Chamber of Commerce, Industry and Handicrafts

Agriculture MILAN

Companies Register - Archive Official Chamber of Commerce

CORPORATE INFORMATION

STELMI ITALY SPA

PERSONAL DATA

Registered office address	VITTUONE (MI) VIA GANDHI 15 CAP 20010
PEC address	stelmi.italia@sicurezzapostale.it
Rea number	MI - 1816371
tax code	05374560968
Legal form	company 'for actions

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Extract from the Register of Companies on 21/07/2016

STELMI ITALY SPA
Tax Code 05374560968

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Tax Code 05374560968

1 Attachments

Balance

act

711 - ORDINARY FINANCIAL STATEMENTS
Closing date exercise 31/12/2015
STELMI ITALY SPA

summary

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Extract from the Register of Companies on 21/07/2016

STELMI ITALY SPA
Tax Code 05374560968

Companies Register - Archive Journal of Chamber of Commerce
Updated 31/12/2015 budget

STELMI ITALY SPA
Tax code: 05374560968

Chapter 1 - FINANCIAL PDF OBTAINED IN AUTOMATIC XBRL

v.2.2.4

STELMI ITALY SPA

STELMI ITALY SPA

Financial statements at 12.31.2015

Personal data	
Based in	20010 VITTUONE (MI) VIA GANDHI 15
Tax code	05374560968
Rea number	MI 1816371
PI	05374560968
Capital Euro	1,050,000 iv
Legal form	COMPANY 'FOR ACTION (SP)
Prevailing activities (NACE)	TREATMENT AND COATING OF METALS (256100)
Company in liquidation	No
Sole shareholder	No
Company subject to management and coordination activities of others	Yes
Name of the company or entity that performs management activities and coordination	LEBOGEST SPA
Group membership	Yes
Name of the parent company	LEBOGEST SPA
The country of the parent company	ITALY (I)

The amounts shown are in Euro

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STELMI ITALY SPA

Balance Sheet

	12/31/2015	31-12-2014
balance sheet		
Active		
B) Fixed		
I - Intangible assets		
2) costs of research, development and advertising	13.602	12,430
3) Industrial patent rights and use of intellectual property rights	3,275	5,292
4) concessions, licenses, trademarks and similar rights	667200	733800
5) Starter	246045	491869
7) other	40094	56,837
Total intangible assets	970216	1300228
II - Tangible assets		
2) Plant and machinery	12382813	10456679
3) Industrial and commercial equipment	863623	939072
4) other assets	81730	79728
Total property	13328166	11475479
III - Financial fixed assets		
2) loans		
d) other		
due after one year	897516	816010
Total other receivables	897516	816010
total credits	897516	816010
Financial assets Total	897516	816010
Total fixed assets (B)	15195898	13591717
C) Current assets		
I - Inventory		
1) Raw materials, supplies and consumables	1235128	1679347
2) in progress and semifinished goods	326108	222130
4) Finished products and goods	3305298	2936722
total inventories	4866534	4838199
II - Credits		
1) due from customers		
due within one year	5183806	8267545
Total receivables	5183806	8267545
4) from parent		
due within one year	158518	543835
Total accounts receivable from parent	158518	543835
4-bis) Tax receivables		
due within one year	155,518	118799
due after one year	82922	82922
Total tax credits	238440	201721
4-ter) advance taxes		
due within one year	2106971	2414237
Total deferred tax	2106971	2414237
5) other		
due within one year	36,540	3,374
Total other receivables	36,540	3,374
total credits	7724275	11430712

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IV - Cash		
1) bank and postal deposits	157587	194262
3) cash and cash equivalents	1,732	3,276
Total cash and cash equivalents	159319	197538
Total current assets (C)	12750128	16466449
D) Accrued income and prepaid expenses		
Prepayments and accrued income	352579	319263
Total accruals and deferrals (D)	352579	319263
total assets	28298605	30377429
Passive		
A) Shareholders' equity		
I - Capital	1,050,000	1,050,000
III - Revaluation reserves	2028797	-
IV - Legal reserve	210,000	210,000
VII - Other reserves, indicated separately		
Capital contributions	9994202	8446244
Various other reserves	3(1)	1(2)
Total other reserves	9994205	8446245
VIII - Retained earnings (losses) brought forward	(8953034)	(6508899)
IX - Net profit (loss)		
Profit (loss) for the year	(1572127)	(2444136)
Profit (loss) remaining	(1572127)	(2444136)
Total shareholders' equity	2757841	753210
C) Severance indemnities	1391404	1361912
D) Payables		
3) Amounts due to shareholders for loans		
due within one year	-	469,000
Total liabilities to shareholders for loans	-	469,000
4) due to banks		
due within one year	10330009	11761774
due after one year	6609613	6953576
Total liabilities to banks	16939622	18715350
6) payments		
due within one year	72987	62711
advances total	72987	62711
7) Trade payables		
due within one year	5703986	7875068
Total trade payables	5703986	7875068
12) Taxes payable		
due within one year	487075	106,070
Total tax debts	487075	106,070
13) amounts owed to pension and social security institutions		
due within one year	341119	362328
Total amounts owed to pension and social security institutions	341119	362328
14) Other payables		
due within one year	505350	518676
Total other payables	505350	518676
total debts	24050139	28109203
E) Accrued expenses and deferred income		
Accrued liabilities	99221	153104
Total accruals and deferrals	99221	153104

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STELMI ITALY SPA
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total liabilities	28298605 30377429

(Difference from Euro rounding: 3
(Difference from Euro rounding: 1

accounts Order

	12/31/2015	31-12-2014
Memorandum accounts		
Third party assets held by the company		
assets held by the Company as a deposit or loan	717871	1009695
Total third party assets held by the company	717871	1009695
Total memorandum accounts	717871	1009695

