Annual Report 2013

WAMGROUP®

strong ethics ....

.... winning spirit

www.wamgroup.com

Marcello Marchesini / Vainer Marchesini (WAMGROUP® Chairman & C.E.O.) / Roberto Marchesini / Elena Marchesini

CORPORATE PHILOSOPHY

WAMGROUP® aims for worldwide leadership in the supply of equipment for Bulk Solids Handling, Waste Water Treatment and Renewable Energy Generation.

Vision & Mission

WAMGROUP® regards honesty and fairness as cornerstones in its relationship with customers, suppliers, business partners, stakeholders and employees.

WAMGROUP® intends to be innovative in the development, industrial manufacturing and distribution of market-oriented equipment through specialised distribution channels.

WAMGROUP® is determined to supply the most comprehensive range of equipment available to deliver the one-stop-solution in the area of Bulk Solids Handling, Air Filtration, Mixing, Waste Water & Sludge Treatment, Renewable Energy Generation and Vibration Technology.

WAMGROUP® will always do its best to offer any customer in any place in the world the highest possible quality product and service at the most competitive price.

Vainer Marchesini
WAMGROUP Chairman & C.E.O.

CORPORATE PROFILE

At WAMGROUP® we believe that our people are our greatest asset. Thanks to men and women who dedicate their talents and their energy to the Group's growth, in more than four decades what began as a small workshop has grown into a global player.

Creative & Responsible Professionals

The multicultural profile of WAMGROUP® means we are able to build an international knowledge-based organisation of talented and qualified people motivated to bring their own ideas to the creative process. This combination of expertise and experience enables us to meet the challenges of tomorrow.

HISTORY

Since Vainer Marchesini, founder and current Chairman and C.E.O. of the Group, manufactured his first Screw Conveyor in 1969, the name WAMGROUP® has come to stand for innovation in bulk material handling technology and equipment supply.

Yesterday's pioneering spirit, today's leadership

In the 1960s young Vainer Marchesini worked in the technical office of a concrete plant manufacturer in the northern Italian town of Modena. One of Marchesini's tasks was to provide cement screw conveyors. The only options were either in-house manufacturing or subcontracting to local artisans. This was the moment when the idea to turn hitherto custom-made machines into an industrial product was born.


1969

Future


Present


THE PRODUCT RANGE

Highly focused on the requirements of the market, WAMGROUP® aims to produce market-oriented solutions and to turn them into a particularly user-friendly standard.

Today, WAMGROUP® manufactures and supplies a comprehensive product range including equipment for Bulk Solids Handling, Dust Filtration, Mixing, Waste Water & Sludge Treatment, Renewable Energy Generation and Vibration Technology.




Market-oriented solutions from standard components

- Screw Conveyors & Feeders
- Bucket Elevators
- Chain Conveyors
- Dust Collectors
- Flow Intercepting & Diverter Valves
- Discharging Equipment for Powders & Granules
- Bag Emptying Equipment
- Bulk Bag Filling & Emptying Equipment
- Feeding & Metering Equipment
- Level & Pressure Monitoring Instruments
- Silo Safety Components
- Pneumatic Conveying System Components
- Rotary Valves
- Vibrators & Flow Aids
- Mixers, Blenders, Conditioners, Granulators
- Equipment for Waste Water & Sludge Treatment
- Hydrodynamic Screws
- Biogas Plant Equipment
- Manure and Biogas Digestate Separators

PRODUCTION TECHNOLOGY & QUALITY AWARENESS

Two steps ahead of the competition

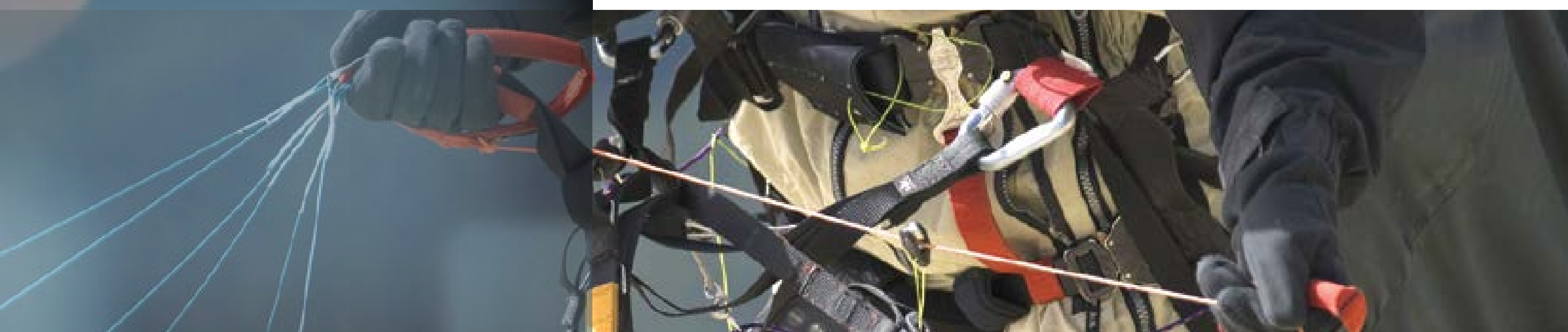
Highly rationalised and cost-effective CAD/CAM-supported production methods and logistics have been constantly improved throughout the years and reflect state-of-the-art achievement.

Today integration of those processes in the Group's manufacturing companies all over the world has already become reality.

Leading with quality

High quality and a price-performance ratio second to none make WAMGROUP® equipment the ideal choice for every project engineer and provide the customer with the best deal available on the market.

Consistent quality and constant improvement of products and manufacturing methods are guaranteed by the ISO Quality Management System. This gives every WAMGROUP® customer the assurance that the equipment he is going to use has been checked and tested in each phase of the manufacturing process.



As a global player WAMGROUP® sets great store by having the quality management system of all manufacturing companies worldwide certified by the same certifying body.

RESEARCH & DEVELOPMENT

Uncompromising dedication to R & D is the foundation of the Group's vast product range and leads time and again to the development of newly designed equipment manufactured from standardised modular components.

Excellence of intellectual property

Dedicated to innovation

WAMGROUP® takes pride in having patented a large number of inventions. Setting new trends in the market has become a tradition and represents a commitment for the future.

Customers all over the world today identify WAMGROUP® products with their distinctive registered trademark.

APPLICATIONS

WAMGROUP®'s know-how and expertise lie in designing, developing and manufacturing machines and equipment for mechanical and pneumatic conveying, feeding and metering, flow interception, discharging of powders and granules, mixing, waste water and sludge treatment, renewable energy generation, as well as mechanical or pneumatic vibration.

Perfect match between product and application

These products are widely used in a vast number of industrial sectors, such as building and construction, food processing, flour and animal feed milling, chemicals and plastics, mining, glass processing, and environmental technology, to name but a few.

CORPORATE SERVICES & STAFF TRAINING

Since the 1990s the Group has been controlled by a holding. Apart from issuing the Group's consolidated balance report and supporting all members in financial matters, WAMGROUP S.p.A. provides a number of services to the Group: global cash management, IAS-compliant financial auditing, international insurance programmes, support in legal affairs, as well as global marketing.

Working with WAMGROUP®

Corporate Human Resources have been developing global schemes for selection and training of our personnel. In fact, WAMGROUP® considers management and staff training a cornerstone of its corporate philosophy. Regular meetings and seminars, frequent training courses and workshops - open to WAMGROUP® staff from all over the world - keep our people updated and strengthen intercultural communication.

2,130
EMPLOYEES WORLDWIDE

690
EMPLOYEES IN ITALY

INTERNATIONALISATION

In 1984 WAMGROUP® established its first foreign branch in France followed by a long series of trading subsidiaries. For major integration into overseas markets, in the late 1990s WAMGROUP® started to set up manufacturing and assembly plants for their major product lines in eastern Europe, the Middle East and the Far East, in the Americas and Asia, as well as in Australia.

Think global, act local

Today WAMGROUP® is present in more than eighty countries where a global team of highly motivated professionals ensures that customers find professional advice, smooth order management and after-sales service in their own language.

WAM® TOREX® MAP® EXTRAC® SPECO® OLI®

A GLOBAL PLAYER WITH

58 SUBSIDIARIES WORLDWIDE

20 MANUFACTURING SITES

- WAM Adria (Croatia)
- WAM Argentina
- WAM Australia
- WAM Baltic (Estonia)
- WAM B.H.M (Belgium)
- WAM Chile
- WAM do Brasil (Brazil)
- WAM Egypt
- WAM Engineering (UK)
- WAM EurAsia (Turkey)
- WAM Finland
- WAM France
- WAM France Environnement
- WAM GmbH (Germany)
- WAM Helvetia (Switzerland)
- WAM Holland
- WAM Inc. Georgia Division (USA)
- WAM Inc. Texas Division (USA)
- WAM India
- WAM Japan
- WAM Korea (South Korea)
- WAM Latin (USA)
- WAM Malaysia
- WAM Middle East (U.A.E.)
- WAM Maroc (Morocco)
- WAM Mexico
- WAM Moscow (Russia)
- WAM M.H.E. (New Zealand)
- WAM Polska (Poland)
- WAM Product (Croatia)

ITALIAN ORIGINS

- WAM Industriale S.p.A. Conveyor Division
  Bulk Solids Conveying Technology

- WAM Industriale S.p.A. Filter Division
  Air Filtration Technology

- WAM Industriale S.p.A. Valve Division
  Bulk Solids Flow Interception Technology

- WAM Industriale S.p.A. SINTSCREW® Division
  Mortar & Plaster Processing

- WAM Industriale S.p.A. EXTRAC® Division
  Bulk Solids Discharging Technology

- WAM Industriale S.p.A. MAP® Division
  Mixing Technology

- WAM Industriale S.p.A. SPECO® Division
  Environmental Technology

- OLI S.p.A.
  Vibration Technology

- VISAM S.r.l.
  Vibration Technology

- TOREX S.p.A.
  Bulk Solids Handling Technology

- RONCUZZI S.r.l.
  Port Handling Technology / Conveyors & Components

- FLITECH S.r.l.
  Helicoid Screw Flighting / Conveyor Screws

- TECNO CM S.r.l.
  Engineering Polymer Components

- SAVI S.r.l.
  Waste Water Treatment Technology

- WAM Romania
- WAM Scandinavia (Denmark)
- WAM Shanghai (P.R.C.)
- WAM Shanghai Trading (P.R.C.)
- WAM Singapore
- WAM South Africa
- WAM Spain
- WAM Thailand
- WAM Ukraine
- WAM Vietnam
- WAM Wuxi (P.R.C.)
- EMT (Germany)
- OLI France
- OLI GmbH (Germany)
- OLI Makina (Turkey)
- OLI Vibra Nordic (Sweden)
- OLI Romania
- OLI South Africa
- OLI Spain
- OLI Vibra (Malta)
- OLI Vibrator (USA)
- OLI Vibrators (Australia)
- OLI Wolong (P.R.C)
- SILOFAB (Romania)
- SPECO Hidrotechnolgía (Spain)
- SPECO LatinoAmerica (Chile)
- TECNO CM Romania
- TOREX Malta

SAFETY & ENVIRONMENT

Liable to future generations

"The world has been loaned to us by our children".

At WAMGROUP® we feel strongly about this. By treating our customers, our stakeholders, our suppliers and our employees with integrity and fairness we intend to create a strong platform from which we can pass on our moral values to those who will continue the work in future.

A global responsibility

WAMGROUP®'s business decisions are also driven by their impact on the environment. Layout and equipment of our factories worldwide follow global state-of-the-art guidelines on health & safety and protection of the environment.

