standard, these changes must be recognised in “Other Comprehensive Income” and will no longer be recognised in the Income Statement.

  With regard to the impairment model, the new standard requires that credit losses be estimated using the expected loss model (rather than the incurred loss model) based on supportable information that is available without undue cost or effort and that includes historical, current and forecast information. The standard establishes that such impairment model applies to all financial instruments, i.e. financial assets measured at amortised cost, financial assets measured at fair value through other comprehensive income, and lease and trade receivables.

  Lastly, the standard introduces a new hedge accounting model to amend IAS 39 requirements, which have often been considered as too stringent and not suitable for reflecting the entities' risk management policies. The increased flexibility of the new accounting rules is offset by additional disclosures required on the company risk management activities. Directors do not expect IFRS 9 to have a significant impact on the balances and the relevant disclosures in the company and consolidated financial statements. However, it is not possible to estimate such impact until the Group has completed a detailed analysis.

- On August 12, 2014, the IASB issued the amendment to **IAS 27** – **Equity Method in Separate Financial Statements:** This document introduces the option to use the equity method of accounting in measuring investments in subsidiaries, joint ventures and associates in the separate financial statements of the investor. Accordingly, an entity may recognise such investments in its separate financial statements after measuring them either:
    - at cost; or
    - in accordance with IFRS 9 (or IAS 39); or
    - using the equity method.

The amendments are applicable from January 1, 2016. Early adoption is allowed. Directors do not expect a significant effect on the separate/company financial statements of the company once the amendment is adopted.

- On September 11, 2014, the IASB issued the amendment to **IFRS 10** and **IAS 28** – **Sales or Contribution of Assets between an Investor and its Associate or Joint Venture**. The amendments establish that the portion of gain or loss resulting from the sale or transfer of an asset or a subsidiary to a joint venture or an associate to be recognised in the financial statements of the seller/transferor is to be determined based on whether the asset or subsidiary sold/transferred constitutes or not a business as defined in IFRS 3. If the asset or subsidiary is a business, the entity should recognise the profit or loss on the total interest held before the transaction; otherwise, the portion of profit or loss on the interest still held by the entity must be eliminated. The amendments are applicable from January 1, 2016. Early adoption is allowed. Directors do not expect any effects on the separate company and consolidated financial statements once these amendments are adopted.

- On September 25, 2014, the IASB published document **"Annual Improvements to IFRSs: 2012-2014 Cycle"**. These amendments are to be applied for financial periods beginning on or after January 1, 2016.
  This document introduces several amendments to the following standards:
  - IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations. The amendment introduces specific guidance for when an entity reclassifies an asset (or a disposal group) held for sale as held for distribution (or viceversa), or when the requirements for classifying an asset as held for distribution are no longer met. According the amendments, (i) such reclassifications should not be considered as changes to a plan to sell or distribute the asset and applicable classification and measurement criteria remain unchanged; (ii) those assets that no longer meet the classification criteria established for assets held for distribution should be treated as assets that cease to be classified as held for sale;
  - IFRS 7 – Financial Instruments: Disclosure. The amendments provide additional guidance to clarify whether a servicing contract constitutes continuing involvement in a transferred asset in order to determine whether disclosures are required for the transferred assets. In addition they clarify that – as a general rule – disclosures on offsetting of financial assets and liabilities are not expressly required for interim financial statements. However, such disclosure might be required under IAS 34, if they provide significant information;
  - IAS 19 – Employee Benefits. This document amends IAS 19 to clarify that high quality corporate bonds used to determine the discount rate of post-employment benefits should be in the same currency in which the benefits are to be paid.
  - IAS 34 – Interim Financial Reporting. This document introduces several amendments to clarify which requirements are to be met when the required disclosures are included in the interim financial report, however not in the interim financial statements.

  Directors do not expect a significant effect on the separate and consolidated financial statements once the amendments are adopted.

- On December 18, 2014, the IASB issued the amendment to **IAS 1** – **Disclosure Initiative**. The purpose of these amendments is to clarify certain disclosure elements and remove perceived impediments to presenting clear, understandable financial reports. Amendments are as follows:
  - Materiality and aggregation: clarifies that an entity should not obscure information by aggregating or disaggregating information and that materiality considerations apply to the primary statements, notes and specific disclosure requirements in IFRSs. Disclosures specifically required by IFRSs need to be provided only if the information is material;
  - Statement of financial position and statement of profit or loss or other comprehensive income: clarifies that the list of line items specified by IAS 1 for these statements can be disaggregated and aggregated as relevant. Guidance is provided on the use of subtotals in these statements;
  - Presentation of items of other comprehensive income ("OCI"): clarifies that the share of OCI of associates and joint ventures accounted for using the equity method should be presented in aggregate as a single line item, classified between those items that will or will not be subsequently reclassified to profit or loss;
  - Notes: clarifies that entities have flexibility when designing the structure of the notes and provides guidance on systematic ordering of the notes.

These amendments are to be applied for financial periods beginning on or after January 1, 2016. Directors do not expect any significant effect on the Group's financial statements when these amendments are adopted.

- On December 18, 2014, the IASB published document **"Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)"** with amendments that address issues about the application of the consolidation exception granted to investment entities. These amendments are to be applied for financial periods beginning on or after January 1, 2016. Early adoption is permitted. Directors do not expect any significant effect on the Group's consolidated financial statements when these amendments are adopted, as the Company does not conform to the definition of investment entity.

2.2 Judgements and significant accounting estimations

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 permanent impairments in of value of investments, benefits to employees, taxes and accrual to provisions for contingencies and risks.

Estimates and assumptions are revised 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.

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 in investments

Investments are subjected to verification for possible impairment at least once a year in all those circumstances where the carrying amount of the investment is less than the corresponding equity method value; this verification requires an estimate of the recoverable amount of the cash generating unit, which is based on the estimate of the current value of cash flows expected from the cash-generated unit and on their discounting on the basis of an appropriate discount rate. Further information is available in Note 5.

Amortization (for assets with a defined useful life)

With the aim of calculating amortizations, the residual useful lives of assets are revised from time to time.

2.3 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 generally attributed to the various categories of 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 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 amount of property, plant and equipment is revised for possible impairment whenever events or changes in circumstance indicate that the carrying amount may not be recoverable, according to the established depreciation plan. If an indication of this type exists and in the event that the carrying amount 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 de-recognition (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 rewards 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 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 for 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 amount of development costs is revised 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 on a straight line basis over 3/5 years; Patents amortized on a straight line basis 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 or more frequently when there is indication of impairment.

Gains or losses deriving from de-recognition 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 non-financial 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 amount 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 amount. The recoverable amount 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 amount 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-organization 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. The Company evaluates, at each financial date of reference, if there is any objective evidence that the investments have been impaired. If such evidence exists the Company establishes the amount of the possible impairment in order to reduce the value. Whenever the Company's possible share of the associated/subsidiary company's losses exceeds the carrying amount of the investment, it is necessary to proceed to the write-off of the investment carrying amount 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 carrying amount 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 measured at the lower of the purchase or production cost and expected net realizable value.
Costs incurred for bringing each product to its present location and storage 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 to reflect their presumed realizable value. This provision is made when objective elements determine the impossibility of collecting 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.

De-recognition 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 amount 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.
The Company does not have retribution schemes under the form of investment in capital.

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. Revaluations, including actuarial gains and losses, excluding net interest, are immediately recognized in the balance sheet by charging or crediting the retained earnings through the other comprehensive income in the financial year in which they

appeared. 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 amount 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.
The Company does not have assets available for sale and liabilities associated with these assets.

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 provided

Revenue from services provided (technical servicing, repairs, other services rendered) is recognized when the service has been provided.

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 revised 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

Derivative financial instruments are recognised at fair value and variations to fair value are taken to income statement when they do not qualify as hedge accounting or because of the type of instrument, or following the Company's decision to not perform the so-called effectiveness test. Derivative financial instruments are classified as hedge instruments when the relation between the derivative and the hedged object is formally documented and the effectiveness of hedging, periodically verified, is recognised according to IAS 39. When the hedging derivatives cover the risk of variations in cash flow of the hedged elements (Cash Flow Hedge) the effective portion of the fair value variations of the derivatives is directly taken to net equity whereas the ineffective portion is directly taken to income statement. The amounts recognised directly in net equity are reflected in the income statement coherently to the economic effects produced by the hedged element. When however the derivatives cover the risk of variations in the fair value of hedged elements (Fair Vale Hedge) the fair value variation of the derivatives are taken directly to income statement; coherently, the hedged instruments are suitable for reflecting the fair value variations associated with the hedged risk.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into euros (the operating 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. No monetary items carried in foreign currencies at the fair value are translated using the exchange rate ruling on the date the value is determined.