Income statement

	12/31/2015	31-12-2014
income statement		
A) Value of production:		
1) Sales and service revenues	26058386	30802792
2) Changes in inventories of work in progress and finished products	472553	88830
5) Other revenues and income		
Operating grants	-	16,628
others	570407	44909
Total other income and revenues	570407	61537
Production Total Value	27101346	30953159
B) Production costs:		
6) Raw materials, supplies, consumables and goods	17609097	22259987
7) Services	2912556	3282252
8) Use of third party assets	1551304	1662406
9) Personnel:		
a) wages and salaries	3199813	3291745
b) social security charges	1060992	1099946
c) termination indemnities	244872	244250
e) Other costs	79883	161348
Total personnel costs	4585560	4797289
10) Depreciation and Amortization:		
a) amortization of intangible assets	351532	346288
b) Depreciation of tangible fixed assets	790665	744323
d) write-downs of loans included in current assets and liquid assets	7,165	11,345
Total depreciation and write-downs	1149362	1101956
11) changes in inventories of raw materials, supplies, consumables and goods	[illegible]	(251.316)
14) Other operating expenses	146576	157331
Total production costs	28398674	33009905
Difference between production value and costs (A - B)	(1297328)	(2056746)
C) Financial income and expenses:		
16) other financial income:		
d) other income		
from parent companies	-	4,500
others	254	337
Total other income	254	4,837
Total other financial income	254	4,837
17) Interest and other financial charges		
in associates	-	25795
to parent companies	15,166	111134
others	673784	767243
Total interest and other financial charges	688950	904172
17-bis) Gains and losses on foreign exchange	2,060	2,149
Total financial income and expenses (15 + 16 - 17 + - 17-bis)	(686,636)	(897,186)
E) Extraordinary income and expenses:		
20) income		
others	595921	29,211
total income	595921	29,211
21) charges		

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others	35324	36293
total expenses	35324	36293
Total extraordinary items (20-21)	560597	(7082)
Pre-tax income (A - B + - C + - + D - E)	(1423367)	(2961014)
22) Income taxes, current and deferred		

current tax	-	26,009
Deferred taxes	307267	-
income (expense) from accession, under the tax consolidation / tax transparency	158507	542887
Total of income taxes, current and deferred	148760	(516,878)
23) Profit (loss)	(1572127)	(2444136)

Notes to the Financial Statements as at 12.31.2015

Notes initial part

Dear Shareholders / Shareholders,

the present budget, submitted for your consideration and for your approval, show a net loss of Euro

(1572127). Budget, in accordance with the provisions of art.
statutory provisions, will be submitted for your approval in the longer period of 180 days due to a delay
2364, paragraph 2 of the Civil Code, and in accordance with the
in the modernization of the computer system for the new department management.

Performed activities

As is well known to you, your company operates in the production of chromium-plated bars and honed tubes, rolle barenati, which together represent the most important semi-finished product for the construction of installations fluid, hydraulic and pneumatic generally.

Significant events during the year and business continuity

The difficult global economic environment and the difficulties in the steel throughout the world, also featured in 2 the trend of our market. Market characterized by a deflationary expectation is for the course of matter before both disruptive commercial actions held by leased manufacturers in low-cost production countries.

The year 2015 was characterized by an ever-changing business trends influenced by market factors and choices several strategic.
In the first months of the year the policy of the aforementioned competitors has conditioned the sale price containi margins;
above average, they have expressed major consumer downturns. The last part of the year the offering was Stelmi
in the middle of the year two important emerging markets, where the product is sold with Stelmi margins
moved away from the course of the average market prices as unsustainable focusing on enhancing the recognized higher product quality even risking some sales volume. Simultaneously has consistently made the financial and economic structure of society by reducing the working capital employed, various operating costs, inc rents of real estate, and the man hours used by recourse to ordinary redundancy fund.

These choices, and the best use of the latest investments (automation packaging and use of the new peeling machi They made it possible to reduce operational losses of the company compared to previous years.
income from the previous year contributed the design, sale and installation of a used system
To improve the situation
It developed its own technology to society Stelmi America Inc. and the remission of debt by a shareholder to minority. Optimize inventory for a better use of working capital it helped the new peeler (purchased in 2014, but became operational during 2015) which allowed to re-enter into the flow Operating slow-moving material: this operation has had positive effects on the financial level but penalized the income result for tens of thousands of euro.

Suffered in this market environment and industry, have remained frozen for several years, the company achieved i an operating loss of EUR 1.572 million (in 2014 the loss was Euro 2.444 million) that, as in the exercises earlier, the majority shareholder has taken steps to fully cover by waiver of the right to a refund loans and related interest and with their contextual conversion into capital reserves for Euro 1548 thousand. December 31, 2015, net assets of the company amounted to € 2,758,000.

December 31, 2015, in addition, the company is in financial debts to banks for € 16.94 million (in decrease compared to Euro 18,715,000 to the financial debt as at 31 December 2014) of which € 903 thousand of installments due in 2016 that will be able to repay through cash flows by operating and with the support of the majority Lebogest SpA shareholder.
As for the contributions and support of Lebogest SpA, it should be noted that during the first two months of the ye 2016, the majority shareholder has granted funding for a further € 1 million.

To face up to the structural crisis in the sector the company is considering extraordinary operations with others in the industry that would bring synergies and financial benefits.

In this context it should be noted that in the course of 2016 we signed a preliminary contract for the sale of a branc business of the companies whose effectiveness is subject to certain conditions precedent to the occurrence of whic changed the scope of activities of the company. This transaction will not result in any reduction in turnover the company by virtue of agreements to be defined to safeguard the commercial relationships with customers, maintaining in this way the level of the pre-existing turnover.
In this economic and financial context and particularly delicate financial, these financial statements have been pre assuming business continuity of the company by virtue of the economic and financial budget prepared by the year 2016 and the commitment secured in the past and confirmed again by the Lebogest SpA shareholder.