2013 FINANCIAL YEAR

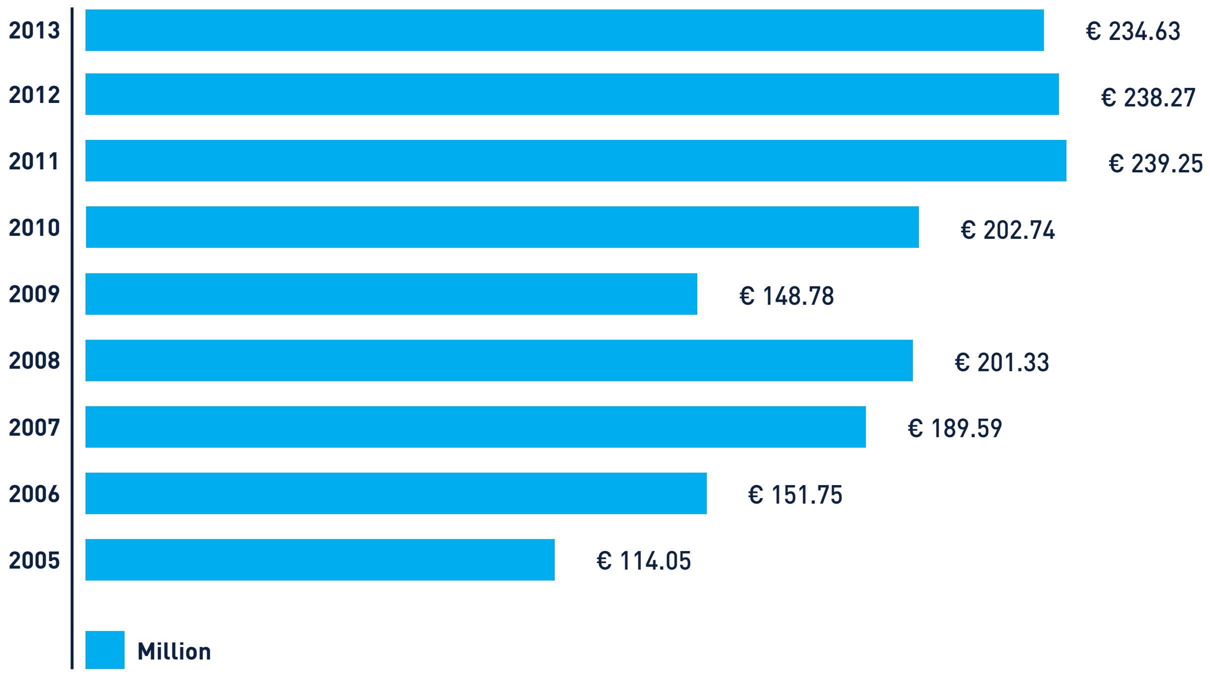
WAMHOLDING S.p.A.
Registered office: Modena - Strada degli Schiocchi, 12
Share capital : € 5,000,000,00= fully paid up
Modena companies Registered
Tax code: 01639830361

MANAGEMENT REPORT CONSOLIDATED FINANCIAL STATEMENTS ON THE 31st DECEMBER 2013

Dear Shareholders,

For our group, 2013 has been a year in which we consolidated the results achieved. In fact, the effects of the severe earthquake of May 2012 have not completely disappeared; the reconstruction of a part of the production facilities is still ongoing, and they are expected to resume full operation only at the end of 2015, with the return of all production lines at the original site. However, in 2013 the Group achieved satisfactory results, despite the uncertainties on the overall performance of the economies, confirming the success of the strategies adopted. The volume of sales slightly decreased compared to the previous year, dropping from 238.27 million to 234.63 million, a decrease of 1.5% mainly due to the exchange rate movements, while group net consolidated has settled at € 14 million.

CONSOLIDATED REVENUES



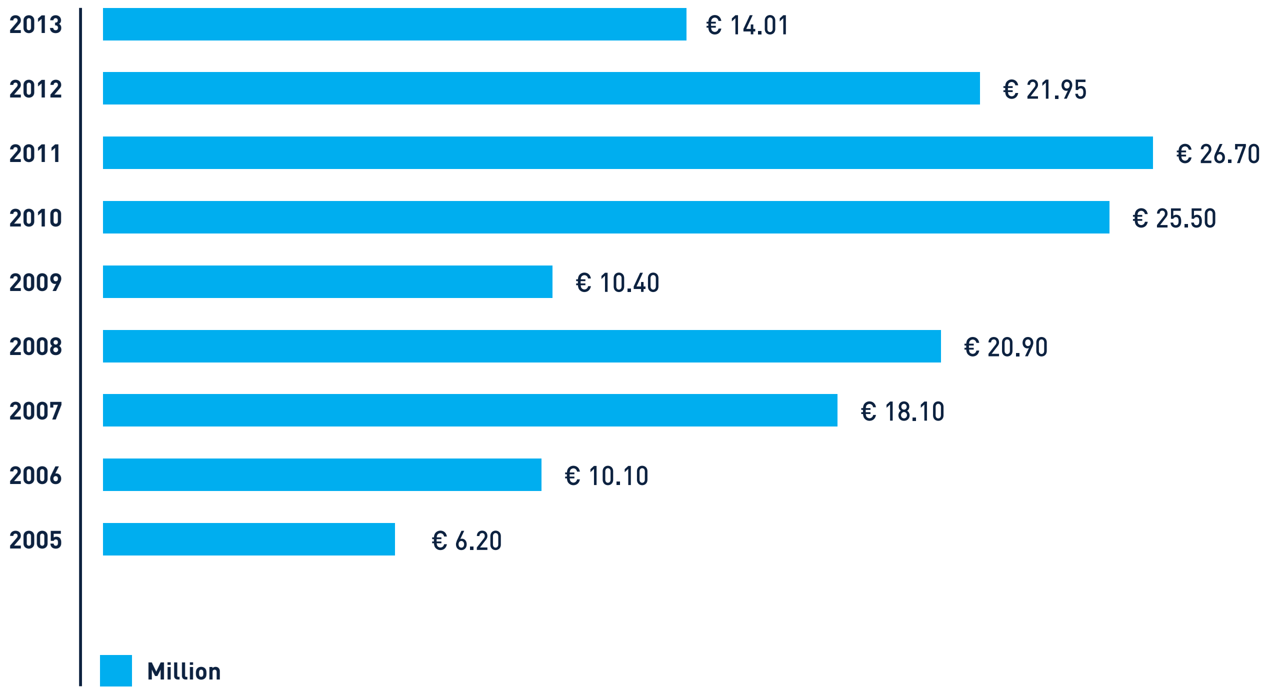
The Group has confirmed the excellent results achieved in Brazil, Russia, Latin America and Turkey. The sales volumes in India and China have stabilized, even though the economy of the area was influenced by politics and there were doubts about the sustainability of growth. Good results were obtained by the branches of the African continent, which, while contributing marginally to the group, provide a basis for future growth.

There is, however, an overall confirmation of the overall margins after the dilution of the previous years.

In compliance with the provisions of article 2428 of the Civil Code, this management report has been drawn up to accompany and complete the documents composing the consolidated financial statement related to the financial year ended 31/12/2013 in accordance with the company by-laws.

The consolidated net profits for the financial year, including shares attributable to third parties, were found to amount to € 14 million Euros (5.96% of sales revenues) compared to € 21.95 million gained in 2012. The difference between cost and value of production amounted to 23.03 million, registering a slight decrease compared to the previous year, thus confirming the operating result of the previous year. The decrease in the result is due to non-characteristic components, and almost entirely to the dynamics of the exchange rates, which recorded a decline of 4.61 million, going from a 0.66 million positive difference to a negative one of 3.95 . The pre-tax profit was of 20.03 million € (8.53% of the sales revenue) after allocating 10.51 million € for the depreciation funds, and 0.61 million € to other risks and charges funds.

CONSOLIDATED PROFIT



As a non operative parent company, WAMHOLDING S.p.A. controls all holdings held by the Group through the subholding WAMGROUP S.p.A. that arranges all the funding for the companies and holding bodies and coordinates their business from a strategic, commercial, financial and administrative point of view, providing technical and commercial services. In particular, WAMGROUP S.p.A. has centralised the management of sales and marketing communications at its own premises, along with the accounts and administrative checks and inspection functions for all the directly and indirectly controlled subsidiaries with head offices in Italy and in some EU countries. Other centralised processes include the management of the accounts systems and procedures, human resources and the related administrative and legal issues, the treasury, the coordination of all the financial transactions of the directly and indirectly controlled subsidiaries and affiliates with head offices in Italy and in some countries of the European Union. Beginning with 2011, WAMGROUP S.p.A. has gone through a reorganization process reallocating resources and professional skills and concentrating all research and development activities – including the research laboratory, marketing, technical and commercial activities – in order to provide new and more adequate services to all its subsidiaries.

The Group operates in the mechanical engineering sector and more specifically, in the production of machinery for conveying granular materials and powders. The production generally concerns screw feeders, filters for the collection of dust, various kinds of valves and other accessories for extracting, feeding, mixing and storage systems for powdery, granular and various other kinds of materials. Among the complementary activities the Group engages in, is the production of mixers, vibrators, polymeric components and water conditioning systems, as well as continuous steel screw feeders.

The Group's strategy, aimed at satisfying market demand with an ever-increasing effort to improve the overall efficiency through contained costs and careful attention to quality and service continues to confirm its effectiveness, allowing the consolidation of sales volumes and making the most of the opportunities due to the still existing worldwide recession.

The strategy of acquiring significant market shares through the containment of sales prices, cost rationalization, localization of the production on the reference markets and the search for a genuine and effective proximity to customer needs, rapidly responding to any needs, have allowed an increase of the sales volume, despite the fact that the turnover is essentially unchanged. Despite the pressure of the competition with a high degree of competitiveness, especially in the markets of the Far East, the margins were in line with the previous year; the introduction of new product lines and technologies, combined with research into new applications for the Group's products, will enable a new cycle of expansion in sales volume and the recovery of the margins.

Effective customer orientation strategies include the establishment of branch offices in each relevant country, as well as an appropriate centralised organization, capable of providing assistance to each market area involved and aimed at satisfying market demand with prompt commercial and technical solutions.

GROUP'S FINANCIAL SITUATION AND MANAGEMENT TREND

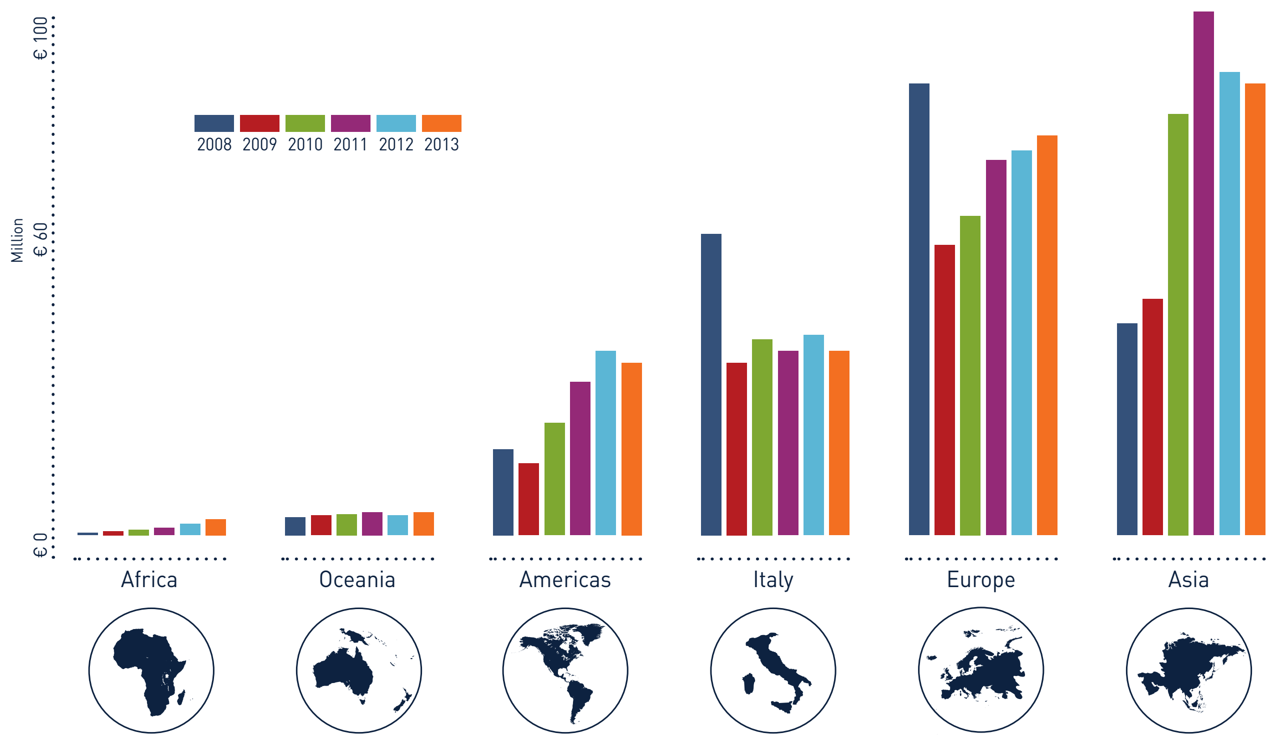
Valuation data and comparison of results with those of the previous financial year, with reference to the economic trend and the financial situation are shown in the charts enclosed at the foot of this document. Observations deemed of major importance are reported below.