2.4 Segment information

The Company operates in a single segment made up of attachments for fork lift trucks.

3. Property, plant and equipment

	01.01.14	Addition	Deprec.	Decrease (1)	31.12.14
Land	721	-	-	-	721
Buildings	6,950	197	-	-	7,147
Plant and machinery	23,934	402	-	(337)	23,999
Equipment	3,414	66	-	(213)	3,267
Other assets	3,271	117	-	(98)	3,290
Construction in progress	9	-	-	(9)	-
Gross Carrying Amount of property, plant and machinery	**38,299**	**782**	**-**	**(657)**	**38,424**
Land	-	-	-	-	-
Buildings	(2,565)	-	(204)	-	(2,769)
Plant and machinery	(18,550)	-	(1,472)	330	(19,692)
Equipment	(3,227)	-	(90)	213	(3,104)
Other assets	(2,847)	-	(161)	98	(2,910)
Construction in progress	-	-	-	-	-
Accumulated depreciation for property, plant and machinery	**(27,189)**	**-**	**(1,927)**	**641**	**(28,475)**
Land	721	-	-	-	721
Buildings	4,385	197	(204)	-	4,378
Plant and machinery	5,384	402	(1,472)	(7)	4,307
Equipment	187	66	(90)	-	163
Other assets	424	117	(161)	-	380
Construction in progress	9	-	-	(9)	-
Net carrying amount of property, plant and machinery	**11,110**	**782***	**(1,927)**	**(16)**	**9,949**

(1): Due to sales

* In financial year 2014 they were entirely paid except for 256 thousand euros. (Note 20). In the same year 153 thousand euros were paid for investments made in the previous year.

The value of Property, Plant and Machinery generated internally, entirely attributed to item 'Plant and Machinery', amounts to 95 thousand euros (2013: 207 thousand euros) and is represented by raw material, semi-finished products and personnel costs.

The investments made during 2014 in Plant and Machinery refer to the purchase of machine tools and equipment necessary for a continual modernization process aimed at increasing the company's productivity and efficiency, while those on the buildings concern improvements to the factory roof.

It should be noted that the net carrying amount of the fixed assets acquired during previous financial years through lease contracts have been cancelled following the completion of the amortization plan.

In view of the expected results and the future production strategies, the directors have not found indications of a permanent impairment in value.

4. Intangible fixed assets

	01.01.14	Addition	Other variations	31.12.14
Development costs	2,078	238	-	2,316
Patent rights	108	3	-	111
Licences	3,428	193	-	3,621
Others	208	-	-	208
Gross carrying amount of Intangible Fixed Assets	**5,822**	**434**	**-**	**6,256**
Development costs	(1,178)	(249)	-	(1,427)
Patent rights	(108)	(1)	-	(109)
Licences	(3,171)	(143)	-	(3,314)
Others	(201)	-	-	(201)
Accumulated amortization for Intangible Fixed Assets	**(4,658)**	**(393)**	**-**	**(5,051)**
Development costs	900	(11)	-	889
Patent rights	-	2	-	2
Licences	257	50	-	307
Others	7	-	-	7
Net Carrying Amount of Intangible Fixed Assets	**1,164**	**41**	**-**	**1,205**

The value of intangible fixed assets generated internally and capitalized in 2014, and attributed entirely to the item 'Development costs' amounts to 238 thousand euros and includes related personnel costs. These projects mainly refer to the development of new technical solutions for existing products described in details in the Management Report.
As at 31 December 2014 development costs included 158 thousand euros referring to projects whose amortization has not yet started as they are not yet available for use but which are expected to be completed shortly.
The item 'Licences' essentially includes the software purchased externally by the Company.
In view of the expected results and the future production strategies, the directors have not found any indicators of a permanent impairment in value.

5. Investments in subsidiaries

The Company has the following investments in subsidiary companies:

	Location	% of invest.	Type of ownership	31.12.13	Incr. Decr.	Write down	31.12.14
Bolzoni Auramo Inc.	USA	100	Direct	8,037	-	-	8,037
Bolzoni Ltd	UK	100	Direct	430	-	-	430
Bolzoni Auramo Polska	Poland	60	Direct	50	-	-	50
Bolzoni Auramo S.l.	Spain	100	Direct	2,633	100	-	2,733
Bolzoni Auramo Shanghai	China	60	Direct	720	-	-	720
Bolzoni S.a.r.l.	France	100	Direct	376	-	-	376
Auramo Oy	Finland	100	Direct	13,119	-	-	13,119
Bolzoni Auramo Bv	Netherlands	51	Direct	-	-	-	-
Bolzoni Auramo Pty	Australia	100	Direct	1,460	200	500	1,160
Bolzoni Auramo Canada Ltd	Canada	100	Direct	122	-	-	122
Bolzoni Auramo GmbH	Germany	100	Direct	589	-589	-	-
Bolzoni Auramo Ab	Sweden	100	Direct	722	-	-	722
Bolzoni Italia S.r.l.	Italy	100	Direct	908	-	-	908
Meyer GmbH	Germany	100	Direct	8,826	589	-	9,415
Bolzoni Holding Hong Kong	Hong Kong	80	Direct	8,618	-	-	8,618
LLC "Hans H. Meyer OOO" (1)	Russia	80	Indirect	-	-	-	-
Bolzoni Huaxin China (2)	China	80	Indirect	-	-	-	-
Bolzoni Auramo Wuxi (3)	China	100	Indirect	-	-	-	-
TOTAL				**46,610**	**300**	**500**	**46,410**

(1) % owned by Meyer GmbH for a value of 19,550 €.
(2) % owned by Bolzoni Holding Hong Kong for a value of HK$ 29,323,808
(3) % owned by Bolzoni Holding Hong Kong for a value of HK$ 77,526.408.

The increased cost of investment in Bolzoni Auramo S.l. is due to the deposit in the capital increase account through by bank transfer.
The increased cost of investment in Bolzoni Auramo Pty refers to the deposit in capital account through the conversion of financial receivables.
During the financial year 2014 the two German companies (Meyer GmbH and Bolzoni Auramo GmbH) merged by the incorporation of Bolzoni Auramo GmbH into Meyer GmbH with accounting effect from January 1, 2014.

Below is a comparison between the carrying amount and the corresponding value determined with the equity method:

	Investment value	Net Equity method	Difference
Bolzoni Auramo Inc.	8,037	2,338	(5,699)
Bolzoni Ltd	430	637	207
Bolzoni Auramo S.l.	2,733	87	(2,646)
Bolzoni Italia S.r.l.	908	157	(751)
Auramo Oy	13,119	15,551	2,432
Bolzoni Auramo Pty	1,160	(74)	(1,234)
Meyer GmbH	9,415	8,972	(443)
Bolzoni Holding Hong Kong	8,618	8,151	(431)
Bolzoni Auramo Shanghai	720	1,208	488
Bolzoni Sarl	376	1,249	870
Bolzoni Auramo BV	-	233	233
Bolzoni Auramo Canada Ltd	122	625	503
Bolzoni Auramo Polska	50	201	151
Bolzoni Auramo AB	722	1,231	509

As for the previous financial year impairment tests were performed on the companies where negative differences emerged between the carrying amount of the investment and the corresponding value calculated with the equity method. In particular, impairment tests were performed on the basis of the Business Plans approved by the Board of Directors. With reference to the impairment tests it should be noted that the value in use was established using the Discounted Cash Flow method in the unlevered version. The evaluations was made on going concern basis. The tax rates used for these tests are those currently applicable.

The following assumptions have also been considered:

- the calculation of Terminal Value has been made on the basis of an estimate of the expected net operating income over a period corresponding to the estimated useful life of the activity of the company under evaluation, on the assumption of a 'g' growth rate ranging from 0% (Spain, Australia, Italy and Germany) to 1% (USA and China) depending on the country of reference and, in any case, lower than the expected growth rate of the sector;

- the discount rates (WACC) applied to projections of cash flows range from 6.54% (Germany) and 9.60% (China). These rates, from which tax effects have been deducted, have been determined, in line with those used in the previous financial year. The variability of these rates between one investment and another mainly depends on the market risk premium related to the market in which the investments operate.