It is noted that in this budget is the revaluation was carried out, in accordance with 208/2015 law, systems and machinery at a rate 15.5% acquired in the years 2009, 2011 and 2013, for a total of Euro 2.415 million for which It will be paid a substitute tax of 16%, equal to Euro 386 thousand.
The revaluations find their limit in market value be determined according to estimates

2016ential carried out by third party experts. Depreciation on revalued assets shall be effective as from
In the aspect of shareholders 'equity, with the aforementioned revaluation resulted in the recognition in a special re
amount of Euro 2,029,000, equal to the revaluation of the above, net of the aforementioned tax.

Formation criteria

The following financial statements are consistent with provisions of Articles 2423 and following of the Civil Code notes, prepared pursuant to Article 2427 of the Civil Code, which is, pursuant to article 2423, an integral part of the financial statements.
The financial statements are presented in euros by rounding of the amounts involved. any rounding differences are reported under the heading "Reserve for Euro rounding" between the post offices of Equity and "rounding Euro" under "extraordinary income and expenses" in the income statement.
Pursuant to Article 2423, fifth paragraph, Cc, the notes have been prepared in thousands of Euro.

Evaluation criteria

(Ref. Art. 2427, first paragraph, no. 1, Cc, and accounting standard OIC 12)
The criteria used to draw up the financial statements at 31/12/2015 are consistent with those used to formation of the previous years, in particular in the valuations and continuity of the same principles.
The valuation of balance sheet items have been valued based on general criteria of prudence and competence, in a going concern basis, in the terms described above, and taking into account the economic function element of the asset or liability considered.
The application of the principle of prudence involved the individual valuation of the individual elements entries or items under assets or liabilities, to avoid offsetting losses that should be recognized and profits not recognized as unrealized.
In accordance with the accrual principle, the effect of transactions and other events has been accounted and attributed to the year to which such transactions and events refer, and not that on which the relevant financial movements of cash (receipts and payments).
The continuity of the same valuation criteria over time is necessary for the purposes of comparability of the company's financial statements for various exercises.
Assessment taking into account the economic function of the assets and liabilities that expresses the principle of substance over form - obligatory where not expressly in contrast to other specific rules on the budget - allows the representation of the operations according to the economic reality underly formal aspects.

derogations

(Ref. Art. 2423, comma, Cc)

There were no exceptional circumstances that would have required recourse to a derogation under Article. 2423, paragraph 4 of the Civil Code.

In particular, the evaluation criteria used in preparing the financial statements are as follows.

Guarantees, commitments, third party assets and risks

There are no memorandum accounts related risks related to granted guarantees, personal or real, for debts.
The memorandum accounts present were indicated in the memorandum accounts at their nominal value, obtained and relate to assets that the company holds in the financial lease.

Memorandum accounts

(Ref. Art. 2427, first paragraph, no. 9, Cc)

Description	31/12/2015	31/12/2014	variations
Third party assets held by the company	717871	1009695	(291,824)
	717871	**1009695**	**(291,824)**

The property of others at the company refer to the commitments arising from the following leasing agreements:

Contract No. Rate Payable Total Total
Ubi leasing 6052241 2 4,686
Biella 3025981 17 127 061
Desio 44851-2 11 7323
Selma 30175041 47 173 734
Alba 10570611 43 320 193
Selma 30175037 45 84 874

total 717 871

Statements Assets Note

Changes in receivables from shareholders for capital contributions

No.

Balance at 31/12/2015	Balance at 31/12/2014	variations

Intangible assets

I. Intangible assets

Balance at 31/12/2015	Balance at 31/12/2014	variations
970216	1300228	(330,012)

fixed assets

intangible

They are recorded at historical cost and shown net of amortization in prior years and charged directly to the individual items.

Start-up and expansion costs, research and development, advertising with one year have been capitalized with the consent of the Supervisory Board and are amortized over a period of 5 years.

Goodwill, which is derived from the allocation as a residual of the merger, has been recorded under the consent of the Supervisory Board and is amortized over a period of 9 years. This period, although higher five years no case exceeds the duration for the use of this active.

The rights to use intellectual properties, licenses, concessions and trademarks are amortized at a rate annual rate of 33.33%, while trademarks are amortized at the rate of 5.55%.

Improvements to third party assets, as well as all deferred charges resulting from loan agreements, are amortized at rates based on the duration of the contract.

Movements in intangible assets

	Research costs of development advertising	Industrial patents and rights of use of intellectual property	concessions, licenses, trademarks similar rights		More fixed assets intangible	Total fixed assets intangible
Start value exercise						
Cost	12,430	5,292	733800	491869	56,837	1300228
value of balance	12,430	5,292	733800	491869	56,837	1300228
variations exercising						
increases for acquisitions	7,072	1,534	-	-	12,914	21,520
Depreciation year	5,900	3,551	66,600	245824	29657	351532
Total variations	1,172	(2017)	(66,600)	(245,824)	(16,743)	(330,012)
Value of end exercise						
Cost	50976	187580	1,200,000	2212638	492252	4143446
depreciation (Fund depreciation)	37,374	184305	532800	1966593	452158	3173230

	Research costs of development advertising	Industrial patents and rights of use of intellectual property	concessions, licenses, trademarks similar rights		More fixed assets intangible	Total fixed assets intangible
value of balance	13.602	3.275	667200	246045	40094	970216

The value of budgeting of the "Concessions, licenses and trademarks" (December 31, 2015 amounted to Euro 667 thousand), for the company's brands that are believed to have an independent economic value, and goodwill (31 December 2015 amounted to Euro 246 thousand) are considered fully recoverable from the perspective of restorin business along a medium term horizon.