Economic situation analysis

The revenue from sales passed from € 238.2 million to € 234.6 million, with a 1.53 % decrease, while the production value diminished from € 248.6 million to € 245.8 million, with a 1.12% decrease.

Below is a chart showing sales revenues divided by main geographical areas:

REVENUE BY GEOGRAPHICAL AREA



	2013			2012		2011		2010	
Italy	34,452,542	14.5%	-8.3%	37,576,086	15.8%	35,288,400	18.3%	37,003,580	21.7%
Europe	75,894,165	31.9%	3.8%	73,095,191	30.7%	71,103,001	29.9%	60,537,062	36.8%
Asia	85,249,778	35.8%	-2.8%	87,744,759	36.8%	99,106,751	39.5%	80,128,985	30.0%
Americas	32,302,912	13.6%	-7.3%	34,838,004	14.6%	29,068,222	10.5%	21,223,740	9.1%
Oceania	4,177,470	1.8%	23.3%	3,389,027	1.4%	3,782,567	1.7%	3,418,672	2.3%
Africa	2,558,318	1.1%	56.7%	1,633,103	0.7%	902,388	0.2%	432,195	0.2%
	234,635,184			**238,276,170**		**239,251,329**		**202,744,234**	

The sales volume on the domestic market has declined, while maintaining a satisfactory level, even considering the general trend of the domestic demand. The European market has shown an overall positive trend, with a slight improvement in both volumes and quantities, mainly due to the positive trend in Eastern Europe. The sales volume on Asian markets has slightly decreased compared to the previous year, but essentially confirmed the trend marked by the persistence of political and economic uncertainties characterising the Indian market, as well as due the doubts existing about the sustainability of the growth of the Chinese market. Positive results were achieved on the American markets, with a consolidation of the increase achieved in the previous years. The volumes of the African branches were also positive, with a consistent growth, despite an overall marginal incidence.

The overall production costs decreased from € 224.72 million to € 222.79 million, with an incidence rate of 90.6% on the production value. The difference between production value and costs decreased has not registered significant changes.

The overall financial charges significantly increased from 0.81 to 5,78 million Euros, mainly due to exchange rate differences, changing from a balance of 0.66 million Euros to a loss of 3.95 million. The net balance of the interest payable increased from 1.48 to 1.83 million Euros, with a 0.74% incidence rate on the production value, subsequently confirming the Group's solid equity.

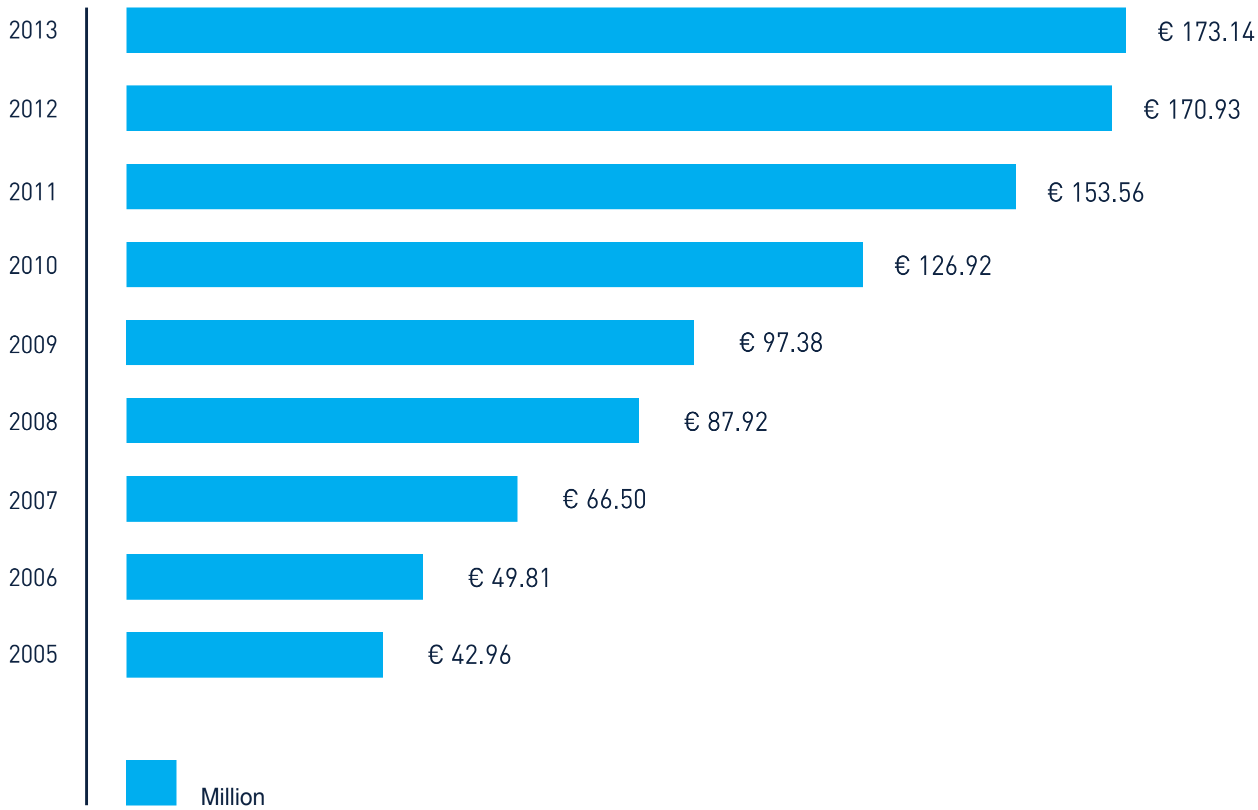
The non-recurring items with a negative balance of € 2.83 million have no significant impact on the result and are mainly made up of the sums for the damage due to the earthquake and the related contributions, as well as the total amount of the adjustments to the items related to previous financial years for minimum amounts as per the various consolidated companies.

The overall result achieved by the Group decreased from 21.9 to 14 million Euros, with a net margin of 5.96% on the production value.

Net equity analysis

The analysis of the Group's net equity highlights its ever increasing balance and absolute solidity, with a total net equity of 173.13 million Euros – increased by 2.2 million Euros compared to the previous financial year due to a deterioration in the reserve due to currency differences going from positive 3.66 million to negative (1.72) – which covers the 52.9% of the overall invested capital. Fixed assets amount to 327.2 million Euros, with a decrease compared to the previous year in relation to a rationalization of cash. The stock increased by 2.26%, passing from 82.48 to 84.35 million Euros; receivables from customers decreased from 56.36 million to 51.66 million Euros, with an allocation to bad debt provision deemed adequate. Liquid assets decreased from € 71.58 million to 56.96 million Euros; the working capital increased from 93.9 million Euros to 98.5 million Euros.

EQUITY



The total payables increased from 118.9 million Euros to 143.5 million Euros, mainly due to the effect of the increase in the payables to suppliers, while the payables to the banking system increased by 11.4 million Euros passing from 61.5 to 72.9 million Euros, of which 35.3 is made up of medium and long term payables.

Financial position analysis

Consistently with the net equity, the financial position of the company confirms the Group's solidity. The net financial indebtness towards the banking system amounts to €18.7 million; the gross operating margin amounts to € 36.59 million, 51% of which is represented by indebtness.

The Group's self-financing capacity and its investment sustainability is further underlined by all the financial indexes.

INVESTMENTS

During 2013, the Group invested 12.3 million Euros in fixed assets, focusing on the areas of major development; in particular, € 3.6 million from WAM B.H.M Wuxi (RPC) - mainly for plant and machinery-, 1.03 million Euros from WAM India, for the construction of the new industrial building and for the purchase of plant and equipment, 1.19 million Euros of the companies located in Romania for new plant and equipment, 1.29 million Euros of WAM Eurasia (Turkey) for the purchase of the area for the construction of a new industrial building, and a total of € 2.45 million invested by Italian companies for new machinery and installations. Also in progress is the new production plant where WAM Industriale will resume production, with a leasing investment of over 8 million Euros.

€ 12,334,000
INVESTMENTS 2013

PLANT AND MACHINERY
62.97%

REAL ESTATE
26.25%

OTHER INVESTMENTS
10.78%

RESEARCH AND DEVELOPMENT

The Group carries out thorough research and development activities mainly within the Italian production companies, through specific laboratories and divisions. The said activities are primarily aimed at product innovation, utilization of new materials & applications and innovative use of machinery.

The Group's overall expenditure, entirely charged to the profit and loss account, amounts to € 1.84 million, equal to 0.8 % of the sales volume, achieved by WAMGROUP S.p.A for a total of € 0.55 million.

MAIN RISKS AND UNCERTAINTIES

The main area of risk is linked to the general market trend, which, due to an uncertain global economic situation marked by a high growth differential between the different geographical areas, is characterized by an extremely variable demand.

Thanks to its widespread range of products and commercial activities worldwide, the Group maintains an unquestioned leading market position for a wide range of products in specific sectors. Moreover, thanks to a high degree of innovation, combined with technological excellence, its products can be utilized within a wide range of industrial sectors, with the possibility of opening new markets and business areas. At the same time, the Group is able to minimize the impact of recession periods and take full advantage of recovery periods.

The valuation of all asset items did not bring to light any particular element of uncertainty.

EXPOSURE TO FINANCIAL RISKS

The Group is exposed to the financial risks, which are broken down as follows:
- credit risk as regards business relations with the clientele;
- liquidity risks with reference to availability of financial resources;
- market risks as regards operations subject to variables linked to exchange rates and interest rate risk.

Credit risk

The credit risk implies the exposure of the Group to clients' insolvency with regard to the obligations undertaken by clients. The credit risk is distributed across a large number of clients all over the world, for single amounts with no relevant impact in relation to the turnover.

The credit risk related to clients is constantly monitored through careful examination of clients' background information and other evaluation procedures.

Liquid asset risk

The main liquidity risk to which the Group is exposed, is represented by the potential difficulty to obtain funding within the required time frame for sustaining the Group's characteristic activities and investments. The Group's financial and monetary situation – with a net debt to the banking system of 18.7 million - is constantly monitored. The company's strong financials as well as a solid economic position, its high credit rating, not to mention its remarkable self-financing capacity broadly explained above, render the foregoing risk irrelevant.

Market risk

This category mainly implies risks related to currency and exchange rate variations.

The Group is exposed to the currency risk in that it trades in a large number of different currencies. The presence of various commercial branches, in part productive branches located in each country, with a part of costs generated in the specific currency, significantly minimizes the effects of exchange rate variations, despite the presence of extremely volatile markets.

The Group is exposed to an exchange rate risk in that accrued interest on the existing financial liabilities has a variable interest rate: however, said risk exists to a limited extent given the irrelevant degree of indebtness incurred by the Group and the consequent low incidence rate on the financial burden reported in the company's profit and loss account (0.78% on the sales volume).

ENVIRONMENT AND PERSONNEL

The Group carries out its activity in full compliance with the environmental provisions in force in the countries where it operates. The type of activities carried out by the Group do not entail any criticality in relation to environmental protection. As of today, no lawsuit over environmental crime or damage has been filed against any of the Group's subsidiaries.

While performing its business activities, the Group complies with the provisions in force regarding occupational safety and hygiene, and, broadly speaking, with all the regulations, standards and rules concerning employee protection. As of today, no workplace related accidents, serious injuries or other occurrences including occupational disease or mobbing for which the company may be held liable has been reported.

As regards staff policies, the Group is committed to confirm the actions already undertaken during the previous financial years, and shall continue investing in high quality staff and staff training and development.

As of today, no outstanding lawsuits or charges related to staff management have been reported, while the occurrence of occupational injury falls within the normal range.

OPERATIONS ON HOLDINGS OWNED BY THE PARENT COMPANY

The parent company does not own shares in its own name, and the subsidiaries do not hold any shares of the parent company.

FINANCIAL INSTRUMENTS

The Group's subsidiaries do not use any kind of financial instruments, except for exchange rate coverage in relation to specific operations made in foreign currency.

SIGNIFICANT EVENTS OCCURRED FURTHER TO THE CLOSING OF THE FINANCIAL YEAR - FORESEEABLE MANAGEMENT TREND

Further to the closure of the financial year, nothing worth noting was found that could influence the financial position and the economic trend of the Group as shown in the financial statement.

During the first months of the current year, the Group's operating performance is in line with that of the previous year, with an increase in the sales volume, confirming the results of 2013, against the increasingly competitive markets. The Group's excellent market position, the distribution of production and sales on almost every world market, combined with flexible management and careful attention to costs, are all contributing factors for the foreseeable outstanding results to be obtained in 2014 as well.