The above-mentioned impairment tests have determined the need to write-down the investment held in Bolzoni Auramo Pty for the amount of 500 thousand euros.

Moreover, at 31 December 2014 a sensitivity analysis was performed on the recoverable amount of investments in the main Group companies, based on the assumption of 0.50% and 1.00% change in WACC whereas it is not applicable on the 'g' as it is already zero for the main companies under examination. The only subsidiaries where the sensitivity analysis has highlighted an impairment indicator, following the different WACC used, are Bolzoni Auramo Pty (279 thousand euros with a 1% variation in WACC) and (134 thousand euros with a 0.50% variation in WACC); for this subsidiary the observance of the business plan must be carefully monitored over the next financial years.

6. Investments in associated companies

The Company hold the following investments in associated companies.

Associated company	Ownership stake	2014	2013
Bolzoni Portugal Lda	31	16	-
Total		**16**	**-**

In June 2014 Bolzoni S.p.A. acquired 31% of the total investment in the newly-incorporated Portoguese company. The cost evaluation does not differ considerably from the equity valuation.
The following table is a summary of the main financial information regarding the investment in Bolzoni Portugal Lda:

	2014
Share of the associated company's equity:	
Current assets	342
Non-current assets	-
Current liabilities	(274)
Non-current liabilities	-
Net assets	68
Share of the associated company's revenue and result:	
Revenue	360
Profit	19

7. Financial receivables and other financial assets (non-current)

	31.12.2013	Increases	Decreases	31.12.2014
Guarantee deposits	16	-	-	16
Other financial assets	82	-	82	-
Total	**98**	**-**	**82**	**16**

The amount of 82 thousand euros refers to collection notices related to the appeal made to the *Commissione Tributaria Provinciale* (Tax Commission for the Province) described in Note 31.

None of the credits have a due date of more than 5 years.

8. Taxation

8.1 Deferred tax

Deferred tax at 31st December 2014 and 2013 is as follows:

	Balance Sheet		Income Statement
	2014	2013	2014
Deferred tax liability			
Tax adjustment on inventory	-	8	(8)
Capitalization of internal costs	15	27	(12)
Derivative and TFR value accounted for directly to equity	-	60	-
Sundry (mainly unrealized exchange rates €227)	243	12	231
	258	**107**	**211**
Deferred tax assets			
Inventory devaluation	74	74	-
Exchange rate fluctuations	-	45	45
Derivative value accounted for directly to equity	35	20	-
Provision accrual	72	72	-
TFR accounted for directly to equity	57	-	-
Sundry	11	9	(2)
	249	**220**	43
Deferred tax income			**254**

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It should be noted that there are no further temporary differences on assets other than the above. All deferred tax assets are therefore booked in the financial statements.

8.2 Income tax

The major components of income tax for the years which ended 31st December 2014 and 2013 are:

Income statement	2014	2013
Current income tax		
Current income tax charge	851	736
Tax for previous financial years	-	66
Deferred income tax		
Relating to recognition and reversal of temporary differences	254	(45)
Income tax	**1,105**	**757**

A reconciliation between effective tax charge and the theoretical tax charge, calculated as product of accounting profit multiplied by the domestic tax rate for the years ended 31st December 2014 and 2013, is the following:

IRES/Income tax	2014		2013	
	Amount	Rate	Amount	Rate
Applicable ordinary tax rate		27.50%		27.50%
Result before tax	3,382		1,810	
Theoretical tax charge	**930**		**498**	
Plus variations:				
Tax free or non-taxable income	10		9	
Other plus variations for IAS purposes	80		184	
Exchange rate fluctuations	-		165	
Company cars	144		139	
Depreciation of equity participations	500		787	
Non-deductible costs	399		213	
Minus variations				
Other minus variations for IAS purposes	-		-	
Deductible IRAP	(347)		(352)	
Exchange rate fluctuations	(990)		(141)	
Dividends from subsidiaries	(1.318)		(1,400)	
Other minus variations	(278)		(191)	
Taxable amount	**1,582**		**1,223**	
IRES income tax	**435**	**12.86%**	**336**	**18.56%**

IRAP	2014		2013	
	Amount	Rate	Amount	Rate
Applicable ordinary tax rate		3.90%		3.90%
Result before tax	3,382		1,810	
Theoretical tax charge	**132**		**71**	
Plus variations:				
Personnel costs	6,665		6,861	
Other plus variations	804		1,684	
Minus variations:				
Other minus variations	(197)		(132)	
Taxable amount	**10,654**		**10,223**	
IRAP income tax	**416**	**12.30%**	**399**	**22.04%**

9. Inventory

	2014	2013
Raw material	1,195	1,261
Obsolescence provision for raw material	(42)	(50)
Net raw materials	**1,153**	**1,211**
Semi-finished products	3,606	3,216
Obsolescence provision for semi-finished products	(126)	(129)
Net semi-finished products	**3,480**	**3,087**
Finished products	1,937	1,394
Obsolescence provision for finished products	(68)	(56)
Net finished products	**1,869**	**1,338**
Total inventory	**6,502**	**5,636**

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

	31.12.2013	Increase	Decrease	31.12.2014
Obsolescence provision for raw material	50	-	8	42
Obsolescence.provision for semi-finished products	129	-	3	126
Obsolescence provision for finished products	56	12	-	68
Total	**235**	**12**	**11**	**236**

10. Trade receivables (current)

	2014	2013
Trade receivables	4,797	4,952
Bills subject to collection	4,288	3,503
Bad debt provision	(115)	(118)
Total third party receivables	***8,970***	***8,337***
Receivables from subsidiaries	9,848	6,410
Receivables from associates	75	37
Total trade receivables	**18,893**	**14,784**

The variation in trade receivables mainly refers to the increase in receivables with the group companies mainly due to longer collection times for the Chinese companies of the group in order to temporarily help their development, as well as an increase in shipments towards the US subsidiary in view of greater turnover.

Below the trade receivables are divided according to due date:

	2014	2013
Receivables not yet due	14,036	12,042
Receivables 30 days overdue	1,753	1,829
Receivables 60 days overdue	663	81
Receivables 90 days overdue	252	25
Receivables more than 90 days overdue	2,189	807
Total trade receivables	**18,893**	**14,784**

Below are the variations to the bad debt provision:

	2014	2013
Bad debt provision on 01.01	**118**	**197**
Accruals for the year	24	5
Write-off for the year	27	84
Bad debt provision on 31.12.	**115**	**118**

For the terms and the conditions concerning related party receivables, refer to note 31.

Trade receivables are non-interest bearing and are generally on a 30-120 days' terms. We would like to point out that these amounts, including the third party overdue receivables, are covered by a credit insurance for 90% of their nominal value therefore the overdue receivables do not represent a probable risk of not being collected. The amount for receivables over 90 days overdue includes 2,104 euros related to group companies.

Below are details of receivables related to each subsidiary and associated company:

	31.12.2014	31.12.2013	Variations
Auramo Oy	8	42	(34)
Bolzoni Auramo AB	42	40	2
Bolzoni Auramo GmbH	-	119	(119)
Bolzoni Auramo Pty Ltd	196	385	(189)
Bolzoni Auramo Polska	264	190	74
Bolzoni Auramo Canada Ltd	179	187	(8)
Bolzoni Auramo SL	332	429	(97)
Bolzoni Auramo Inc.	3,750	1,835	1,915
Bolzoni Ltd	708	247	461
Bolzoni Sarl	627	693	(66)
Bolzoni Auramo BV	81	105	(24)
Bolzoni Auramo Shanghai	278	245	33
Meyer GmbH	462	377	85
LLC "Hans H Meyer OOO"	127	53	74
Bolzoni Italia S.r.l.	419	491	(72)
Bolzoni Auramo Wuxi	2,166	905	1,261
Bolzoni Huaxin	146	67	79
Bolzoni Holding Hong Kong	63	0	63
Auramo South Africa (associated company)	20	37	(17)
Bolzoni Portugal Lda (associated company)	55	0	55
Total	**9,923**	**6,447**	**3,476**

The amount of receivables related to subsidiaries and associates has increased compared to the previous year mainly due to the increase in receivables with regards to Bolzoni Auramo Inc. and Bolzoni Auramo Wuxi.