Revaluations, depreciation and amortization

Composition of plant costs rumors and expansion, the costs of research, development and advertising costs

(Ref. Art. 2427, first paragraph, no. 3, Cc)
It indicates below the composition of the costs of research and development items, advertising registered with the Board of Auditors, as well as the reasons for their inclusion.

Research and development costs

Description costs	31/12 value / 2014	Increase exercise	decrease Exercise	Depreciation exercise	Value 31/12/2015
Quality,vision is safety	12,430	7,072		5,900	13.602
	12,430	7,072		5,900	13.602

The costs of Euro 7000 incurred during the year 2015 relate to audits of ISO certification and security.
The costs booked are reasonably correlated to a utility protracted over several years, and are depreciated

systematically in relation to their residual useful life.

tangible

II. tangible

Balance at 31/12/2015	Balance at 31/12/2014	variations
13328166	11475479	1852687

Movements in tangible assets

Materials

They are recorded at cost and adjusted by the accumulated depreciation.
In value in the financial statements were taken into account ancillary charges and costs incurred for the use immobilization, leading to reduction in the cost of the trade discounts and cash discounts of a significant amount.
The depreciation rates charged to the income statement, were calculated the expected use, destination and duratior economic and technical of the assets, based on the criterion of residual use, policy that we
It felt well represented by the following rates, unchanged from the previous year and reduced by half in the year of entry into operation of the asset:

- plant and equipment: from 3% to 5%
- equipment: from 5% to 13%
- other assets:

furniture and fittings 12%

electronic office equipment 20%

cars 25%

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If, regardless of depreciation already recorded, an impairment loss, the asset is written down. If in subsequent years the reasons for the impairment is the original value net of accumulated depreciation.

Plant and machinery

(Ref. Art. 2427, first paragraph, no. 2, Cc)

Description	Amount
historical cost	17572027
Accumulated depreciation	(7115348)
Balance at 31/12/2014	**10456679**
acquisition year	288423
Law 208/2015 Revaluation	2415235
sales for the year	(95,167)
depreciation for the year	(682,357)
Balance at 31/12/2015	**12382813**

Industrial and commercial facilities

(Ref. Art. 2427, first paragraph, no. 2, Cc)

Description	Amount
historical cost	2202756
Accumulated depreciation	(1263684)
Balance at 31/12/2014	**939072**
acquisition year	14,863
sales for the year	(4847)
depreciation for the year	(85,465)
Balance at 31/12/2015	**863623**

other assets

(Ref. Art. 2427, first paragraph, no. 2, Cc)

Description	Amount
historical cost	383462
Accumulated depreciation	(303,734)
Balance at 31/12/2014	**79728**
acquisition year	24,845
depreciation for the year	(22,843)
Balance at 31/12/2015	**81730**

	plants and machinery	Industrial equipment Business	More fixed assets materials	Total fixed assets materials
Beginning of the year value				
Cost	17572027	2202756	383462	20158245
Depreciation (accumulated depreciation)	[illegible]	1263684	303734	8682766
Book value	10456679	939072	79728	11475479
changes in				
Increases for acquisitions	288423	14,863	24,845	328131
Decreases for disposals and divestments (the value)	95167	4,847	-	100014
Revaluations during the year	2415235	-	-	2415235
depreciation for the year	682357	85465	22843	790665

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	plants and machinery	Industrial equipment Business	More fixed assets materials	Total fixed assets materials
total changes	1926134	(75,449)	2,002	1852687
year-end value				
Cost	17761910	2209769	407607	20379286
revaluations	2415235	-	-	2415235
Depreciation (accumulated depreciation)	[illegible]	1346146	325877	9466355
Book value	12382813	863623	81730	13328166

The main purchases of tangible fixed assets incurred during the year concerned the "Plant and Machinery "(interested from Euro 288 thousand total investments) and had, in particular for the acquisition of machinery components, including those related to surrendered.

It is noted that in this budget is the revaluation was carried out, in accordance with 208/2015 law, systems and machinery at a rate 15.5% acquired in the years 2009, 2011 and 2013 for a total of Euro 2.415 million for which It will be paid a substitute tax of 16%, equal to Euro 386 thousand.
The revaluations find their limit in market value be determined according to estimates
Prudential carried out by third party experts.
Depreciation on revalued assets shall be effective as from 2016.

finance leases

Information on finance leases

The financial lease transactions are recognized in the financial statements using the equity method, recording the fees paid to the income statement according to the accrual principle. A separate section of the Notes They have provided the additional information prescribed by law relating to the representation of the leases financial using the financial method.

the company currently has in place n. 6 finance lease agreements in respect of which you provide the following information:

dispenser body: Ubi Leasing SpA
Contract Leasing: 6052241 31/03/2011
Duration of the lease: 60 months
Well used: Iveco
Asset Cost: Euro 103,000
present value of the fee installments not yet due: Euro 4,665
Effective financial charge attributable to it and relates to the exercise: Euro 305
Virtual net value of the asset at end of year: Euro 10,300
Virtual amortization of the period: Euro 20,600

dispenser institution: Banco di Desio and Brianza SpA
Leasing contract: 44851-2 of 02/11/2011
Duration of the lease: 60 months
Well used: Rectifier
Asset Cost: Euro 36,000
present value of the fee installments not yet due: Euro 7,674
Effective financial charge attributable to it and relates to the exercise: Euro 694
Virtual net value of the asset at end of year: Euro 16,470
Virtual amortization of the period: Euro 5,580

dispenser body: Biella Leasing SpA
Contract Leasing: 3025981 of 21/06/2012
Duration of the lease: 60 months