Modena, the 28th May, 2014
THE SOLE DIRECTOR
Vainer Marchesini

	PRODUCTION VALUE PROFIT AND LOSS ACCOUNT	31-Dec-13	%	Var %	31-Dec-12	%
Rv	Revenue from sales	234,635	95.4%	-1.5%	238,276	95.8%
Ra	Other revenues and income	2,156	0.9%	5.9%	2,037	0.8%
Pi	In-house production	9,029	3.7%	8.7%	8,303	3.3%
VP	**A. PRODUCTION VALUE**	**245,821**	**100.0%**	**-1.1%**	**248,616**	**100.0%**
Cm	Raw, subsidiary materials and consumable materials and goods	90,465	36.8%	-3.0%	93,303	37.5%
Coe	Other operating costs	50,581	20.6%	-4.5%	52,950	21.3%
	B. EXTERNAL COSTS	**141,047**	**57.4%**	**-3.6%**	**146,253**	**58.8%**
VA	**C. ADDED VALUE (A-B)**	**104,774**	**42.6%**	**2.4%**	**102,362**	**41.2%**
Cp	D. Personnel costs	68,177	27.7%	4.9%	65,021	26.2%
MOL	**E. GROSS OPERATING MARGIN (C-D)**	**36,596**	**14.9%**	**-2.0%**	**37,341**	**15.0%**
Amm	Depreciation of intangible fixed assets	2,416	1.0%	10.5%	2,186	0.9%
Amm	Depreciation of tangible fixed assets	8,100	3.3%	0.1%	8,092	3.3%
Lea	Finance lease instalments	2,440	1.0%	1.0%	2,415	1.0%
Acc	Other allocations to provisions and devaluations	609	0.2%	-18.9%	751	0.3%
	F. DEPRECIATION AND DEVALUATIONS	**13,566**	**5.5%**	**0.9%**	**13,445**	**5.4%**
RO	**G. OPERATING RESULT (EBIT)**	**23,030**	**9.4%**	**-3.6%**	**23,895**	**9.6%**
Pec	Extraordinary earnings	640	0.3%	-19.8%	799	0.3%
Oec	Extraordinary charges	-48	0.0%	-78.2%	-222	-0.1%
REO	**H. EXTROARDINARY RESULT**	**592**	**0.2%**	**2.6%**	**577**	**0.2%**
ROGP	**I. PRODUCTION MANAGEMENT ORD. RESULT (G+H)**	**23,622**	**9.6%**	**-3.5%**	**24,473**	**9.8%**
Ps	Extraordinary income	6,735	2.7%	-63.8%	18,599	7.5%
Os	Extraordinary charges	-3,896	-1.6%	-73.5%	-14,706	-5.9%
	L. EXTRAORDINARY RESULT	**2,838**	**1.2%**	**-27.1%**	**3,892**	**1.6%**
RGP	**M. PRODUCTION MANAGEMENT RESULT (I+L)**	**26,461**	**10.8%**	**-6.7%**	**28,365,8**	**11.4%**
Of	N. Financial charges	6,429	2.6%	297.9%	1,615,8	0.6%
RL	**O. GROSS RESULT (M-N)**	**20,031**	**8.1%**	**-25.1%**	**26,750,0**	**10.8%**
I	P. Income taxes	6,025	2.5%	25.6%	4,795,8	1.9%
RN	**NET RESULT (O-P)**	**14,005**	**5.7%**	**-36.2%**	**21,954,2**	**8.8%**

	RECLASSIFIED BALANCE SHEET (financial)	31-Dec-13	%	Var %	31-Dec-12	%
	ASSETS					
AF	**FIXED ASSETS**	**94,768**	**29.0%**	**1.4%**	**93,475**	**27.9%**
Iimm	Intangible fixed assets	7,174			8,229	
csIimm	Historical cost	15,706			14,954	
faIimm	Depreciation fund	-8,531			-6,724	
Imat	Tangible fixed assets	84,454			82,292	
csImat	Historical cost	134,897			127,721	
faImat	Depreciation fund	-50,442			-45,428	
Ifin	Financial fixed assets	3,138			2,953	
AC	**CURRENT ASSETS**	**232,442**	**71.0%**	**-3.5%**	**240,997**	**72.1%**
M	Stock	84,351			82,486	
Ld	Non-financial deferred cash funds	91,123			86,929	
Li	Available cash funds	56,967			71,581	
CI	**INVESTED CAPITAL**	**327,210**	**100.0%**	**-2.2%**	**334,472**	**100.0%**
	EQUITY AND LIABILITIES					
MP	**EQUITY**	**173,136**	**52.9%**	**1.3%**	**170,930**	**51.1%**
Cs	Share capital	5,908			6,171	
R	Reserves	167,228			164,758	
Pcons	**CONSOLIDATED LIABILITIES**	**56,074**	**17.1%**	**3.7%**	**54,073**	**16.2%**
PconsF	Financial consolidated liabilities	36,721			35,285	
PconsNF	Non-financial Consolidated liabilities	19,353			18,788	
Pcorr	**CURRENT LIABILITIES**	**97,999**	**29.9%**	**-10.5%**	**109,468**	**32.7%**
PcorrF	Financial current liabilities	38,944			38,587	
PcorrNF	Non-financial Consolidated liabilities	59,054			70,881	
CF	**FINANCIAL CURRENT LIABILITIES**	**327,210**	**100.0%**	**-2.2%**	**334,472**	**100.0%**

	BALANCE SHEET FINANCIAL BREAKDOWN	31-Dec-13	31-Dec-12
AF	**FIXED ASSETS**		
Iimm	Intangible fixed assets	7,174	8,229
Imat	Tangible fixed assets	84,454	82,292
Ifin	Financial fixed assets	3,138	2,953
MP	**EQUITY**		
Cs	Share Capital	5,908	6,171
R	Reserves	167,228	164,758
PC	**CONSOLIDATED LIABILITIES**	**56,074**	**54,073**

	BALANCE SHEET FINANCIAL BREAKDOWN	31-Dec-13	31-Dec-12
	STRUCTURE MARGIN (A)	**134,443**	**131,528**
Ld	Non financial deferred cash funds	91,123	86,929
M	Stock	84,351	82,486
PcorrNF	Non -financial current liabilities	-59,054	-70,881
	NET CURRENT CAPITAL (B)	**116,420**	**98,534**
Li	Available cash funds	56,967	71,581
PcorrF	Financial current liabilities	-38,944	-38,587
	NET SHORT - TERM FINANCIAL POSITION (A-B)	**18,023**	**32,993**

	RECLASSIFIED BALANCE SHEET (by functional area)	31-Dec-13	%	Var %	31-Dec-12	%
	INVESTMENTS					
OFA	FIXED CAPITAL	91,629			90,522	
NWC	NET CURRENT CAPITAL	97,317			79,997	
CION	NET OPERATING INVESTED CAPITAL	188,947	75.9%	10.8%	170,520	69.7%
IEO	EXTRA-OPERATING INVESTMENTS	59,855	24.1%		74,283	30.3%
CIN	NET INVESTED CAPITAL	248,802	100.0%	1.6%	244,803	100%
	SOURCES					
MP	EQUITY	173,136	69.6%		170,930	69.8%
DF	FINANCIAL DEBT	75,665	30.4%		73,873	30.2%
	FINANCING SOURCES	248,802	100.0%	1.6%	244,803	

CASH FLOW ANALYSIS	31-Dec-13	31-Dec-12
Operating Profit (EBIT)	**23,030**	**23,895**
Tax Operating Income	-6,741	-3,867
Net Operating Profit after Tax (NOPAT)	**16,288**	**20,028**
Depreciation	10,516	10,278
Finance lease instalments (capital share)	2,440	2,415
Devaluations, allocations to provisions, non-monetary revenues and costs, other adjustments	609	751
Self-financing (AuF)	**29,855**	**33,474**
Δ Net Operating Working Capital (NWC)	-19,975	-5,164
Δ Operating Fixed Assets (OFA)	-17,402	-16,973
of which leased fixed assets	-2,440	-2,415
Free Cash Flow from Operations	**-7,522**	**11,336**

CASH FLOW ANALYSIS	31-Dec-13	31-Dec-12
Non operating revenue and charges	2,868	4,130
Δ Non-operating activities (IEO)	-262	-351
Taxes on non-operating area	-876	-1,156
Unlevered Cash Flow (UCF)	**-5,792**	**13,959**
Financial flows	-5,790	-827
Financial area taxes	1,592	227
Equity flows	-6,414	-4,584
Δ Net Financial Position (NFP)	**-16,405**	**8,774**
Cash & Cash Equivalents	71,581	51,251
Financial debt	-73,873	-62,317
Initial Net Financial Position	**-2,292**	**-11,066**
Cash & Cash Equivalents	56,967	71,581
Financial debt	-75,665	-73,873
Final Net Financial Position	**-18,697**	**-2,292**

INDEX ANALYSIS	31-Dec-13	31-Dec-12
SELF-FINANCING AND DEBT SUSTAINABILITY:		
Self financing ratio [MOL/(Rv+Ra)]	15.5%	15.5%
Self financing index (AuF/(Rv+Ra))	12.6%	13.9%
Incidence rate of financial debt on Sales [(PconsF+PcorrF)/(Rv+Ra)]	32.0%	30.7%
Incidence rate of financial debt on Gross Operating Margin [(PconsF+PcorrF)/MOL]	206.8%	197.8%
Incidence rate of financial debt on Self-financing (DF/AuF)	253.4%	220.7%
Incidence rate of financial charges on Sales [Of/(Rv+Ra)]	2.7%	0.7%
Incidence rate of financial charges on Gross Operating Margin (Of/MOL)	17.6%	4.3%
Incidence rate of financial charges on Self-financing (Of/AuF)	21.5%	4.8%
COMPOSITION RATIOS FOR INVESTMENTS AND SOURCES:		
Investment composition ratios:		
Rigidity index (AF/CI)	0.29	0.28
Flexibility ratio (AC/CI)	0.71	0.72
Stock availability ratio (M/CI)	0.26	0.25
Total liquidity ratio [(Li+Ld+LdF)/CI]	0.45	0.47
Source composition ratios :		
Financial autonomy ratio (MP/CF)	0.53	0.51
Indebtedness ratio [(Pcons+Pcorr)/CF]	0.47	0.49
Medium/long-term indebtedness ratio (Pcons/CF)	0.17	0.16
Short-term indebtedness ratio (Pcorr/CF)	0.30	0.33
Capital protection ratio (R/MP)	0.97	0.96

INDEX ANALYSIS	31-Dec-13	31-Dec-12
FINANCIAL SOLIDITY RATIO:		
Financing of fixed assets:		
Structure primary ratio (MP/AF)	1.83	1.83
Structure primary margin (MP-AF)	78,368	77,454
Structure secondary ratio [(MP+Pcons)/AF]	2.42	2.41
Structure secondary margin (MP+Pcons-AF)	134,443	131,528
Degree of tangible asset depreciation (faMat/csMat)	0.37	0.36
Fixed asset liquidation speed [Amm/(cslimm+cslmat)]	0.07	0.07
Financial autonomy :		
Leverage ratio (MP/CI)	52.9%	51.1%
Total indebtedness [(Pcons+Pcorr)/MP]	0.89	0.96
Financial indebtedness ratio (PconsF+PcorrF)/MP]	0.44	0.43
Tangible equity value (MP-Iimm)	165,962	162,700
LIQUIDITY RATIOS :		
Current ratio (AC/Pcorr)	2.37	2.20
Current margin (AC-Pcorr)	134,443	131,528
Treasury ratio [(Li+Ld+LdF)/Pcorr]	1.51	1.45
Treasury margin (Li+Ld+LdF-Pcorr)	50,091	49,041
Net short-term financial position (Li-PcorrF)	18,023	32,993
DURATION RATIOS OF CURRENT CAPITAL CYCLE :		
Net Working Capital intensity [NWC/(Rv+Ra)]	41.1%	33.3%
Net Working Capital turnover ratio [(Rv+Ra)/NWC)]	2.4	3.0
Stock turnover ratio (Rv/M)	2.8	2.9
MAIN PROFITABILITY RATIOS :		
Return on production ROP (RO/VP)	9.4%	9.6%
Return on net invested capital (VP/CION)	1.30	1.46
Return on sales ROS [RO/(Rv+Ra)]	9.7%	9.9%
Operating invested capital turnover [(Rv+Ra)/CION]	1.41	1.25
Return on net operating invested capital ROI (RO/CION)	12.2%	14.0%
Leverage (DF/MP)	0.44	0.43
Return on equity ROE (RN/MP)	8.1%	12.8%

LEGEND

PRODUCTION VALUE PROFIT AND LOSS ACCOUNT:

Revenue from sales	Rv
Other revenues and income	Ra
In-house production	Pi
PRODUCTION VALUE	VP
Raw, subsidiary materials and consumable materials and goods	Cm
Other operating costs	Coe
ADDED VALUE	VA
Personnel costs	Cp
GROSS OPERATING MARGIN	MOL
Depreciation of intangible fixed assets	AmmImm
Depreciation of tangible fixed assets	AmmMat
Finance lease instalments	Lea
Depreciation and devaluations	Acc
OPERATING RESULT	RO
Extraordinary earnings	Pec
Extraordinary charges	Oec
EXTRAORDINARY RESULT	REO
PRODUCTION MANAGEMENT ORD. RESULT	ROGP
Extraordinary income	Ps
Extraordinary charges	Os
PRODUCTION MANAGEMENT RESULT	RGP
Financial charges	Of
GROSS RESULT	RL
Income taxes	I
NET RESULT	RN

RECLASSIFIED BALANCE SHEET (by functional area):

FIXED ASSETS	OFA
NET CURRENT CAPITAL	NWC
NET OPERATING INVESTED CAPITAL	CION
EXTRA-OPERATING INVESTMENTS	IEO
NET INVESTED CAPITAL	CIN
EQUITY	MP
FINANCIAL DEBT	DF

LEGEND

RECLASSIFIED BALANCE SHEET (financial):

FIXED ASSETS :	AF
Intangible fixed assets:	Iimm
Historical costs	csImm
Depreciation fund	faImm
Tangible fixed assets:	Imat
Historical costs	csMat
Depreciation fund	faMat
Finance lease assets	Ilea
Financial fixed assets	Ifin
CURRENT ASSETS :	AC
Stock	M
Non-financial deferred cash funds	Ld
Financial deferred cash funds	LdF
Available cash funds	Li
INVESTED CAPITAL	CI
EQUITY :	MP
Share capital	Cs
Reserves	R
Treasury charges	Azp
CONSOLIDATED LIABILITIES :	Pcons
Financial consolidated liabilities	PconsF
Non-financial Consolidated liabilities	PconsNF
CURRENT LIABILITIES:	Pcorr
Financial current liabilities	PcorrF
Non -financial current liabilities	PcorrNF
FINANCING CAPITAL	CF

CONSOLIDATED ANNUAL ACCOUNTS at 31st December 2013

BALANCE SHEET

ASSETS				31-Dec-13	31-Dec-12
A)	**Due from shareholders for share capital not paid**				
Total due from shareholders for share capital not paid (A)				**0**	**0**
B)	**Fixed assets**				
I			**Intangible assets**		
	1)		Start-up and capital increase costs	57,212	127,035
	2)		Research, development and advertising costs	42,212	61,419
	3)		Industrial patents and rights to use intellectual property	303,420	363,542
	4)		Concessions, licenses, trademarks and similar rights	548,096	397,037
	5)		Goodwill	364,517	516,716
	6)		Intangible assets under formation and advances	834,050	431,310
	7)		Other	4,440,904	5,602,111
	8)		Difference arising on consolidation	584,410	730,513
			Total intangible assets	**7,174,822**	**8,229,682**
II			**Tangible assets**		
	1)		Land and buildings	53,353,534	53,926,912
	2)		Plant and machinery	16,898,843	15,835,355
	3)		Industrial and commercial equipment	7,732,315	8,305,188
	4)		Other assets	3,543,071	3,086,811
	5)		Assets in course of construction and advances	2,926,962	1,138,648
			Total tangible assets	**84,454,726**	**82,292,915**
III			**Investments**		
	1)		Shares in:		
		a)	subsidiary companies	265,394	81,357
		b)	associated companies	1,440,313	1,439,545
		d)	other companies	1,129,482	1,128,413
	2)		Loans to:		
		d)	other	52,425	52,853
			Total investments	**2,887,614**	**2,702,168**
Total fixed assets (B)				**94,517,161**	**93,224,765**

BALANCE SHEET

C) Current assets

I			**Stocks**		
	1)		Raw, subsidiary materials and consumables	36,662,571	39,908,047
	2)		Work in progress and semi-finished goods	13,137,861	13,023,720
	3)		Work in progress on contracts	84,053	0
	4)		Finished goods and goods for resale	33,807,974	28,784,030
	5)		Payments on account	658,822	770,861
			Total stocks	**84,351,281**	**82,486,658**
II			**Debtors**		
	1)		Trade debtors:		
		a)	falling due within 1 year	51,661,294	56,362,624
	3)		Amounts owed by associated companies		
		b)	falling due after more than 1 year	303,738	303,738
	4-bis)		Tax credit		
		a)	falling due within 1 year	13,574,687	12,418,762
	4-ter)		Advanced taxes		
		a)	falling due within 1 year	6,692,628	6,335,383
	5)		Other debtors:		
		a)	falling due within 1 year	15,425,300	7,598,170
			Total debtors	**87,657,647**	**83,018,677**
III			**Financial assets not held as fixed assets**		
			Total financial assets not held as fixed assets	**0**	**0**
IV			**Liquid assets**		
	1)		Deposits with banks and post offices	56,159,502	70,825,974
	2)		Cheques	676,856	625,576
	3)		Cash and cash equivalents in hand	131,379	129,463
			Total liquid assets	**56,967,736**	**71,581,013**
Total current assets (C)				**228,976,665**	**237,086,348**
D) Prepayments and accrued income					
	2)		Other	3,717,047	4,161,606
Total prepayments and accrued income (D)				**3,717,047**	**4,161,606**
Total assets (A+B+C+D)				**327,210,873**	**334,472,719**

BALANCE SHEET

LIABILITIES AND SHAREHOLDERS' EQUITY				31-Dec-13	31-Dec-12
A)	**Capital and reserves**				
	A1)		**Group:**		
	I		Called up share capital	5,000,000	5,000,000
	IV		Legal reserve	1,749,881	1,749,881
	VII		Other reserves	13,708,067	13,708,067
	VIII		Profits (losses) carried forward	129,149,749	111,415,787
	IX		Net profit (loss) for the year	9,376,047	17,733,962
	XI		Consolidation reserve	779,943	489,694
	XII		Reserve for translation differences	-1,722,521	3,661,737
			Total (A1)	**158,041,166**	**153,759,127**
	A2)		**Minority interests:**		
	I		Share of capital and reserves	10,466,296	12,950,587
	II		Share of net profit (loss) for the year	4,629,431	4,220,317
			Total (A2)	**15,095,727**	**17,170,904**
Total capital and reserves (A)				**173,136,892**	**170,930,031**
B)	**Provisions for liabilities and charges**				
	1)		Pensions and similar obligations	298,598	303,793
	3)		Other provisions	8,731,248	8,656,406
	4)		Provisions for liabilities and charges arising on consolidation	2,500,000	2,500,000
Total provisions for liabilities and charges (B)				**11,529,846**	**11,460,199**
C)	**Staff severance fund**			**7,823,848**	**7,327,902**
D)			**Creditors**		
	4)		Bank loans and overdrafts:		
		a)	falling due within 1 year	38,169,416	37,734,745
		b)	falling due after more than 1 year	36,721,041	35,285,718
	5)		Other providers of finance:		
		a)	falling due within 1 year	775,126	852,705
	6)		Payments on account:		
		a)	falling due within 1 year	4,864,748	3,867,760
	7)		Trade creditors:		
		a)	falling due within 1 year	35,010,378	48,984,031
	12)		Taxation:		
		a)	falling due within 1 year	7,131,094	5,597,441

BALANCE SHEET

13)		Due to social security authorities:		
	a)	falling due within 1 year	2,420,757	2,456,091
14)		Other creditors:		
	a)	falling due within 1 year	8,720,341	8,753,038
Total creditors (D)			**133,812,901**	**143,531,529**
E)	**Accruals and deferred income**			
2)		Other	907,385	1,223,058
Total accruals and deferred income (E)			**907,385**	**1,223,058**
Total liabilities and shareholders' equity (A+B+C+D+E)			**327,210,873**	**334,472,719**

PROFIT AND LOSS ACCOUNT			**31-Dec-13**	**31-Dec-12**
A)	**Value of production**			
1)		Turnover		
2)		Changes in stocks of finished and semi-finished goods and	234,635,184	238,276,170
		in work in progress	8,998,139	8,239,711
4)		Own work capitalised	31,099	63,652
5)		Other operating income	2,156,793	2,037,096
Total value of production (A)			**245,821,215**	**248,616,629**
B)	**Cost of production**			
6)		Raw and subsidiary materials, consumables and goods	87,126,982	96,498,826
7)		Services	36,458,918	39,734,873
8)		Leases and rentals	7,157,486	7,028,770
9)		Staff costs:		
	a)	wages and salaries	53,467,539	51,444,262
	b)	social security costs	10,351,658	9,583,648
	c)	termination indemnities	2,243,112	2,026,457
	e)	other costs	2,115,225	1,966,697
10)		Depreciation, amortisation and write-downs:		
	a)	amortisation of intangible assets	2,416,476	2,186,507
	b)	depreciation of tangible assets	8,100,366	8,092,438
11)		Changes in raw and subsidiary materials, consumables and goods	3,338,914	(3,195,133)
12)		Provisions for risks	553,736	732,370
13)		Other allocations	55,692	18,911
14)		Other operating charges	9,405,144	8,602,073
Total cost of production (B)			**222,791,248**	**224,720,698**

PROFIT AND LOSS ACCOUNT

Difference between value and cost of production (A+B)			**23,029,967**	**23,895,931**
C) Financial income and expense				
15)		Income from equity investments	1,850	2,960
16)		Other financial income:		
	d)	financial income other than that above	639,062	797,131
17)		Interest payable and similar charges	(2,475,989)	(2,277,972)
17-bis)		Profits and losses on exchange rates	(3,953,828)	661,523
Total financial income and expense (C)			**(5,788,905)**	**(816,359)**
D) Value adjustments to financial assets				
19)		Write-downs:		
	a)	of equity investments	48,394	222,036
Total value adjustments to financial assets (D)			**(48,394)**	**(222,036)**
E) Extraordinary income and charges				
20)		Income and gains:		
	a)	gains on disposals	96,758	160,902
	b)	other extraordinary income	6,638,695	18,438,442
21)		Charges and losses:		
	a)	losses on disposals	125,256	387,574
	b)	other extraordinary charges	3,771,657	14,319,268
Total extraordinary income and charges (E)			**2,838,540**	**3,892,501**
Profit (loss) before taxation (A+B+C+D+E)			**20,031,208**	**26,750,037**
22)		**Tax on profit for the year**		
		current	**8,227,455**	**7,354,741,43**
		deferred and (advanced)	**(2,201,725)**	**(2,558,983)**
23)		**Net profit (loss) for the year**	**14,005,477**	**21,954,279**
24)		**Minority interests - share of profit (loss) for the year**	**4,629,431**	**4,220,317**
25)		**Group's profit (loss) for the year**	**9,376,047**	**17,733,962**

ADDENDUM

This consolidated Financial Statement for WAMHOLDING S.p.A. refers to the financial year ending on December 31st, 2013 and it was drawn up in compliance with the provisions of the legislative decree no. 127 dated the 9th April 1991.

A copy of the Consolidated Financial Statement will remain in the files at the registered head office for the fifteen days preceding the meeting called to approve the Financial Statement of the financial year and until the Financial Statement is approved. There will also be a copy filed with the company register, accompanying the company's Financial Statement of the financial year. All of the above complies with articles 41 and 42 of the legislative decree no. 127 dated the 9th April, 1991.

The Financial Statement was drawn up in Euros, as well as the comparative data from the financial year ended on the 31st December, 2012.

The Financial Statement was drawn up in compliance with the current legal provisions and the general postulates of clarity and a truthful and correct representation, as well as the principles of consolidation and the accounting standards provided for respectively by article 31 of the legislative decree no. 127 dated the 9th April, 1991 and by the Italian Civil Code. It represents the financial position and the economic result of the totality of the companies composed of the parent company and the subsidiaries.

The criteria adopted in the evaluation of the various assets categories and in the adjustments made to the values are those stipulated by the Civil Code.

The Financial Statement is made up of the balance sheet, the profit and loss account and this addendum, in compliance with and to the intents and purposes of article 29 of the legislative decree no. 127 dated the 9th April, 1991. It includes the financial statements of WAMHOLDING S.p.A., the parent company, and of all the Italian and overseas companies for which the parent company holds, either directly or indirectly, the majority of the voting rights or has operative control. The following companies were excluded from the consolidated Financial Statement:

- PT WAM Indonesia B.H.M., as it is still under establishment and it is not operational.