11. Tax receivables

	2014	2013
IRES tax receivables	-	147
IRAP tax receivables	-	21
IRES tax receivables on recovery of IRAP	413	413
Other tax receivables	-	39
Total	**413**	**620**

The amount for 'IRES tax receivables on recovery of IRAP' mainly refers to the credit resulting from the request for refund thanks to the acknowledged right to IRAP deduction, amounting to 413 thousand euros, concerning years 2007-2011.

12. Other receivables

	2014	2013
VAT receivables	207	36
Advance to suppliers	15	16
Prepaid expenses	60	45
Subsidiary dividend receivables	-	196
Sundry	117	70
Total	**399**	**363**

The Item 'subsidiary dividend receivables' included in 2013 dividends to be collected from subsidiaries Bolzoni Auramo AB, Bolzoni Sarl and Bolzoni Auramo Polska collected in 2014

13. Financial receivables and other financial assets

Details on the residual amount of interest-bearing loans (Euribor 3 months + 2.1% spread), given out to the single subsidiaries, maturing on 31.12.2015 and renewable, are provided below:

Subsidiaries	31.12.2014	31.12.2013
Bolzoni Auramo Inc.	955	1,450
Meyer GmbH	1,000	1,000
Bolzoni Holding Hong Kong	2,142	22
Bolzoni Auramo Canada Ltd	200	200
Bolzoni Auramo Pty	2,200	2,400
Bolzoni Italia S.r.l.	50	100
Total	**6,547**	**5,172**

The loans were given in euros except for loans to Bolzoni Auramo Inc and Bolzoni Holding Hong Kong given in US dollars.

Financial receivables from Bolzoni Auramo Inc and Bolzoni Auramo Pty have decreased since last year due to the reduction in loans. Whereas there has been an increase in loans to Bolzoni Holding Hong Kong.

14. Cash and cash equivalents

	2014	2013
Cash in hand	13	11
Bank deposits	403	5,970
Total	**416**	**5,981**

Bank deposits have a variable interest rate.

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

	2014	2013
Cash in hand and bank deposits	416	5,981
Bank overdrafts and advance on request (note 16)	(3,668)	(1,451)
Total	**(3,252)**	**4,530**

15. Share capital and reserves

	2014	2013
Ordinary shares 0.25 euro each	25,993,915	25,993,915

During the financial year 2014 there have been no variations to share capital.

For details regarding equity changes please refer to the 'Statement of changes in 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	1,514	B			None	None
C) Other reserves	11,562	A – B - C			None	Distribution of dividends
C) IAS reserves	(394)	A – B - C			None	Cash flow hedge & TFR
D) Revaluation reserve	2,330	A – B - C			None	None
Total	**39,054**					
Year's profit	**2,277**					
Total equity	**41,331**					

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

16. Interest bearing loans and borrowings

		Actual interest rate %	Maturity	31.12.2014	31.12.2013
Short term					
Bank overdrafts			On request	11	5
Trade advances			30-90 days	907	946
Foreign advances			On request	2,750	500
Subsidiary companies	(1)	Euribor + 1.60		3,065	3,975
€ 10,000,000 unsecured loan	(2)	Euribor + 1.30	2015	1,775	2,493
€ 5,000,000 unsecured loan	(3)	Euribor + 1.50	2015	1,657	1,633
€ 6,000,000 mortgage loans	(4)	Euribor + 1.50	2015	672	664
€ 6,000,000 mortgage loans	(5)	Euribor + 2.00	2015	1,494	670
€ 2,000,000 unsecured loan	(6)	Euribor + 2.30	2014	-	691
€ 9,000,000 mortgage loans	(7)	Euribor + 2.50	2015	1,974	8,912
€ 2,000,000 unsecured loans	(8)	Euribor + 1.20	2015	1,333	-
				15,6378	**20,489**
Medium/long term					
€ 2,000,000 unsecured loan	(2)	Euribor + 1.30	2015	-	250
€ 5,000,000 unsecured loan	(3)	Euribor + 1.50	2016	1,430	3,084
€ 810,000 unsecured loan	(9)	Euribor + 7.00	2016	810	810
€ 6,000,000 unsecured loan	(2)	Euribor + 1.30	2016	774	2,229
€ 2,000,000 unsecured loan	(8)	Euribor + 1.20	2016	669	-
€ 6,000,000 unsecured loan	(5)	Euribor + 2.00	2017	2,244	1,986
€ 9,000,000 unsecured loan	(7)	Euribor + 2.50	2018	4,971	-
€ 6,000,000 unsecured loan	(4)	Euribor + 1.50	2019	2,533	3,205
				13,431	**11,634**

Unsecured loans from subsidiary companies (1)
The loans are unsecured and repayable.
10,000,000 euro bank loans (2)
The loans are unsecured and repayable in quarterly instalments.
5,000,000 euro bank loans (3)
The loans are unsecured and repayable in quarterly instalments.
6,000,000 euro mortgage loans (4)
The two loans are secured by a second degree mortgage on the property in Podenzano, are repayable in half yearly instalments at fixed principal value.
6,000,000 euro unsecured loan (5)
The loan is unsecured and repayable in quarterly instalments.
2,000,000 euro unsecured loan (6)
The loan was unsecured and was paid back at the due date.
9,000,000 euro unsecured loan (7)
The loan is unsecured and repayable in half yearly instalments.
2,000,000 euro unsecured bank loan (8)
The loan is unsecured and repayable in half yearly instalments.
810,000 euro unsecured loan (9)
The loan is secured by a surety amounting to 340,000 euros and is repayable on maturity.

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

Loan	Net financial debts/ Equity		Net financial debts/Gross operating margin		Debt within 12 mnths	Debt over 12 mnths
	Limit	*2014*	*Limit*	*2014*		
Euro 2,000,000 (a)	1.50	1.02	3.50	4.31	250	-
Euro 3,000,000 (b)	1.50	1.02	3.50	4.31	771	394
Euro 9,000,000 (c)	1.25	1.02	3.00	4.31	2,000	5,000
Euro 3,000,000 (d)	1.50	1.02	3.50	4.31	1,000	750

As indicated in the above table, one of the covenants has not been observed.

The non-observance of covenants would give the Bank disbursing loans c) the right to forfeit the company's benefit to the term and could therefore result in the possible early repayment of the loan (residual debt of 7.0 million, 2.0 million of which due in 2015 and therefore already included in the short term loans).

On December 30, 2014 the Bank issued a letter in which it waivers the right to ask for the residual debt to be paid back, without requiring any contractual modifications or the early repayment.

The non-observance of both covenants would however give the Banks disbursing loans b) and d) the right to declare the Parent no longer entitled to the term.

Net financial position	*31.12.2014*	*31.12.2013*	*Variation*
A. Cash on hand	13	11	2
B. Current bank deposits	403	5,970	(5,657)
D. CASH AND CASH EQUIVALENTS	**416**	**5,981**	**(5,565)**
E. Financial receivables	6,547	5,172	1,375
F. Current bank debts	(3,668)	(1,515)	(2,153)
G. Current part of non-current debt	(8,905)	(14,999)	6,094
H. Other current financial debts	(3,065)	(3,975)	910
I. CURRENT FINANCIAL DEBTS	**(9,091)**	**(15,317)**	**6,226**
J. CURRENT NET FINANCIAL POSITION	**(8,675)**	**(9,336)**	**661**
N. NON-CURRENT NET FINANCIAL POSITION	(13,953)	**(12,044)**	(1,909)
O. NET FINANCIAL POSITION	**(22,628)**	**(21,380)**	**(1,248)**

Net financial position has increased from 21,380 thousand euros at 31.12.2013 to 22,628 thousand euros at 31.12.2014 mainly due to the careful management of working capital.

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

Below are the variations to this fund:

	2014	*2013*
T.F.R. retirement allowance fund at 01.01	**1,979**	**2,207**
Current service cost	632	610
Interest cost	61	58
Actuarial gain /(losses)	410	(204)
Benefit paid/transfer of funds	(722)	(692)
T.F.R. retirement allowance at 31.12	**2,360**	**1,979**

Following the amendment 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 2014.