Well used: galvanic plant
Asset Cost: Euro 456 975
present value of the installments overdue fees: Euro 120 698
Effective financial charge attributable to it and relates to the exercise: Euro 9806
Virtual net value of the asset at end of year: Euro 209 066
Virtual amortization of the period: Euro 70,831

dispenser body: Alba Leasing Spa
Contract Leasing: 1057061 of 15/07/2014
Duration of the lease: 60 months
Well used: grinding Lidkoping
Asset Cost: Euro 518,000
present value of the installments overdue fees: Euro 292 851
Effective financial charge attributable to it and relates to the exercise: Euro 15,048
Virtual net value of the asset at end of year: Euro 397 565
Virtual amortization of the period: Euro 80,290

dispenser body: Selmabipiemme Leasing Spa
Contract Leasing: 30175037 of 02/19/2014
Duration of the lease: 60 months
Well used: Casepacker
Asset Cost: Euro 103,000
present value of the installments overdue fees: Euro 79 309
Effective financial charge attributable to it and relates to the exercise: Euro 3,915
Virtual net value of the asset at end of year: Euro 79,052
Virtual amortization of the period: Euro 15,965

dispenser body: Selmabipiemme Leasing Spa
Contract Leasing: 30175041 of 02/19/2014
Duration of the lease: 60 months
Well used: Chamfering
Asset Cost: Euro 215,000
present value of the installments overdue fees: Euro 160 609
Effective financial charge attributable to it and relates to the exercise: Euro 7,653
Virtual net value of the asset at end of year: Euro 198 337
Virtual amortization of the period: Euro 16,662

[illegible] be obtained if using the equity method, are shown in the following tables:

finance leases (lessee) - effect on

net assets

	Amount
activity	
a) Contracts in progress	
a.1) Assets under finance leases at the end of the previous year	929466
accumulated depreciation	367089
a.2) Assets acquired under finance leases during the year	215,000
a.3) Assets under financial leasing redeemed during the year	(23,746)
a.4) Depreciation charge for the year	(209,929)

	Amount
a.5) Impairment / write-backs on assets under finance leases	0
a.6) Leased assets at end of year	910791
accumulated depreciation	521184
b) Assets redeemed	
b.1) Major / minor overall value of assets redeemed, calculated according to the financial method, compared to their carrying amount at end of year	0
Total (+ a.6 b.1)	910791
passivity	
c) Implicit debts	
c.1) Implicit debts for financial leases at end of previous year	721249
of which due within one year	21,011
of which due beyond one year within 5 years	700238
of which due beyond 5 years	0
c.2) Implicit debts arising in the	215,000
c.3) Repayment of principal and redemptions during the year	(270,444)
c.4) Implicit debts for financial leases at the end of the year	665805
of which due within one year	4,665
of which due beyond one year within 5 years	661140
of which due beyond 5 years	0
d) Total gross effect at year-end (+ a.6 b.1-c.4)	244986
e) Tax effect	(20,968)
f) Effect on shareholders' equity at end of year (de)	224018

finance leases (lessee) - effect on

operating result

	Amount
a.1) Reversal of installments on financial leasing operations	313254
a.2) Recognition of financial charges on finance leases	37422
a.3) Recognition of depreciation on existing contracts	209929
a.4) Impairment / write-backs on assets under finance leases	0

a) **Effect on income before income taxes (lower / higher costs)**	65903
b) **Tax effect**	(20,968)
c) **Net effect on the operating result of the leases using the financial method than the method Asset adopted (ab)**	44935

The voice a.5) Impairment / write-backs on assets under finance leases of XBRL prospectus includes the reversa in prepayments and accrued income on rents.

financial fixed assets

Titles

III. financial fixed assets

Balance at 31/12/2015	Balance at 31/12/2014	variations
897516	816010	81506

Movements in financial fixed assets: Investments and other securities, own shares

Own actions

No.

investments

No.

Movements in financial assets: loans

Loans by type

Description	V / Subsidiaries	fair value	V / connected	fair value	V / parent	fair value	V / other	fair value
							897516	
Total							**897516**	

Credits

Description	31/12/2014	Increase	decrease	31/12/2015	Of which related operations with obligation to retrocession	fair value
Others	816010	81506		897516		
	816010	**81506**		**897516**		

The item other receivables have been entered, for a total of Euro 9000, security deposits and Euro 889,000 for loans and advances / INPS for the TFR payments made on behalf of employees to the treasury fund entertained at INPS.

	beginning of the year	Changes in value	year-end value	Due dates beyond one year
Long-term receivables from others	816010	81506	897516	897516
Total long-term receivables	816010	81506	897516	897516

Details of investments in subsidiaries

In the financial statements are not recognized financial assets in subsidiaries for a value greater than its *value fair* .

Details of investments in associates

In the financial statements are not recognized financial assets in associated companies for a value greater than its *fair value*

Breakdown of long-term receivables by geographic area

The balance of funds to 31/12/2015 according to geographical area is shown in the following table (Article 2427 first paragraph, no. 6, CC).

geographical area	immobilized Other receivables	Total current receivables
Italy	897516	897516
Total	897516	897516

In the financial statements are not recognized financial assets for a value greater than its *fair value.*

Value of financial assets

Other titles

Description	31/12/2014	Increase	decrease	31/12/2015	fair value

In the financial statements are not enrolled other securities for a value greater than its *fair value*

	Accounting value
Other receivables	897516

the retail value of other receivables

Description	Accounting value
	897516
Total	897516

detail of the value of other securities

Description	Accounting value	fair value

Current assets

inventories

inventories

Raw materials, auxiliary and finished products, semi-finished products and work in progress are stated at the lowe cost of purchase or production and net realizable value based on market trends. The method of determination of the purchase cost is the

- LIFO method (with annual adjustments);

For the changes to the individual categories, please refer to the data reported in the income statement.