The Financial Statement complies, in structure and content, with the provisions of articles 2423-ter, 2424 and 2425 of the Italian Civil Code, both of which were adapted for the consolidation purposes as indicated by the legislative decree no. 127 dated the 9th April, 1991, and by the Documents prepared by the National Accountants' and Bookkeepers' Councils' Commission for the ruling on accounting standards, as amended by the Italian Accounting Authority in order to update them to the new legal provisions set forth in Legislative Decree no. 6 dated the 17th January, 2003.

The reference date of the Consolidated Financial Statement, i.e. December 31st, 2013, coincides with the date of closure of the financial year for the majority as well as for the most important companies included in the consolidation, as per paragraph 2 of article 30 of the legislative decree no. 127 dated the 9th April, 1991.

Below there is a description of the consolidation principles applied in the drafting of the Consolidated Financial Statement, in addition to and with specific reference to the individual items making up the balance sheet and the profit and loss account as well as the criteria adopted for their evaluation.

1. CONSOLIDATION PRINCIPLES APPLIED

The consolidation principles adopted for the drafting of the consolidated Financial Statement are indicated below.

Exclusion of the item "holdings" in companies included in the consolidation against the shareholders' equity of these companies'.

The assets and the liabilities of the consolidated companies were entered using the global integration method, excluding the book value for the consolidated holdings against the shareholders' equity of the said subsidiaries.

The shares of the consolidated subsidiaries' equity and the net result owned by third parties were laid out separately as a special item in the consolidated balance sheet and the consolidated profit and loss account respectively.

The exclusion was effected on the basis of the book values relating to the financial year ended on 31/12/1994, i.e. the date of the first consolidation prepared by the company, or to the financial year first included in the consolidation. With regards to this, the following points should be noted:

- the holdings in the companies held by the Group were registered under the acquisition cost, which coincides with the contributions made by the holding companies during the incorporation phase or any subsequent contributions and revaluations, with the exception of any devaluations made by the holding companies and excluded during the consolidation phase;

- the difference resulting from the exclusion of the account "holdings" is derived for the main part from the results and the other variations in the shareholders 'equity which occurred after the acquisition of the holdings up to ;6the date of the first consolidation;

- this difference does not correspond in any way to a real greater or lower value of the assets and liabilities of the subsidiaries at the moment of the acquisition of the said holdings.

Therefore in the consolidation, the following measures were adopted:

- the surplus of the shareholders' equity on the day of the first consolidation or on the day of the inclusion in the consolidation in relation to the acquisition cost was entered as a "Consolidation reserve";

- the surplus of the acquisition cost in relation to the shareholders' equity value on the day of the first consolidation or on the day of the inclusion in the consolidation was detracted from the Consolidation reserve, as it was not derived, as mentioned earlier, from a real increased value of the subsidiaries;

- the results and the other variations in the shareholders' equity of the consolidated companies, which occurred in the financial years that ended after the date of the first consolidation or the date of the inclusion in the consolidation can be found under the specific items of the consolidated shareholders' equity depending on the kind and the type of reserves experiencing such variations.

The only exceptions to the above mentioned procedure are represented by the holding in the subsidiary PUNTA BIANCA S.r.l. and VISAM S.r.l. for the acquisition of which the price paid was higher; 6 than the company's net shareholders' equity of the company.

For PUNTA S.r.l. the difference - due to the higher value attributed to its fixed assets in relation to the historical cost entered in the accounting books – was used to increase the value of the real assets it is referred to.

For VISAM S.r.l., whose participation was acquired in 2012, given that the company existed and was active for a long time, and in consideration of the economic benefits that its activities will enable the Group to achieve, the excess of the cost of acquisition over its net assets represents an effective higher value of the investee, recoverable through future revenues generated by the same; the surplus was recorded under the item "consolidation differences" and is amortized over a period of ten years, in view of its more long-term economic benefits.

The following companies were included in the consolidation for the first time:

- OLI Vibra UK Ltd. based in the United Kingdom, founded in 2012 and which became operational during the year 2013;

- WAM do Brasil Industrial Ltda, formed by scission of the WAM do Brasil, in order to separate the production activities being implemented.

Exclusion of the balances and the operations between the consolidated companies

The payables and the receivables between the companies included in the consolidation, and likewise the income and expenditure arising from the operations between the said companies were completely excluded for their entire amount. Any exchange rate difference when converting the subsidiaries' foreign currency balances reported by the various consolidated companies was included in the profit and loss account.

The dividends received from the holdings and entered in the profit and loss account of the holding company were also excluded.

Internal profits and losses

The profits arising from the operations between consolidated companies concerning the transfer of assets remaining as stock on the premises of the purchaser or the transfer of fixed assets were excluded, any fiscal consequences from the said operations having been identified and part of the exclusions were attributed to the minority shareholders.

Criteria for the conversion into Euros of the financial statements drafted in foreign currencies

The conversion into Euros of the financial statements of the subsidiaries with head offices in countries which are not members of the EMU was carried out applying the current exchange rates on the date of the financial statement to the balance sheet items, while the average exchange rates for the financial year were applied to the profit and loss account items. With regards to the shareholders' equity entries, the items referring to the contributions made were registered at the historical exchange rates as they stood on the date of the said operation. The results of the financial year which ended on 31/12/1994 and subsequent financial years were entered at the average exchange rate for the financial year in which the said results were achieved and the remaining items were entered at the current exchange rate on the date of the first consolidation or the inclusion in the consolidation. This technique referred to the shareholders' equity was also applied to the companies with head offices in EMU member countries incorporated prior to the date on which the exchange rate was set irrevocably for each currency then used in these countries. The exchange rate differences thus resulting have been entered into the account "Exchange Rate Conversion Difference Reserve" for the amount pertaining to the Group while the share belonging to third parties was entered under the "third parties' equity".

2. CRITERIA APPLIED TO THE FINANCIAL STATEMENT EVALUATIONS

The criteria applied for the evaluation of the Financial Statement postings are those provided for, in relation to the different assets and liabilities categories, by articles 2424-bis and 2426 of the Italian Civil Code, as outlined analytically below.

Tangible fixed assets

The tangible fixed assets were entered according to the general acquisition cost criterion. When establishing this cost, the additional expenditure borne in order to have full availability of the asset was taken into account, as well as any extension and upgrading expenses.

The depreciation of the tangible fixed assets was calculated systematically on the basis of the remaining potential for further use criterion.

Intangible fixed assets

The intangible fixed assets were only entered under the assets subject to verification of their future utility. Their entry value refers to the costs actually borne and on no account can it exceed the estimated value of their expected future utility.

The depreciation of the intangible fixed assets was calculated according to the duration of the benefits it is thought they will be able to produce, applying the principle of their expected future profitability.

The start-up and expansion costs and the costs arising from studies and research are depreciated within a maximum of five years, taking into account their prolonging effect.

Goodwill values were entered under the assets of the subsidiaries WAM Argentina S.A. and OLI France S.a.r.l. and WAM Singapore BHM Pte. Ltd. with reference to the companies acquired by the said companies. The said goodwill is depreciated according to the duration of the economic benefits that the Group will earn in relation to the activities of the companies acquired. It should be noted that the values entered are quite negligible compared to the size of the Group.

Regarding the entry under the heading "Consolidation difference" of the excess of the cost of acquisition of the investment in VISAM S.r.l. in relation to the size of its equity has already been mentioned in paragraph 1 above.

Financial fixed assets

The financial fixed assets were entered at the acquisition cost, including additional costs.

This method was used for both the subsidiaries excluded from the consolidation and the holdings in affiliated companies, as these holdings are immaterial for the purposes of a true and correct representation of the consolidated financial statement.

Stock

The final stocks of raw materials, subsidiary materials and finished products or goods were evaluated at the lesser value of the acquisition cost or manufacturing price and the break-up value inferable from the market trend, mainly applying the L.I.F.O. yearly indexation method, for the yearly average cost increases, and the weighted average cost.

Please note that the stock value obtained with the application of the aforesaid method does not differ significantly from the current costs at the end of the financial year.

The final stock of products under processing was evaluated according to the costs borne during the financial year.

Receivables

The receivables were entered as nominal values and adjusted, taking into account the losses from assessable receivables, using the "provision for bad debt" fund set up for the doubtful receivables. On the basis of the examination made of the various credit items during the drafting of the financial statement, the adjustments from the fund can be considered coherent.

Cash funds

The cash funds were entered as nominal values.

Funds for risks and charges

The entry of the funds for risks and charges derives solely from the need to cover a certain kind of losses or receivables whose existence is either certain or probable and whose total or whose occurrence date was not established at the end of the financial year.

Employee severance pay funds

The employee severance pay funds were updated on the closing day of the financial year as per the provisions of article 2120 of the Italian Civil Code, and represent the effective payables on that day.

Payables

The payables were entered as nominal values with separate indications of those which were collectable within and after the following financial year.

Accruals and deferred income

With regards to the accruals and deferred income, please note that their financial statement entry was made on accrual basis.

Income, revenue, costs and expenditure entry

In compliance with article 2425-bis of the Italian Civil Code, the income, revenue, costs and expenditure entry was made after the deduction of returns, discounts, allowances and bonuses, as well as the taxes connected directly to the sales of the products and the charges for services.

In general, the Financial Statement entries evaluation was made with prudence, taking care to safeguard the clarity and the truthful and correct representation of the financial position and the economic result of the totality of the companies composed of the parent company and the subsidiaries.

3. REASONS FOR THE MOST SIGNIFICANT CHANGES THAT OCCURRED IN THE ASSETS AND LIABILITIES ENTRIES

Intangible fixed assets

Start-up and expansion costs	31/12/2013	31/12/2012
Historical cost	336,798	395,577
Funds	(279,586)	(268,542)
	57,212	127,035
Financial year depreciation	17,452	63,585

Research, development and advertising costs	31/12/2013	31/12/2012
Historical cost	145,951	150,442
Funds	(103,741)	(89,022)
	42,210	61,419
Financial year depreciation	34,824	41,334

Industrial patent and intellectual property rights	31/12/2013	31/12/2012
Historical cost	521,935	518,145
Funds	(-218,514)	(154,603)
	303,421	363,542
Financial year depreciation	111,973	92,077

Concessions, licences, trademarks and similar rights	31/12/2013	31/12/2012
Historical cost	851,997	601,364
Funds	(-303,901)	(204,327)
	548,096	397,037
Financial year depreciation	54,042	39,603

Goodwill	31/12/2013	31/12/2012
Historical cost	593,845	640,895
Funds	(-229,328)	(124,179)
	364,517	516,716
Financial year depreciation	269,765	124,027

Others	31/12/2013	31/12/2012
Historical cost	11,837,442	11,486,015
Funds	(7,396,538)	(5,883,904)
	4,440,904	5,602,111
Financial year depreciation	1,928,420	1,825,881

Fixed assets in progress and payments in advance	31/12/2013	31/12/2012
Cost	834,050	431,310

Tangible fixed assets

Land and buildings	31/12/2013	31/12/2012
Historical cost	66,881,768	65,390,523
Funds	(13,528,234)	(11,463,611)
	53,353,534	53,926,912
Financial year depreciation	2,544,429	1,546,007
Plants and machinery	**31/12/2013**	**31/12/2012**
Historical cost	31,906,615	30,428,573
Funds	(15,007,771)	(14,593,218)
	16,898,844	15,835,355
Financial year depreciation	1,910,234	2,593,174
Industrial and commercial equipment	**31/12/2013**	**31/12/2012**
Historical cost	24,319,708	23,131,306
Funds	(16,587,394)	(14,826,118)
	7,732,314	8,305,188
Financial year depreciation	2,014,882	1,987,764
Other assets	**31/12/2013**	**31/12/2012**
Historical cost	8,861,922	7,632,003
Funds	(5,318,851)	(4,545,191)
	3,543,071	3,086,811
Financial year depreciation	1,631,001	1,965,494
Fixed assets in progress and payments in advance	**31/12/2013**	**31/12/2012**
Cost	2,926,962	1,138,648

Among the intangible fixed assets, the relevant variations concern other fixed assets, mainly composed of investments in software implementation for about 447 thousand Euros supported by WAMGROUP S.p.A..

In relation to the goodwill values and consolidation differences registered, please refer to the description hereafter.

The variations in value of "Tangible fixed assets" are due, for rising figures to substantial investments made by the various companies of the Group, for decreasing figures to disinvestments made to replace obsolete plants and equipment and especially for the severe damage produced by the earthquake to the tangible assets located in Cavezzo and the surrounding localities.