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 statements 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(named RG48) for the Italian population as measured by the General State Accounting Office	Mortality rate tables (named RG48) for the Italian population as measured by the General State Accounting Office.
Probability of disablement	Tables, divided according to sex, adopted in the INPS model for projections up to 2015	Tables, divided according to sex, adopted in the INPS model for projections up to 2015
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	1.75% per annum	1.75% per annum
Discounting rate	0.90% per annum	0.90% per annum
Increase in TFR retirement allowance	2.81% per annum	2.81% per annum

It should be noted that the Company has taken, as reference, the discount index iBoxx Eurozone Corporates AA 10+ at the reporting date.

18. Provisions

	31.12.13	*Incr.*	*Decr.*	*31.12.14*	*Within 12 months*	*After 12 months*
Agents' termination indemnities provision	180	10	-	190	-	190
Product Warranty provision	92	91	(92)	91	91	-
Total	**272**	**101**	**(92)**	**281**	**91**	**190**

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 accrued 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, staff costs and costs of material used for warranty servicing, indicating the average impact of these costs incurred with respect to the pertinent turnover.

19. Liabilities related to derivate instruments

This item represents the fair value of the derivative contracts on interest rates. Of these, two contracts have all the characteristics for classification as hedging according to the related standards. For these contracts recognition is directly to equity (cash flow hedge reserve, see variations to equity) whereas for the other contracts the fair value is accounted for in the income statement.

Below are the main figures of the derivative contracts:

		31.12.2014			31.12.2013		
	Maturity	Notional	Positive Fair value	Negative Fair value	Notional	Positive Fair value	Negative Fair value
IRS accounted for according to cash flow hedging	2016	2,200	-	53	2,600	-	75
IRS which do not reflect the requirements established by IAS 39 to qualify as hedging	2016	8,000	-	291	8,000	-	314
IRS accounted for according to cash flow hedging	2017	7,000	-	80	9,000	13	-
IRS which do not reflect the requirements established by IAS 39 to qualify as hedging	2017	3,000	-	99	3,000	-	35
Total derivatives for hedging against interest rate risk		**20,200**	**-**	**523**	**22,600**	**13**	**424**

20. Trade payables

	2014	2013
Domestic suppliers	13,471	13,078
Foreign suppliers	535	632
Payables towards subsidiaries	1,025	771
	15,031	**14,481**

Trade payables are non-interest bearing and are normally settled on a 90 day basis.
The increase in trade payables is due to the different time distribution of purchases.
For terms and conditions for related parties, see Note 32.
Domestic supplier payables at 31 December 2014 include 256 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:

	31.12.2014	31.12.2013	Variations
Auramo Oy	314	202	112
Bolzoni Auramo AB	2	2	-
Bolzoni Auramo GmbH	-	2	(2)
Bolzoni Sarl	13	18	(5)
Bolzoni Auramo SL	3	2	1
Bolzoni Auramo BV	2	-	2
Bolzoni Ltd	3	23	(20)
Bolzoni Huaxin	253	126	127
Bolzoni Auramo Inc	2	1	1
Bolzoni Auramo Canada Ltd	(29)	1	(30)
Bolzoni Auramo Shanghai	-	-	-
Meyer GmbH	253	133	120
Bolzoni Auramo Wuxi	60	-	60
LLC “Hans H. Meyer OOO”	7	9	(2)
Bolzoni Italia S.r.l.	142	252	(110)
Total	**1,025**	**771**	**254**

21. Other payables

	2014	2013
Payables to employees for wages	585	584
Payables to employees for matured but untaken holidays	114	123
Social security payables	469	648
Tax payables for employee wages	631	487
Other accrued expenses	78	97
Other short term liabilities	153	108
Sundry payables	27	26
Total	**2,057**	**2,073**

22. Payables for income taxes

	2014	2013
Debt for income tax	103	-
Total	**103**	**-**
- within the financial period	*103*	-
- after the financial period	-	-

In the financial statements at 31 December 2014 debts are for income tax for the year (Ires/Irap) less the amounts paid in advance.

INCOME STATEMENT

23. Revenue

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

2013	Europe	North America	R.O.W.	Total
Revenue	50,716	6,245	5,549	62,510

2014	Europe	North America	R.O.W.	Total
Revenue	52,181	6,359	4,813	63,353

Compared to the previous year, there has been a 2.9% increase in revenue in Europe, a 2.9% increase in the USA and a 13.3% drop in the rest of the world. It should be noted that in 2014 turnover in Italy amounts to 13.1 million euro, up by 7.2% compared to the previous year.

24. Other revenue

	2014	2013
Sundry income	51	42
Gains on disposal	13	23
Other operating income	134	11
Total	**198**	**76**

The item 'Other operating income' includes 60 thousand euros of operating grants.

25. Costs for raw material and consumable supplies

	2014	2013
Raw material	4,424	4,449
Commercial goods	1,733	2,167
Semi-finished products	23,827	23,673
Other purchases for production	3,593	1,867
Sundry purchases	145	112
Accessory expenses	69	96
Finished products	2,763	3,986
Total	**36,554**	**36,350**

Higher costs for commercial goods and consumable supplies is mainly the result of increased sales volumes.

26. Service costs

	2014	2013
Industrial services	4,835	5,181
Commercial services	2,291	2,313
General services	2,018	2,075
Costs related to use of third party assets	263	310
Total	**9,407**	**9,879**

Industrial service costs have decreased compared to the previous year, mainly due a better management of this area by the Company.

27. Personnel costs

	2014	2013
Wages and salaries	8,477	8,121
Social security	2,868	2,836
TFR retirement allowance (note 17)	632	605
Sundry costs	76	73
Total	**12,053**	**11,635**

The increase in personnel costs is the result of new staff additions and contractual wage increases.

The number of employees in Bolzoni S.p.A. at 31 December 2014 are**:**

	31.12.2014	31.12.2013	Variation
Top Managers	6	7	(1)
First-line managers	6	6	-
White collar	89	86	3
Blue collar	134	135	(1)
Total	**235**	**234**	**1**

28. Other operating costs

	2014	2013
Tax and duty	99	84
Losses on sale of fixed assets	15	19
Sundry	176	160
Total	**290**	**263**

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

29. Financial income and charges

	2014	2013
Financial expenses	1,137	889
Financial income	(1,335)	(1,538)
Gains and losses from exchange rates	(882)	45
Net financial income (expenses)	**(1,080)**	**(604)**

Compared to the previous financial year, there has been a substantial variation in net financial income/expenses mainly due to the higher dividends paid out by the subsidiary companies.

29.1 Financial charges	2014	2013
Interest on short-term payables (overdrafts and credit disinvestment)	27	37
Interest on medium/long term loan payables	677	593
Charges other than above	433	259
Total	**1,137**	**889**

The increase in interest on medium/long term loans is the result of the increase in debts towards financing bodies. and the increase in spreads applied by banks.

29.2 Financial income	2014	2013
Interest income from customers	138	34
Interest income from financial assets	4	40
Dividends from subsidiaries	1,193	1,464
	1,335	**1,538**

Dividends were paid out by the subsidiaries Bolzoni Auramo Polska (51 thousand euros), Bolzoni Auramo AB (278 thousand euros), Auramo OY (800 thousand euros) and Bolzoni Auramo BV (64 thousand euros).

29.3 Currency exchange rate gains and losses	2014	2013
Currency exchange rate gains	1,126	467
Currency exchange rate losses	(244)	(512)
	882	**(45)**

Variations are essentially due to effects of fluctuations in the exchange rates of the US and Chinese currencies during 2014. 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.

30. Dividends

During financial year 2014 dividends for the amount of €909,787.03 (2013: €1,299,695.75) were approved and paid out. The proposal regarding dividends for approval by the Shareholders' meeting (not recognised as liabilities at 31 December) amount to € 909,787.03 (2013: €909,787.03). The proposed resolution regarding profits, if approved, will result in the payment of € 0.035 per share (2013: €0.035).

31. Commitments and contingencies

Capital commitments

As at December 31st 2014 and December 31st 2013 the value of the Company's commitments was not material.

Legal litigations

In the course of financial year 2008 the Tax Police made an inspection on the Company with regards to financial years 2005 and subsequent. The notification report dated 3.7.2008 did not evidence any irregularities of a certain importance.