I. Inventory

Balance at 31/12/2015	Balance at 31/12/2014	variations
4866534	4838199	28335

	beginning of the year value	Changes during the year	end value
Raw materials, supplies and consumables	1679347	(444,219)	1235128
In progress and semifinished goods	222130	103978	326108

	beginning of the year value	Changes during the year	end value
Finished products and goods	2936722	368576	3305298
total inventories	4838199	28335	4866534

Inventories include raw materials, semi-finished and finished products relating to the production of rods chrome and polished pipes, rolled and barenati.

December 31, 2015, amount to Euro 4.866 million, in line with those in place at year end previous year (€ 4.838 million).

It was not recognized any inventory write-down as at the date of these financial statements not They are slow-moving or difficult merchantability or use.

Current assets: Receivables

Credits

They are carried at estimated realizable value. The nominal value of receivables to their estimated value of realizable through a specific bad debt provision, taking into account the economic conditions General, sector and sovereign risk.

II. Credits

Balance at 31/12/2015	Balance at 31/12/2014	variations
7724275	11430712	(3706437)

Changes in current receivables

The balance is divided according to Article 2427 (first paragraph, no. 6, CC)

Description	Within 12 months	over 12 months	over 5 years	Total	Of which related to operations with the obligation to retrocessionie completed
from customers	5183806			5183806	
To parent Lebogest	158518			158518	
For tax credits	155.518	82922		238440	
Deferred tax	2106971			2106971	
From others	36,540			36,540	
	7641353	**82922**		7724275	

	start value exercise	change exercising	Value of end exercise	current portion the exercise	current portion the exercise
Loans to customers enrolled in current circulating	8267545	(3083739)	5183806	5183806	-
Receivables from parent companies registered current assets	543835	(385,317)	158518	158518	-
Tax receivables included in current circulating	201721	36719	238440	155,518	82922
Deferred tax assets recognized current assets	2414237	(307,266)	2106971	2106971	-
Other receivables included in current circulating	3,374	33,166	36,540	36,540	-
Total receivables included in current assets	11430712	(3706437)	7724275	7641353	82922

31 December 2015 loans to customers amounted to Euro 5.184 million, a decrease of Euro 3.084 million as a resu the contraction of the turnover of a total of Euro 4.744 million recorded in 2015 compared to 2014.

December 31, 2015 receivables from parent companies amounted to Euro 159 thousand. These receivables refer to income from participation in the tax consolidation recognized as a result of the transfer to the company consolidating the tax losses made in 2015.

December 31, 2015, deferred taxes amounting to EUR 2.107 million relate primarily to losses tax achieved in previous years. Their reduction than those recorded at December 31, 2014 (Euro 307 thousand) is attributable to changes in tax rates IRES in force since 1 January 2017 (instead of 24% 27.5%).

The claims of significant amount 31/12/2015 is as follows:

Description	Amount
VAT credit	125982
Receivables / tax authorities for IRAP	26,009
Receivables for the reimbursement irap (2007-2011)	82922
Other short-term receivables	3,527
	238440

Other receivables at 31/12/2015 amounted to € 36,540, as follows:

Description	Amount
Receivables from INPS CIG	30,489
Advances to employees, arrot.paghe	3,254
Advance c / injuries inail	2,715
Suppliers c / advances	82
	36,540

Breakdown of receivables recognized in current assets by geographical area

The distribution of credits 31/12/2015 according to geographical area is shown in the following table (Article 2427, first paragraph, no. 6, CC).

Geographic area	Italy	Cee	extra Cee	Total
Receivables included in current assets	2,608,002	1,696[illegible]	[illegible]952	5,183,806
Receivables from parent held as current assets	158518	-	-	158518
Tax receivables included in current assets	238440	-	-	238440
Deferred tax assets recognized in current assets	2,106,971	-	-	2,106,971
Other receivables included in current assets	36,540	-	-	36,540
Total receivables included in current assets	5,148,471	1,696[illegible]	[illegible]952	7,724,275

Loans to non-EC countries (31 December 2015 amounted to Euro 879 thousand), down by € 568 thousand compa corresponding receivables at 31 December 2014 (Euro 1,447 thousand), relate to customers from countries, main of which are Russia, South America, Oceania and Southeast Asia, they are not considered at risk of collectat

The nominal value of receivables to their estimated realizable value was obtained through a specific provision bad debt that has suffered, during the year, the following changes:

Description	F.do devaluation ex art. 2426 Civil Code	F.do former write-down 106 Presidential Decree 917/1986	Total
Balance at 31/12/2014		11,345	11,345
Utilisation for losses in the year		(9951)	(9951)
provision for the year		7,165	7,165
Balance at 31/12/2015		**8,559**	**8,559**

It is noted that the company insures its trade receivables with a leading company in the insurance sector and It presents a good average credit quality. For this reason, on 31 December 2015 the provision for bad debts budgeted has a value modest.

Current assets: financial assets other than fixed assets

Changes in financial assets other than fixed assets

III. Financial activities

No budgeted titles.

Balance at 31/12/2015	Balance at 31/12/2014	variations

Description	31/12/2014	increases	decreases	31/12/2015

Current assets: Cash

Changes in cash and cash equivalents

IV. cash and cash equivalents

Balance at 31/12/2015	Balance at 31/12/2014	variations
159319	197538	(38,219)

	beginning of the year value	Changes during the year	end value
bank and postal deposits	194262	(36,675)	157587
Cash and cash equivalents on hand	3,276	(1544)	1,732
Total cash and cash equivalents	197538	(38,219)	159319

The balance represents the liquid assets and the existence of cash and equivalents at year end.