In order to give complete information about the amount of capital invested in the Group, it is necessary to notice that, in addition to the tangible fixed assets entered in the assets of the balance sheet, other leased goods are used by the Group companies (in particular by those with head office in Italy). The total amount at which the said goods would have been registered at the closing date of the financial year if they had been considered as fixed assets (assuming the value of each leased good equal to the cost incurred by the leasing company to buy it) is € 14.17 million. To these one must also add the photovoltaic plants subject of lease-back transactions concluded in 2011 by the subsidiaries NOCI Solar 1 S.r.l. e NOCI Solar 2 S.r.l., which have sold these plants to the company. The company then granted them under finance lease: these plants cost the granting resource bodies over 7.5 million Euros.

The investments made during the financial year are detailed hereunder according to the type and company that made said investments, including the fixed assets in progress and the down-payments made in the previous years and during 2013, permanently ascribed to the relevant fixed assets.

INVESTMENTS DURING THE FISCAL YEAR 2013

ANALYSED BY TYPE

Land and buildings	3,235,193
Plants and machinery	5,451,545
Industrial and commercial equipment	2,309,077
Other assets	1,328,683
Total	**12,334,498**

ANALYSED BY COMPANY

WAMGROUP S.p.A.	924,201
WAM Industriale S.p.A.	1,533,393
TECNO CM S.r.l.	1,037,541
OLI S.p.A.	250,297
WAM Eurasia (Turkey)	1,292,115
WAM Romania S.r.l. (Romania)	791,157
WAM India Pvt. Ltd (India)	1,031,074
WAM B.H.M. (Wuxi) Ltd (China)	3,646,286
OLI-WOLONG Ltd. (China)	332,572
SILOFAB S.r.l. (Romania)	229,180
WAM Product D.o.o. (Croatia)	137,165
Other companies	1,129,517
Total	**12,334,498**

The share of investments mentioned above and funded through leasing contracts amounted to a total of 575 thousand € by WAM Industriale S.p.A. for the acquisition of new machinery.

Financial fixed assets

The sum entered as holdings in subsidiary companies refers to the share owned by the subsidiary WAMGROUP S.p.A. in the newly established company based in Indonesia, for a total of 265,394 €, not consolidated.

The sum entered as holdings in affiliated companies refers to:

- a share owned by the subsidiary WAMGROUP S.p.A. equal to 23% of the capital in the company ELDRIVE S.r.l. with head office in Reggio Emilia (Italy);

- a share owned by the subsidiary WAM Industriale S.p.A. equal to 49% of the capital in the company WAM (Thailand) Co., Ltd., with head office in Bangkok, Thailand;

- a share owned by the subsidiary WAM Industriale S.p.A. equal to 10% of the capital in the company Zhejiang Mantovani Machinery Co., Ltd, with head office in China.

As for the holdings in other companies, they also refer to:

- a minority share owned by WAMGROUP S.p.A. in the company MODENA CAPITALE S.p.A. with head office in Modena;

- a minority share owned by WAMGROUP S.p.A. in the limited liability company CRIT (Centro Ricerche Innovazione Tecnologiche S.r.l.);

- a minority share owned by WAMGROUP S.p.A. in the company TWB Sistema Italia S.p.A. (a low-profit company aimed at aggregating and promoting companies) with head office in Rome;

- a minority share owned by WAMGROUP S.p.A. in the company Intermedia Holding S.p.A., with head office in Bologna;

- shares of company consortiums (whose amount, both singly and collectively, is very low).

The depreciation of the financial activities refers exclusively to the investment in the company Ghirlandina Sport S.r.l. with head office in Concordia (Mo), whose value has completely depreciated, also including the capital contributions made during the year 2013.

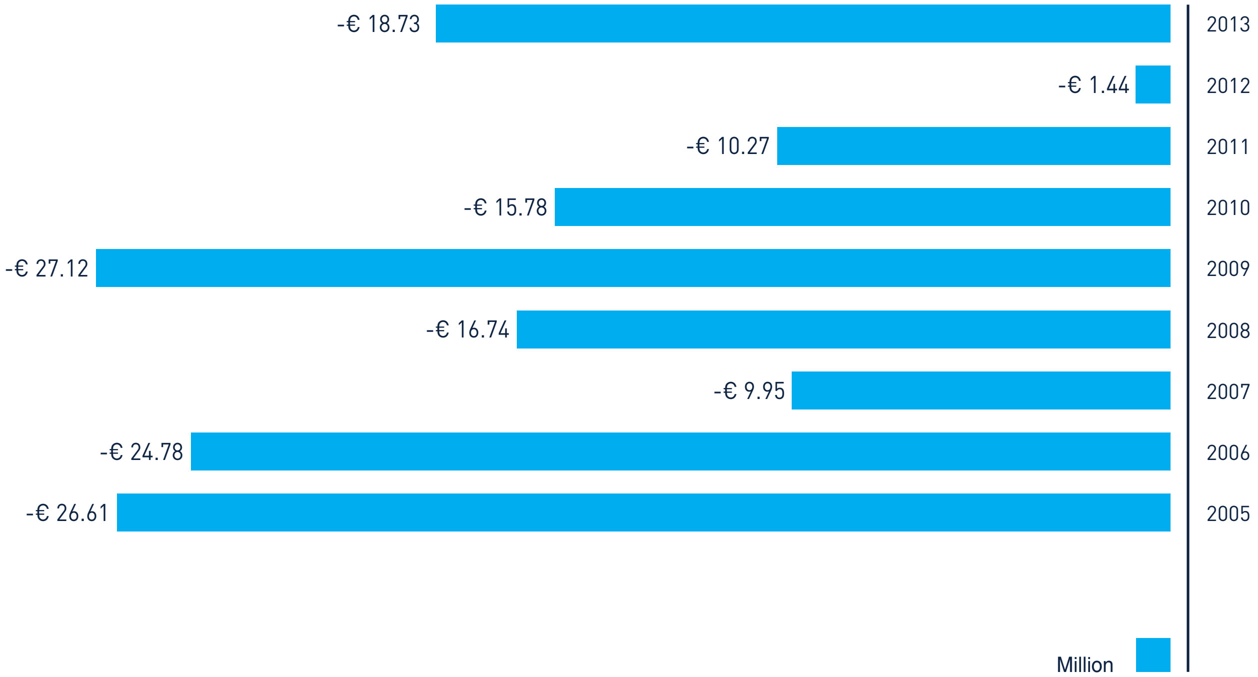
The holding incomes are referred to dividends earned by WAMGROUP S.p.A. and distributed by the subsidiary Modena Capitale S.p.A. Capitalised receivables are referred to guarantees paid to third parties by the subsidiaries WAM France S.A. and OLI France S.a.r.l.

Payables to banks

The Group's short-term net financial position (cash funds after deduction of the short-term banking borrowing), at the end of financial year, was positive for almost € 17 million; the total net borrowing (short- and long term banking borrowing after deduction of cash funds) was equal to € 18.73 million, with an increase compared to the previous year in the increase of the currency and the volume of investment.

The longer-term funding has been taken on, for the main part, by the operating subholding WAMGROUP S.p.A. (for € 30.7 million), by the subsidiary Wam Industriale S.p.A. (for € 2 million), by WAMHOLDING S.p.A. (for 1,19 million), by WAM G.m.b.H. (Germany) (for € 1.23 million) and by WAM B.H.M. Wuxi Ltd (China) (for 1.07 million).

FINANCIAL POSITION



Other assets and liabilities entries

Receivables from customers seem to have slightly decreased, due to an improvement in the average collection time.

Stock showed no significant variation, from € 82.48 million to € 84.35 million Euros, due to the increase of the operational emergencies occurred as a result of the earthquake of May 2012 in line with a strategic decision to keep suitable stock levels in all the companies of the Group, in order to better and quickly respond to the market needs.

Receivables from affiliated companies are referred to funds (expiring after the following financial year) granted by WAMGROUP S.p.A. to the subsidiary ELDRIVE S.r.l.

Tax credits are in line with the previous year and are generated in the companies with head office in the province of Modena, where the earthquake of May 2012 occurred and manifested with the highest intensity; this dynamic, which covers direct and indirect taxes, was the result of the significant expenses incurred to restore the property.

Taxes paid in advance are referred, as for € 1.67 million, to amounts entered into the accounts, in the consolidation phase, for taxes on Group's profits and, for the remaining portion, to amounts entered into the accounts by single Italian companies, in particular WAMHOLDING S.p.A., WAM Industriale S.p.A. and TOREX S.p.A.

Payables to others have increased from 8.2 million to 15.4 million Euros, mainly due to the accounting of the contributions paid by the Emilia Romagna Region to the companies operating in the area of the earthquake.

Payables to suppliers showed a significant decrease, from 48.9 to 35 million Euros, as a result of a resuming of the normal operation after the earthquake of 2012.

Payables to other funders consist almost entirely of funding granted to the subsidiaries NOCI Solar 1 S.r.l. and NOCI Solar 2 S.r.l. by the shareholders of the said companies which do not belong to the Group;

Other asset and liability items have remained almost unchanged.

Shareholders' equity

For the analysis and information, please refer to tables B) and C).

4. COMPOSITION OF THE ENTRIES "START-UP AND EXPANSION COSTS" AND "RESEARCH, DEVELOPMENT AND ADVERTISING COSTS"

The "start-up and expansion costs", whose amount is to be amortized non materially, refer to costs incurred for expenses borne for operations of a special nature (e.g. activity start-up, adaptations of the company by-laws, transfer of production units or head offices or other extraordinary operations) in various companies of the Group.

The "research and development costs" refer in whole to the expense borne by the subsidiaries RONCUZZI S.r.l., TECNO CM S.r.l. and Oscillating System Technology Europe S.r.l. (the latter to a lesser extent) in relation to the study of new products and production processes.

In the financial year, the "start-up and expansion costs" and the "research and development costs" did not increase for new investments.

5. INCREASE OF THE RECEIVABLES AND PAYABLES WITH RESIDUAL PAYMENT TERMS OF OVER FIVE YEARS AND THE PAYABLES COVERED BY REAL GUARANTEES

On the closing day of the financial year there were found to be loans payable, granted mainly to WAMGROUP S.p.A., WAM Industriale S.p.A. and WAM GmbH, with average expiry dates extending after the following financial year for the overall sum of € 36.72 million, of which amount the share with a residual payment term of over five years amounted to € 3.92 million. Among the debts, there is a loan GE Capital granted to WAMHOLDING S.p.A. secured by a mortgage on the assets of the company amounting to 11 million Euros, of which 6.3 million Euros are due after the end of the financial year and 3.92 million Euros are due after the end of the fifth year.

6. COMPOSITION OF THE ENTRIES "PREPAYMENTS AND DEFERRED INCOME", "ACCRUED EXPENDITURE AND LIABILITIES" AND "OTHER PROVISIONS"

The accrued income and prepaid expenses refer mainly to leasing fees and to a lesser extent to rents, interests or insurance premiums. The accrued expenditure and liabilities refer mainly to leasing fees and rent and interest payable for debenture debts and loans, as well as to anticipated costs.

The other funds entered under the liabilities for almost € 8.7 million refer, almost entirely, to the product guarantee risk fund; the remaining part refers to other risk funds mainly established by the subsidiary WAM GmbH.

The sum of € 2,500,000 was also entered under the Consolidation fund for future risks and expenditure, set up to cover any future losses the companies in the Group may suffer.

Under the Income Statement "Other provisions" of insignificant amounts, allocations were made by Group companies WAM Belgium and WAM Group Egypt for Industry and Trade.

7. SUBDIVISION OF THE INTEREST AND OTHER FINANCIAL CHARGES ARISING FROM DEBENTURE DEBTS OR PAYABLES TO BANKS AND OTHERS

The interest attributable to medium- and long-term loans negotiated by the companies in the Group amounts to € 618 thousand. The remaining amount refers in whole to interest from current accounts, short-term funding and bank charges.

8. COMPOSITION OF THE ENTRIES HEADED "SPECIAL INCOME" AND "SPECIAL EXPENDITURE"

Please find the composition of the extraordinary revenues and charges below.