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

On June 19, 2014 the Customs Office made an inspection on the Company regarding the export documentation for the Intra EU and Extra EU areas for the years 2010, 2011, 2012 and 2013 discovering that with regards to transactions within the EU for an overall VAT free amount of 2.3 million euros the Company was not able to produce the complete documents proving the delivery of the related goods. Following report, on October 2, 2014 the Company handed over to the Tax Authorities of Piacenza the requested documentation showing the consignment of the goods outside Italy. With regards to the fact that up to this moment there has been no notice of assessment, that the related procedures are still uncertain and that in any case detailed documentation was subsequently provided to the Authorities, including a declaration from the final customer that the goods has actually been received, the Directors do not believe there is any probably liability deriving from this issue.

Guarantees granted

Bolzoni S.p.A. has granted the following guarantees at 31st December 2014:

- it has destined some land and buildings as guarantee against two mortgage loans (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$ 749,000 (2013: US$ 910,000);
- it has granted a surety to a bank for the amount of € 800,000 (2013: € 800,000) in favour of the subsidiary Meyer GmbH;
- it has granted a surety to a bank for the amount of € 2,000,000 (2013: € 1,600,000) in favour of the subsidiary Bolzoni Auramo S.l.;
- it has granted a surety to a bank for the amount of € 1,500,000 (2013: € 1,500,000) in favour of the subsidiary Meyer GmbH.;
- it has granted a surety to a bank for the amount of € 650,000 (2013: € 650,000) in favour of the subsidiary Bolzoni Italia S.r.l.;
- it has granted a surety to a bank for the amount of € 2,700,000 (2013: € 2,700,000) in favour of the subsidiary Auramo OY;
- it has granted a surety to a bank for the amount of € 630,000 (2013: € 630,000) in favour of the subsidiary Bolzoni S.a.r.l.;
- it has granted a surety to a bank for the amount of € 304,898 (2013: € 304,898) in favour of the subsidiary Bolzoni S.a.r.l.;
- it has granted a surety to a bank for the amount of € 950,000 (2013: € 950,000) in favour of the subsidiary Meyer GmbH.;
- it has granted a surety to a bank for the amount of € 1,800,000 (2013: € 1,800,000) in favour of the subsidiary Meyer GmbH.;
- it has granted a surety to a bank for the amount of € 1,800,000 (2013: € 1,800,000) in favour of the subsidiary Meyer GmbH.;
- it has granted a surety to a bank for the amount of € 500,000 (2013: € 500,000) in favour of the subsidiary Meyer GmbH;
- it has granted a surety to a bank for the amount of € 2,000,000 (2013: € 2,000,000) in favour of the subsidiary Meyer GmbH;
- it has granted a surety to a bank for the amount of € 1,100,000 (2013: € 1,100,000) in favour of the subsidiary Bolzoni Auramo Wuxi; and
- it has granted a surety to a bank for the amount of RMB 10,000,000 (2013: RMB 0) in favour of the subsidiary Bolzoni Huaxin.

32. Disclosure on related parties

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

Related parties		*Operating and Financial Revenue*	*Operating and Financial expenses*	*Financial and trade receivables*	*Related parties payables*
Subsidiaries	2013	20,134	4,241	11,778	4,746
	2014	20,698	5,373	16,396	4,090
Associates	2013	172	-	37	-
	2014	260	-	75	-

Subsidiary companies
For the breakdown between sales and financial revenue and between sales and financial costs please consult the Management Report. For details on receivables/payables see notes 7, 10 and 19.

Associated companies
The Company has three associated companies:

- 40.0% interest in Auramo South Africa (2013: 40.0%) held through Auramo Oy;
- 20.0% interest in XinHuaxin (2013: 20.0%) held through Bolzoni Holding Hong Kong; and
- 31.0% interest in Bolzoni Portugal Lda.

Transactions with other related parties

Other related parties

During the first semester of 2014 the Intesa-Sanpaolo Group reduced its stake in the share capital of Bolzoni S.p.A. to under 2% and therefore is no longer considered a related party (2013: under 2%).

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 2014 the Company has not made any provision for doubtful debts referring to amounts owed by related parties (2013: Euro 0).

33. 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.

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 2.3.

Interest rate risk
The interest rate risk originates from medium-long term loans given at floating interest rates. The Company's policy is that no trading in financial instruments shall be undertaken for speculation. Furthermore, the Company intends hedging a part of the existing loans and monitoring, for the remaining part, the trend in interest rates in order to evaluate the opportunity for new hedging.

The Company believes it is exposed to the risk that a possible increase in rates could increase future financial charges. The following table shows the effects that could derive from a 0.25 BPS variation in interest rates.

	Variations in presumptions	*Effect on gross profit before tax*
2014	0.25 BPS	(23)
	-0.25 BPS	23
2013	0.25 BPS	(25)
	-0.25 BPS	25

At December 31, 2014 loans hedged against interest rate risks amounted to 20.2 million euros.

The Company has four Interest Rate Swap contracts running which foresee the exchange of the difference between floating and one or more fixed rate interest amounts, calculated by reference to an agreed notional principal amount. Two IRS contract do not appear to observe the hedging parameters established by the IFRS (see Note 19).

Foreign currency risk

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

The 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
2014	*USD*	+ 5%	(253)	(184)
	USD	- 5%	279	203
	GBP	+ 5%	(35)	(25)
	GBP	- 5%	39	28
	$AUS	+ 5%	(9)	(7)
	$AUS	- 5%	10	7
	$ CAN	+ 5%	(7)	(5)
	$ CAN	- 5%	8	6
2013	*USD*	+ 5%	(141)	(103)
	USD	- 5%	157	114
	GBP	+ 5%	(12)	(9)
	GBP	- 5%	13	9
	$ CAN	+ 5%	(6)	(4)
	$ CAN	- 5%	6	5

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.

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 2014 there are no derivative contracts of this nature.

Following the expansion of its activities on 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); the volume of these operations is however minimal.

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 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, the maximum risk is equivalent to the carrying amount of these assets in the event of default of the counterparty. These are normally primary domestic and international financial institutions.

There are no significant concentrations of credit risk within the Company

Liquidity risk

The liquidity risk is linked to the difficulty of finding funds to meet the company commitments. It can be caused when available resources are insufficient to meet the financial obligations, according to the established terms and due dates, if a credit line is suddenly revoked or if the Company needs to fulfil its financial payables before their natural due date. Thanks to a careful and cautious financial policy and to continue monitoring of both the balance between the credit lines granted and used, and the balance between short term and medium-long term debts, the Company is provided with lines of credit adequate in quality and quantity to meet its financial needs.

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.

The Company therefore performs a continue check of the estimated financial requirements so that any necessary actions can be promptly taken (finding additional lines of credit, increases in share capital, etc.).

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 statements, divided according to category:

	Carrying amount		*Fair value*	
	2014	*2013*	*2014*	*2013*
Financial assets				
Financial receivables	6,547	5,172	6,547	5,172
Cash in hand	416	5,981	416	5,981
Financial liabilities				
Bank overdrafts and advance on notes to be collected	(907)	(946)	(907)	(946)
Advance on foreign business	(2,750)	(500)	(2,750)	(500)
Loans:				
at variable rates	(25,934)	(31,087)	(25,934)	(31,087)
at fixed rates	-	-	-	-
Forward currency contracts	-	-	-	-

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 2013

Fixed rate	*<1 year*	*>1<2*	*>2<3*	*>3<4*	*>4<5*	*> 5*	*Total*
Simest loan	-	(810)	-	-	-	-	(810)
Variable rate	***<1 year***	***>1<2***	***>2<3***	***>3<4***	***>4<5***	***> 5***	***Total***
Liquid funds	416	-	-	-	-	-	416
Overdraft on bank accounts	(11)	-	-	-	-	-	(11)
Advance on foreign business	(2,750)	-	-	-	-	-	(2,750)
Advance on collectable bills subject to final payment	(907)	-	-	-	-	-	(907)
Derivatives appraisal	-	(523)	-	-	-	-	(523)
Carisbo loan	(250)	-	-	-	-	-	(250)
Banca di Piacenza loan	(257)	(131)	-	-	-	-	(388)
Banca di Piacenza Morg.loan	(222)	(223)	(223)	(223)	(215)	-	(1,106)
Banca di Piacenza loan	(662)	(84)	-	-	-	-	(1,346)
Unicredit loan	(769)	(393)	-	-	-	-	(1,162)
Unicredit loan	(1,975)	(1,971)	(2,000)	(1,000)	-	-	(6,946)
Cariparma Mortgage loan	(450)	(457)	(470)	(479)	(243)	-	(2,099)
GE Capital loan	(499)	(249)	-	-	-	-	(748)
Banca Nazionale del Lavoro loan	(1,332)	(662)	-	-	-	-	(1,994)
Banca Popolare loan	(1,494)	(1,500)	(750)	-	-	-	(3,744)
Deutsche Bank loan	(995)	(747)	-	-	-	-	(1,742)