Prepayments and accrued income

Accruals and deferrals

They are determined on the basis of the accrual period.
For accruals and deferrals of long term conditions that resulted in the establishment they have been verified original, and shall, where necessary, the appropriate changes.

They measure income and expenses whose competence is advanced or delayed with respect to cash and / or documentary; they disregard the date of payment or receipt of related income and expenses common to two or mo exercises and shareable on a time basis.
Not there, 31/12/2015, prepayments and accrued income beyond five years.

D) Accrued income and prepaid expenses

Balance at 31/12/2015	Balance at 31/12/2014	variations
352579	319263	33316

	beginning of the year value	Changes during the year	end value
accrued income	79405	57,169	136574
Other prepaid expenses	239858	(23,853)	216005

	beginning of the year value	Changes during the year	-end value
Total accrued income and prepaid expenses	319263	33316	352579

The item breaks down as follows (Article 2427, first paragraph, no. 7, Cc).

Description	Amount
Deferred interest and riba finan.estero	3,115
prepaid insurance	20,842
prepaid contracts	11,063
deferred lease	156134
Centrobanca and prepaid surety Banco pop commissions.	6,646
prepaid ticket	4,406
Rediscount Fairs 2016	12,738
Rate loans for energy-intensive	129364
Other non-appreciable amount	8,270
	352579

The increase in accrued income is primarily attributable to credit facilities granted to companies with strong electricity consumption (so-called "energy-hungry society") the amount of which increased by Euro 50 thousand. € 79,000 at 31 December 2014 to Euro 129 thousand at December 31, 2015. This receivable relates to amounts pa the company for the years 2014 and 2015 not yet paid, as at other energy-hungry companies, being still continuing the process initiated by the European Community of the measures' compatibility checking introduced by the Government with the European rules on state aid.

Capitalised borrowing costs

There are no capitalized borrowing costs.

Notes Liabilities and equity

Net assets

A) Shareholders' equity

(Ref. Art. 2427, first paragraph, nos. 4, 7 and 7-, Cc)

Balance at 31/12/2015	Balance at 31/12/2014	variations
2757841	753210	2004631

Changes in shareholders' equity

	start value exercise	Allocation of net income the previous year other destinations	other changes Decrease	other changes Increase	Result operating	Value of end exercise
Capital	1,050,000	-	-	-		1,050,000
Revaluation reserves	-	-	2028797	-		2028797
legal reserve	210,000	-	-	-		210,000
Other reserves						
Payments on account capital	8446244	-	1547958	-		9994202
Various other reserves	1	2	-	-		3
Total other reserves	8446245	2	1547958	-		9994205
Gains (losses) new	(6508899)	1	(2444136)	-		(8953034)
Profit (loss) year	(2444136)	(1572127)	-	(2,444,136)	(1572127)	(1572127)
Total shareholders' equity	753210	(1572124)	1,132,619	(2,444,136)	(1572127)	2757841

Detail various other reserves

Description	Amount
Difference from rounding of Euro	3
Total	3

The movements that affected shareholders' equity for concern, in addition to the loss, some capital contributions made by the majority partner Lebogest SpA for a total amount of Euro 1548000.

In the aspect of shareholders' equity, with the aforementioned revaluation resulted in the recognition in a special r amount of Euro 2,029,000, equal to the revaluation of the above, net of the aforementioned tax.

Availability and use of shareholders' equity

The equity items are so by origin, the possibility of use, distribution and the utilization in the previous three years (Article 2427, first paragraph, no. 7-, Cc)

	Amount	Possibility of use	Amount available
Capital	1,050,000	B	-
Share premium reserve shares	-	A, B, C	-
Revaluation reserves	2028797	A, B	2028797
legal reserve	210,000	A, B	210,000
statutory reserves	-	A, B	-
Other reserves			
Extraordinary or optional reserve		A, B, C	-
Capital contributions	9994202		-
Various other reserves	3	A, B, C	3
Total other reserves	9994205	A, B	9942245
Retained earnings	(8953034)	A, B, C	-
Total	-		12181042
Non-distributable			12181042

Origin, possibility of use and distribution of the various other stocks

Description	Amount	Amount available
Difference from rounding of Euro	3	3
Total	3	

(*) A: for capital increase; B: to cover losses; C: for distribution to shareholders
In accordance with the provisions of Accounting Standard. 28 on equity, they provide the following additional information:

There are no Statutory reserves

In equity are no other reserves and funds that in the event of distribution would form income taxable income of the company, regardless of the period of training.

Provisions for risks and charges

Information on provisions for risks and charges

B) Provisions for risks and charges

(Ref. Art. 2427, first paragraph, no. 4, Cc)

Balance at 31/12/2015	Balance at 31/12/2014	variations

No funds have been allocated for risks and charges.

Employee termination indemnities

Information on employee termination indemnities

severance pay fund

Is the actual amount due to employees in accordance with laws and labor contracts in force, considering all forms of ongoing remuneration.
The provision corresponds to the total indemnities accrued by employees at the balance sheet date, net of advances paid and all payments made to the pension funds, as expressly indicated by the employers, in compliance with the legislation on severance pay, which came into force in 2007. F employees who have opted to leave their severance indemnities in the company, the payments made to INPS are highlighted in a special credit item of financial assets.