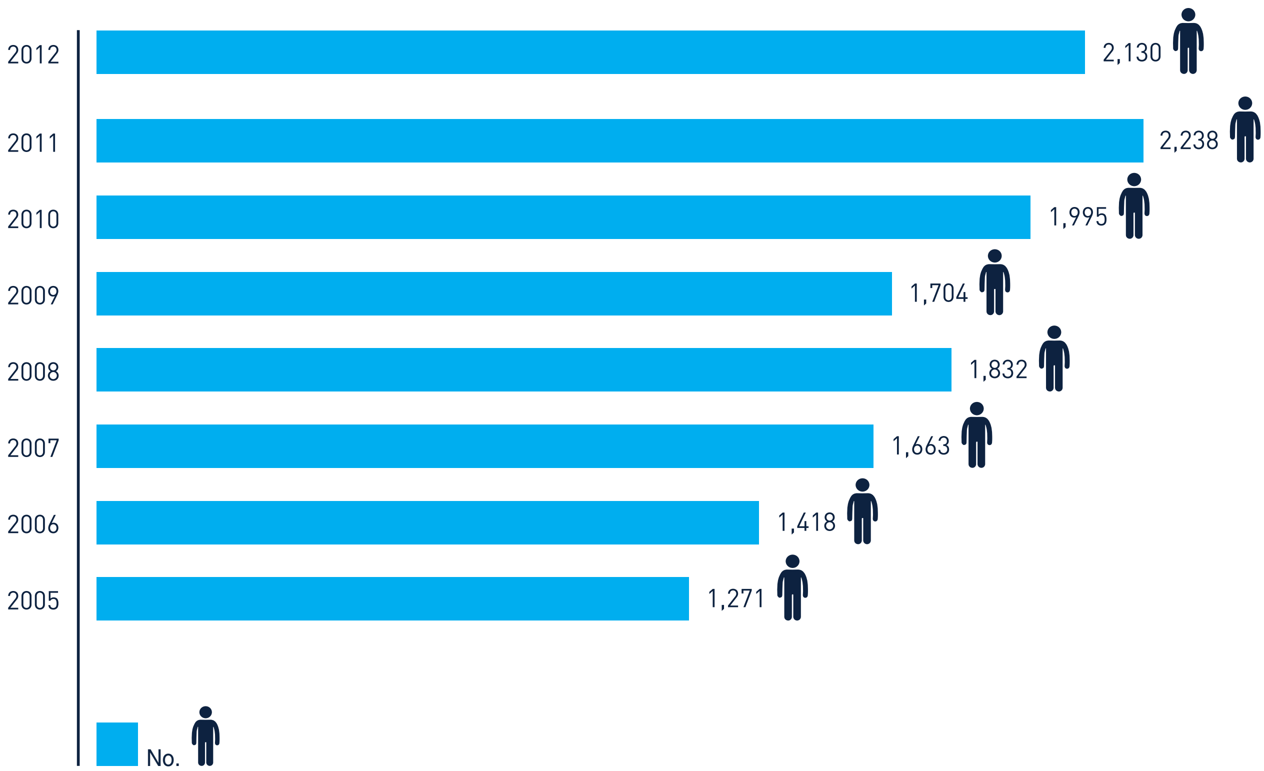
The capital gains refer to the transfer of capital goods by the companies of the Group, for insignificant individual amounts (amounting to 96 thousand Euros), mainly by the Italian companies. Losses on disposals, mainly related to the sale of assets amounted to 125 thousand Euros, 83 thousand Euros by Wam India and 20 thousand Euros by Wam Product (Croatia).

The other income and non-recurring charges refer to income components other than capital gains and losses of a non-recurring nature; the charges consist primarily (more than 2 million €) of the costs incurred by WAMGROUP S.p.A. and by WAM Industriale S.p.A. and by the companies to restore the property, plant and equipment damaged by the earthquake of May 2012, as well as of the asset losses incurred by the same companies; the income consists largely (€ 6 million) of insurance claims accepted to the companies with operational headquarters in the province of Modena, where the earthquake of May 2012 occurred with maximum intensity, for the damage suffered by them as a result of this event.

9. AVERAGE NUMBER OF EMPLOYEES, DIVIDED BY CATEGORY

The average number of employees of the consolidated companies totals 2,130.

EMPLOYEES



10. AMOUNT OF THE DIRECTORS' AND AUDITORS' FEES

The amount of the fees to which the members of the Board of Directors of the parent company are entitled for performing their duties, also within the other consolidated companies, amounts to € 378,000.

The sum of the fees to which the members of the parent company's Board of Auditors are entitled for performing their duties, also within the other consolidated companies, amounts to € 115,962.

11. AMOUNT OF THE EXTERNAL AUDITORS' FEES

The amount of the fees for the external auditor of the consolidated financial statements amounts to € 6,500 in total. During the financial year, the external auditor did not carry out any consultancy activity in favour of the Group.

12. INFORMATION ON DERIVATIVE AGREEMENT

At the end of the financial year, the Group's companies had no derivative agreements in force. No such agreements were executed during the financial year.

13. INFORMATION ON FINANCIAL FIXED ASSETS ENTERED FOR A VALUE HIGHER THAN THE FAIR VALUE

The financial fixed assets, other than holdings in subsidiaries and affiliated companies and holdings in joint ventures, were all entered under the financial statement for a value not exceeding their fair value.

14. OPERATIONS CARRIED OUT WITH RELATED PARTIES

The operations carried out with related parties include:

- directly or indirectly controlled companies not included in the consolidation;
- affiliated companies;
- directors of the Group's companies;
- close relatives of the directors and executives carrying out strategic tasks, companies controlled by (or affiliated to) directors and executives carrying out strategic tasks or by (to) their close relatives;
- shareholders of the Group's parent company.

The operations carried out during the financial year by companies included in the consolidation with related parties are immaterial and were executed at arm's length; in particular no atypical and/or unusual operations were carried out which, due to their significance/importance, could originate doubts about the preservation of the Group's equity.

Among the operations carried out, only the following should be noted:

- fees granted to the major shareholder and sole director of the Group's parent company, as indicated under previous point 10;
- fees granted to the members of the Board of Auditors, as indicated under previous points 10 and 11;
- fees granted in total by the Group's companies to the other shareholders of the parent company, which amount to € 370,015.

15. AGREEMENTS NOT INCLUDED IN THE FINANCIAL STATEMENT

There are no agreements not included in the financial statement.

Lastly, tables A), B) and C), contain respectively the list of companies included in the consolidation, the statement linking the parent company's equity and financial year results and the consolidated equity and financial year results, as well as the statement linking the variations in the consolidated equity.

SOLE DIRECTOR
Vainer Marchesini

WAMGROUP®

RECONCILIATION OF PARENT COMPANY'S SHAREHOLDERS' EQUITY AND YEAR'S RESULT TO THE CONSOLIDATED SHAREHOLDERS' EQUITY AND YEAR'S RESULTS

	WAMHOLDING S.p.A.'S SHARE						MINORITY INTERESTS			TOTAL
	Capital	Reserves	Consolidation reserve	Year's result	Reserve for translation difference	Total	Capital and reserves	Year's result	Total	
Shareholders' equity and year's result as per parent's annual accounts	5,000,000	13,196,528	0	465,331		18,661,859				18,661,859
Capital and reserves of consolidated companies		117,751,418	85,164,812			202,916,230	11,314,305		11,314,305	214,230,535
Book value of investments in consolidated companies			-84,133,707			-84,133,707				-84,133,707
Reserve for translation difference					-1,722,521	-1,722,521	189,570		189,570	-1,532,951
Year's results of consolidated companies				31,141,214		31,141,214		4,901,700	4,901,700	36,042,914
Intercompany's profits included in the stocks' opening balance		-7,383,419	-251,162			-7,634,581	-1,037,579		-1,037,579	-8,672,160
Intercompany's profits included in changes in the stocks				-862,088		-862,088		-272,269	-272,269	-1,134,357
Other adjustments		21,043,169		-21,368,410		-325,241			0	-325,241
Shareholders' equity and year's result as per consolidated annual accounts	**5,000,000**	**144,607,696**	**779,943**	**9,376,047**	**-1,722,521**	**158,041,165**	**10,466,296**	**4,629,431**	**15,095,727**	**173,136,892**

RECONCILIATION OF MOVEMENTS IN CONSOLIDATED SHAREHOLDERS' EQUITY

	WAMHOLDING S.p.A.'S SHARE						MINORITY INTERESTS			TOTAL
	Capital	Reserves	Consolidation reserve	Year's result	Reserve for translation difference	Total	Capital and reserves	Year's result	Total	
Consolidated annual accounts at 31/12/2012	5,000,000	126,873,734	489,694	17,733,962	3,661,737	153,759,127	12,950,587	4,220,317	17,170,904	170,930,031
Year's result allocated to reserves		17,733,962		-17,733,962		0	4,220,317	-4,220,317	0	0
Dividends paid (Extraordinary allocations included)						0	-4,140,137		-4,140,137	-4,140,137
Exchange differences					-5,384,258	-5,384,258	-278,036		-278,036	-5,662,294
Additional acquistion of intererest (25%) in WAM India			362,196			362,196	-1,759,445		-1,759,445	-1,397,249
Additional acquistion of intererest (20%) in Oli France			-12,130			-12,130	-27,870		-27,870	-40,000
Additional acquistion of intererest (20%) in Wam France Env,			-6,167			-6,167	-47,773		-47,773	-53,940
Additional acquistion of intererest (20%) in Wam Australia			-53,650			-53,650	-451,347		-451,347	-504,997
Year's result 2013				9,376,047		9,376,047		4,629,431	4,629,431	14,005,478
Consolidated annual accounts at 31/12/2013	**5,000,000**	**144,607,696**	**779,943**	**9,376,047**	**-1,722,521**	**158,041,165**	**10,466,296**	**4,629,431**	**15,095,727**	**173,136,892**

AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENT AS OF 31st DECEMBER 2013

Dear Shareholders,

Upon completion of the task for which your Company appointed me and in compliance with the Company's By-Laws and the applicable laws, I have audited the Company's Consolidated Financial Statement for the financial year ended on the 31st December, 2013, according to article 41 of Legislative Decree no. 127 dated 9th April, 1991. The drafting of the Financial Statement is the responsibility of the Board of Directors, while I am expected to give an opinion on the said Financial Statement.

The Financial Statement in question can be summarised by the following figures:

Assets	**327,210,873 Euros**
Net Equity	**159,131,415 Euros**
Profit of the financial year	**14,005,477 Euros**
Value of production	**245,821,215 Euros**

With regards to the checks carried out on this consolidated financial statement, I hereby acknowledge the following:

- The area of consolidation is found to have been established correctly in compliance with articles 25 and 26 of Legislative Decree no. 127 dated the 9th April, 1991;
- The date of reference of the consolidated financial statement, 31st December, 2013, coincides with the date of closure of the financial year of the parent company, as per article 30 of Legislative Decree no. 127 dated the 9th April, 1991;
- The outcomes of the financial statement correspond to the accounting entries of the parent company and the information supplied by the subsidiaries;
- The evaluation criteria adopted are those provided for by article 2426 of the Italian Civil Code with substantially uniform methods employed by both the parent company and all the companies included in the consolidation;
- The balance sheet and profit and loss account schemes used were those provided for by the Italian Civil Code in articles 2424 and 2425 having undergone the relative adjustments provided for in articles 32 and 33 of Legislative Decree no. 127 dated the 9th April, 1991;
- The consolidation methods adopted were found to comply with the legal prescriptions and were applied correctly, in particular:
    - The companies in the group were consolidated with the so called "complete" method, entering the respective assets and liabilities item by item in the consolidated financial statement against the cancellation of the respective net equity;
    - The payables and receivables and the transactions between the companies within the group have been duly removed;
    - The profits and losses resulting from transactions between companies within the group and relating to values included in the shareholders' funds have been removed;

- The criteria for the conversion into Euros of the financial statements given in foreign currencies comply with the criteria indicated in the documents drawn up by the National Accountants' and Bookkeepers' Councils' Commission for the ruling on accounting standards, as amended by the Italian Accounting Authority in order to update them to the new legal provisions set forth in Legislative Decree no. 6 dated the 17th January, 2003.

For comparative purposes, the balance sheet and the profit and loss account present the values of the previous financial year. As for the opinion on the financial statement of the previous financial year, please refer to my report dated the 02nd September, 2013.

The addendum was drawn up in compliance with article 38 of Legislative Decree no. 127 dated the 9th April, 1991 and contains all the information provided for therein.

In my opinion, the 2013 consolidated financial statement as a whole is clearly drafted and truly and correctly represents the financial situation as well as the economic result for the financial year closed on 31st December, 2013.

As provided for in article 41 of Legislative Decree no. 127 dated the 9th April 1991, the management report has been checked, and the data and information contained therein have been found to correspond with the results of the consolidated financial statement. Therefore, in my opinion the management report is consistent with the consolidated financial statement

Modena, the 12th June, 2014

Signed
THE EXTERNAL AUDITOR
Dr. Maria Cristina Pasquinelli

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