34. Remuneration of Directors and Statutory Auditors

The following table indicates the remuneration of the directors and statutory auditors for the year 2014:

Name	*Amount*	*Description*
Emilio Bolzoni	230	Director's fee
Roberto Scotti	230	Director's fee
Luigi Pisani	28	Director's fee
Franco Bolzoni	28	Director's fee
Pierluigi Magnelli	28	Director's fee
Davide Turco	9	Director's fee
Karl Peter Otto Staack	28	Director's fee
Raimondo Cinti	28	Director's fee
Giovanni Salsi	28	Director's fee
Paolo Mazzoni	28	Director's fee
Claudio Berretti	28	Director's fee
Total	**693**	
Giorgio Picone	28	Statutory Auditor's fee
Carlo Baldi	15	Statutory Auditor's fee
Maria Gabriella Anelli	15	Statutory Auditor's fee
Total	**58**	

Benefits, stock option plans are not provided for, nor are any other allowances normally due to directors in the event of early termination of office nor plans for succession of executive directors.

35. 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 April 2012. 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 audit company for auditing services;

b) by the audit 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 providing the service*	*Fees (thousands of euros)*
Audit	Auditor's network for Parent	74
Tax assistance services	Auditor's network for Parent	6

36. Significant non recurring events and operations

In compliance with Consob's Release N° DEM/6064293 on 28 July 2006, it should be noted that during the course of the financial year 2014 no events occurred and no non-recurring operations were carried out.

37. Transactions deriving from uncharacteristic and/or unusual operations

In compliance with Consob's Release N° DEM/6064293 on 28 July 2006, it should be noted that during the course of the financial year 2014 no transactions were made deriving from uncharacteristic and/or unusual operations.

38. Events after the balance sheet date

No significant events have occurred since the balance sheet date.

Deloitte.

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AUDITORS' REPORT PURSUANT TO ART. 14 AND 16 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010

To the Shareholders of
BOLZONI S.p.A.

1. We have audited the financial statements of Bolzoni S.p.A. as of December 31, 2014, which comprise the balance sheet, the income statement, the statement of comprehensive income, the statement of changes in equity, the cash flow statement and the related explanatory notes. These financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n° 38/2005 are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the Auditing Standards recommended by CONSOB, the Italian Commission for listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

   For the opinion on the prior year's financial statements, whose data are presented for comparative purposes, reference should be made to our auditors' report issued on March 26, 2014.

3. In our opinion, the financial statements give a true and fair view of the financial position of Bolzoni S.p.A. as of December 31, 2014, and of the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n° 38/2005.

4. The Directors of Bolzoni S.p.A. are responsible for the preparation of the Management Report and the Report on Corporate Governance and Ownership Structure published in the section "Investor Relations – Corporate Governance" of Bolzoni S.p.A.'s website, in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the report on operations and of the information reported in compliance with art. 123-bis of Italian Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) in the Report on Corporate Governance and Ownership Structure, with the financial statements, as required by law. For this purpose, we have performed the procedures required under Auditing Standard n. 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion, the report on operations and the information reported in compliance with art. 123-bis of Italian Legislative Decree n. 58/1998 paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) included in the Report on Corporate Governance and Ownership Structure are consistent with the financial statements of Bolzoni S.p.A. as of December 31, 2014.

DELOITTE & TOUCHE S.p.A.

Signed by
Valeria Brambilla
Partner

Parma, Italy
March 30, 2015

This report has been translated into the English language solely for the convenience of international readers.

BOLZONI
The Material Handling Group

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 of Bolzoni S.p.A., also taking into account the provisions contained in art. 154-bis, paragraphs 3 and 4 of the legislative decree n° 58 of February 24 1998, do hereby certify:

- the appropriateness in relation to the company's characteristics 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 2014.

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

- the accounting figures for the financial period 2014 have been subjected to specific and adequate controls which have not highlighted any significant deficiencies.

3. We also certify that:

3.1 the Company and Consolidated financial statements at 31 December 2014:

a) have been drawn up according to the applicable International Accounting Standards as recognised by the European Community in compliance with ruling (CE) n° 1606/2002 by the European Parliament and Council on 19 July 2002;

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

c) are suitable for providing a true and precise portrayal of the balance sheet and economic-financial situation of the issuer and the group of companies included in the consolidation

3.2 the Management Report includes a reliable analysis of the management trend and result, together with situation of the issuer and the group of companies included in the consolidation, in addition to a description of the main risks and uncertainties to which they are exposed.

Casoni di Podenzano, 12 March 2015

Signature of the C.E.O.

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

BOLZONI AURAMO MEYER

BOLZONI S.p.A. Società per Azioni
Capitale € 6.498.478,75 int. vers. - R.E.A. PC 87382 - Cod. Fisc. Part. Iva e Reg. Imp. PC IT 00113720338
Sede Legale e Stabilimento Principale:
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Register of Companies 00113720338
Rea.87382

BOLZONI S.P.A.

Registered offices in CASONI DI GARIGA - 29027 PODENZANO (PC)

Share capital Euro 6,498,478.75 fully paid

Board of Statutory Auditors Report to Annual General Meeting in conformity with art. 2429 of the Civil Code

Ladies and Gentlemen,

the Financial Statements for the year 2014 consisting of Balance Sheet, Income Statement, Statement of Comprehensive Income, Statement of the Variations to Net Equity, Cash Flow Statement and Notes to the Financial Statement is being submitted to your approval; this documentation, together with the Management Report, was made available to us within the terms established by art. 154-*ter* of the Leg. Decree 58/98.
The Board of Statutory Auditors has examined the Financial Statements at 31.12.2014 which, involving a listed company, was drawn up in compliance with the IAS/IFRS accounting principles.
In examining the documentation, the Board of Statutory Auditors also acknowledges that the financial statements' figures at 31.12.2014 are compared to those of the previous year, already stated in accordance with the IAS/IFRS principles.
Your Company is also required to prepare the Consolidated Financial Statements in accordance with and following Leg.D. 127/1991 in compliance with the international accounting standards.
After this necessary foreword, the Board of Statutory Auditors declares that:

1. As the issuer is a listed company, pursuant to article 2409-*bis* and subsequent of the Civil Code, the legal auditing of its accounts has been performed by the legal audit firm Deloitte & Touche S.p.A., enrolled in the register held by the Ministry of Justice. The appointment was made by the Shareholders Assembly on April 27th, 2012, following the motivated proposal made by this Board, and terminates with the shareholders' meeting called upon to approve the financial report at 31 December 2020.

2. During the financial year ended on 31/12/2014 we the Board of Auditors carried out the supervisory activity as established by the law. Within the limits of our responsibility, we acquired information on and we monitored the adequacy of the company's organisational structure, the observance of the principles regarding correct administration and the adequacy and timing of disclosures required by the Board during our control activity, in fulfilment of the obligations established by art. 114, paragraph 1 of the Leg. D. n° 58/98, through information collected from persons in charge of various functions and meetings with the legal audit firm, aimed at a mutual exchange of relevant data and information and to this end, we have no particular observations to make. Through information acquired from the persons responsible for the respective functions, from the examination of the company documents, the analysis of the results of the work performed by the legal audit firm and by the bodies and the functions responsible for internal control, we supervised over the adequacy of the internal control system and the administration-accounting system, as well as the reliability of the latter to correctly represent the management facts.
   Through the attendance – with *at least one of the members of the Board of Statutory Auditors present*, *usually the Chairman* – of the meetings (3 during the financial year 2014) of the Audit and Risk Committee, the activities performed by the Group's Internal auditing function were examined, as well as those of the Compliance and Risk Management functions, with the aim of checking their adequacy and of making an evaluation of the actual functioning of the internal control system. From the Report made by the Internal Audit and Risk Committee on its activity during the second semester of 2014 – with regards to the adequacy of the internal control system and its actual functioning – it emerges that there are no observations for proposal.

3. Within the Group the Company's role is to coordinate and manage.

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

5. We the Board of Statutory Auditors have verified that the Company, in compliance with art 114, paragraph 2, and articles from 184 to 187 *quinquies* of Leg.Decree 58/98, has to all intents and purposes given adequate instructions to the subsidiary companies in order to promptly obtain the information required to meet the disclosure obligations established by the law and in particular those regarding rules covering market abuse.

6. During the year, we the Board of Auditors have attended the meetings (10) of the Company's Board of directors and, in observance of the statutory provisions, we were periodically informed by the Board regarding the state of the company management. In particular, the most important operations from the economic, financial and capital point of view, performed by the Company during the year, and in observance of the law and the articles of association, have been the following;

   a) In the board meeting held on May 6, 2014 the directors approved the acquisition by Bolzoni Holding Hong Kong of 20% of the share capital of Bolzoni Huaxin Forks. As a consequence of this operation Bolzoni Holding Hong Kong's stake in Bolzoni Huaxin Forks passes from 60% to 80%. The cost of the operation for Bolzoni Holding Hong Kong amounted to USD 912,018 which in turn received a loan from Bolzoni S.p.A. for the amount of USD 950,000.
   b) In the board meeting held on March 13, 2014 the directors approved the unification of the two subsidiaries located in Germany, more precisely Meyer GmbH and Bolzoni Auramo GmbH, as of July 1, 2014.
   c) Again in the board meeting held on March 13, 2014 the directors approved the operation for the creation of a new joint venture in Portugal. The Portuguese market is currently managed by the Bolzoni Auramo sales network (Spanish subsidiary Bolzoni Auramo Sl) and by the Meyer sales network (independent dealer Movimenta). The operation will consist in trying to combine the forces of the two sales networks through the creation of a new sales company where Bolzoni S.p.A. will own a 31% stake in the share capital.
   d) In the board meeting held on March 13, 2014 the directors also approved a share capital increase for Bolzoni Auramo Pty (Australia) for the amount of 200,000 euros, subscribed entirely by Bolzoni S.p.A. The increase is through the partial waiver of the intragroup loan between the Australian company and Bolzoni S.p.A.
   e) In the board meeting held on May 14, 2014, after examining the economic and financial situation of Bolzoni Auramo Sl, a share capital increase was approved for the Spanish company for the amount of 100,000 euros which Bolzoni S.p.A. will pay entirely by bank transfer to the Spanish subsidiary.

7. The Board of Statutory Auditors did not discover any uncharacteristic and/or unusual operations, including those performed with related parties or within the group

8. In the Notes to the Financial Statements at point 32, the Directors adequately indicate and illustrate the main operations performed with related parties or between group companies, to which reference should be made, also for a description of the characteristics of the operations and their economic effects.

9. On March 30, 2015, in compliance with art. 14 of the Leg. Decree n. 39/2010, the legal Audit Firm issued its report certifying that the financial statements at 31/12/2014 truly and correctly represent your company's financial and economic situation.

10. The Board of Statutory Auditors has not received any complaints with reference to article 2408 of the Civil Code.

11. The Board of Statutory auditors has not received any instances.

12. During the financial period ended 31/12/2014 your Company has not given the legal Audit Firm Deloitte Touche any other assignments other than those related to the legal audit of accounts established by the law.

13. In the course of the financial year, we the Board of Statutory Auditors have not provided options in accordance with the law.

14. Through direct verification and information collected from the Audit firm, the Board of Statutory Auditors ascertained the observance of laws and rules with regards to the preparation of the Company's financial statements and the related management report. Moreover, the Board of Statutory Auditors examined the evaluation principles adopted in the preparation of the presented financial statements in order to verify the conformity to legal requirements and to the corporate-economic conditions.
The Board of Statutory Auditors confirms that the directors, in preparing the financial report, have not infringed the rules of the law pursuant to art. 2423, paragraph four, of the Italian Civil Code.

15. The balance sheet shows a positive operating result for the period of € 2,277,18 which can be broken down as follows:

Assets	Euro	91,012,662
Liabilities	Euro	49,681,398
Net equity (excluding operating profit)	Euro	39,054,083
Operating profit (loss)	**Euro**	**2,277,181**
Accounts, commitments, risks and other memorandum acc.	Euro	

In brief, the income statement presents the following values:

Production value (non financial income)	Euro	63,550,916
Production costs (non financial costs)	Euro	61,248,907
Difference	**Euro**	**2,302,009**
Financial revenue and costs	Euro	1,079,807
Value adjustments on financial assets	Euro	
Extraordinary revenue and costs	Euro	
Result before tax	Euro	3,381,816
Tax on earnings	Euro	1,104,635
Profit (loss) for the year	**Euro**	**2,277,181**

16. The Board of Statutory Auditors has noted that the Company has capitalized costs for internal production incurred in the course of the financial year for the amount of € 32,375, broken down into € 24,149 for material and € 8,226 for internal labour. The cost of staff employed amounting to € 237,659 has also been capitalized under the item Development costs. These costs have been deducted from the specific items in the income statement.

17. The Board of Statutory Auditors has maintained constant contact with the legal Audit Firm through meetings held in the Company's registered offices during which no significant aspects emerged requiring further specific examination; during these meetings and the subsequent mutual exchange of information on the verifications performed we were not informed of the existence of any reprehensible facts.

18. The Board of Statutory Auditors has ascertained the adequacy, with regards to the method, of the impairment test process used to verify the existence of possible permanent loss of value (impairments) in relation to the investments recorded among the assets of the balance sheet.
Impairment tests were performed on the following companies: Bolzoni Auramo Inc., Bolzoni Ltd, Bolzoni Auramo S.l., Bolzoni Auramo Pty, Bolzoni Italia S.r.l. and Bolzoni Holding Hong Kong. The result of these tests is the obligation to write-off investment in Bolzoni Auramo Pty (500 thousand euros).

19. Further to our activity of supervision and control no significant facts emerged worthy of being highlighted or mentioned in this report.

20. Group's Consolidated Financial Statements. As is known, the supervision of the consolidated financial statements is transferred to the bodies or subjects nominated by law for the legal audit of the accounts of the controlling company (art. 41, paragraph 3, of Law n. 127 of 9 April 1991) which, in the case of companies obliged to prepare the consolidated financial statements (art. 25 of Law 127 of 9 April 1991) is not the responsibility of the Board of Statutory Auditors but belongs to the auditor or audit firm appointed for the legal audit of the accounts who must prepare the specific report. Nevertheless, the Board of

Statutory Auditors feels it is appropriate to provide a brief comment in this report regarding proposals on the Company Financial Statement, both for the obligation to supervise compliance to the law, the by-laws and the standards of correct administration to which the Statutory Auditors are generically bound (art. 149, paragraph 1, letter d, Law 58/1998) and also in accordance with the principle by which the matters and documents submitted to the Shareholders Assembly by the Directors is subjected to examination by the Board of Statutory Auditors which consequently considers it appropriate to report to the Shareholders Assembly on the most important points such as, indeed, the consolidated financial statements.
The consolidated financial statement closes the year 2014 with a Group profit of 1.044 thousand euros (previous year 123 thousand euros). The audit firm Deloitte & Touche S.p.A., appointed also for the review of the consolidated financial statement, has confirmed the correctness and the conformity of the balance sheet and income statement deriving from consolidation to the accounting records of the parent company and to the information transmitted by the subsidiary companies included in consolidation, taking into account the variations resulting from the adoption of the international accounting principles. The information and the details provided by the directors on the consolidated financial statement appear extensive and clear. In view of the above, the Statutory Auditors do not have any reservations regarding the publication of the consolidated financial statements as established by the law.
With regards to the consolidated financial statement and its contents the Assembly of Shareholders should consider that disclosure is provided for information purposes only as this is not submitted to approval by the Assembly itself.

21. In reference to the above, the Board of Statutory Auditors does not have any grounds for the impediment of the approval of the company financial statement at 31 December 2014 and has no objections with regards to the proposed resolution presented by the Board of Directors regarding the allocation of the result for the financial year

Casoni di Gariga, March 30, 2015

The Board of Statutory Auditors

The Chairman of the Board:	Giorgio Picone
Standing statutory auditor	Maria Gabriella Anelli
Standing statutory auditor	Carlo Baldi