C) Severance indemnities

(Ref. Art. 2427, first paragraph, no. 4, Cc)

Balance at 31/12/2015	Balance at 31/12/2014	variations
1391404	1361912	29492

	Employee termination indemnities
beginning of the year value	1361912
changes in	
provision for the year	244872
use during the year	(295,781)
other changes	80401
total changes	29492
year-end value	1391404

The provision represents the actual amount due to employees in accordance with laws and contracts labor force, considering all forms of ongoing remuneration.
The fund is the total of the individual indemnities accrued up to December 31, 2015 to employees at the date the balance sheet, net of advances paid, and it is equal to what would have been paid to employees in case of termination of employment on that date.
It is noted that during the year payments were made to the treasury fund held with INPS for EUR 80 000, the counterpart of which is reflected in the item of "Loans to other financial assets as well 12 months "the amount of which at December 31, 2015 amounted to Euro 889,000.
The value of EUR 296 000 takes account of both the severance pay paid to employees for layoffs or advances, for paid into the fund Cometa and private pension funds.
The company's actual debt of severance pay entered in this item must be reduced of these receivables to INPS (Euro 889,000) and 31 December 2015 is, therefore, equal to Euro 502 thousand.

debts

debts

They are recognized at their nominal value, adjusted for returns or invoicing adjustments.

D) Payables

(Ref. Art. 2427, first paragraph, no. 4, Cc)

Balance at 31/12/2015	Balance at 31/12/2014	variations
24050139	28109203	(4059064)

Variations and maturity of debt

Debts are valued at their nominal value and the expiration of the same is as follows (Article 2427, first paragraph Cc).

Description	Within 12 months	over 12 months	over 5 years	Total	of which concerning operations with the obligation of retrocession complete	of which for mortgage	of which for pledges	of which for privileges
Due to banks	10330009	6609614	999,999	16939622				
advances	72987			72987				
Trade payables	5703986			5703986				
tax payables	487075			487075				
Payables to institutions foresight	341119			341119				
other debts	505350			505350				
	17440526	**6609614**	**999,999**	**24050139**				

	value of beginning exercise	change exercising	value of end exercise	Due dates within one year	Due dates after one year	Of which the remaining term more than 5 years
Due to shareholders for funding	469,000	(469,000)	-	-	-	-
Due to banks	18715350	(1775728)	16939622	10330009	6609613	999,999
advances	62711	10,276	72987	72987	-	-
Trade payables	7875068	(2171082)	5703986	5703986	-	-
tax payables	106,070	381005	487075	487075	-	-
Payables to institutions security and safety social	362328	(21,209)	341119	341119	-	-
other debts	518676	(13,326)	505350	505350	-	-
total debts	28109203	(4059064)	24050139	17440526	6609613	999,999

The most significant debts 31/12/2015 They are analyzed:

Description	Amount
Payables / banks c / overdrafts	2065807
Payables to / from banks. import	153345
Payables / advances to banks	7073341
Payables / Banco Popular Group	869486
Payables / Banca Popolare di Sondrio	400,000
Payables / Centrobanca-BPM	6377643
	16939622

The balance of the debt to banks 31/12/2015 amounted to Euro 16939000. A decrease of Euro 1.776 million compared to the previous year (31 December 2014, financial debt to banks amounted Euro 18.715 million) due to the repayment of installments due in 2015 for a total of Euro 1.977 million and in the lower financing needs due to the reduced volume of business of the company.

It notes that, the financing with Centrobanca-BPM, signed in 2008 for € 15.75 million, was the subject of renegotiation with some rescheduling of installments as existing contractual conditions, and will expire on 31/07/2

The repayment of the loan with Banco Popolare, which was signed in 2014 to Euro 1.5 million relating to the purc system of Peeling / Rollings, was reformulated to make it consistent investment, and will expire on 06/30/2018.

The loan with Banca Popolare di Sondrio, signed in 2015, expires on 31.08.2018. 31 December 2015 balance of debt for this loan amounts to Euro 400 thousand.

"Advances" includes advances received from customers for the supply of goods and services not yet performed.

"Due to suppliers" are recorded net of commercial discounts; Cash discounts are recognized upon payment. The face value of these liabilities was adjusted for returns or rebates (adjustments billing), in the amount agreed with the counterparty. At 31 December, amounts owed to suppliers amounted to Euro 5.704 million, a decrease of Euro 2.171 million due to the decline in purchases of raw materials, supplies, consumables and goods for Euro 4.651 million recorded in 2015 compared to 2014.

The item tax liabilities are recognized liabilities for income tax for employment for 100 thousand Euro and payab replacing of Euro 386 thousand relating to the revaluation of assets.

Breakdown of payables by geographical area

The breakdown of payables 31/12/2015 according to geographical area is shown in the following table (Article 2427 first paragraph, no. 6, CC).

Geographic area	Italy	Cee	extra Cee	Total
Due to banks	16939622	-	-	16939622
advances	72987	-	-	72987
Trade payables	5563833	83727	56426	5703986
tax payables	487075	-	-	487075
Payables to pension and social security institutions	341119		-	341119
other debts	505350	-	-	505350
debts	23,909,986	83,727	56,426	24,050,139

Debts secured by collateral on corporate assets

There are no payables secured by collateral on corporate assets (Article 2427, first paragraph, no. 6, Cc):

There are no guarantees.

	Debts not secured by collateral	Total
Due to banks	16,939,622	16,939,622
advances	72987	72987
Trade payables	5703986	5703986
tax payables	487075	487075
Payables to pension and social security institutions	341119	341119
other debts	505350	505350
total debts	24,050,139	24,050,139

Loans granted by the company's shareholders

"Due to shareholders for bearing loans", cleared on 31 December 2015, welcomed in the year 2015 payment and waiver of € 1.548 million by the Lebogest SpA's majority shareholder, and the renunciation of outstanding loan (Euro 469 thousand) by the former minority shareholder of Mg Equity Securities companies SpA.

Accrued liabilities

E) Accrued expenses and deferred income

Balance at 31/12/2015	Balance at 31/12/2014	variations
99221	153104	(53,883)

The item breaks down as follows (Article 2427, first paragraph, no. 7, Cc).

Description	Amount
Passive Foreign advances interests	24,505
socio interest expense Lebogest Spa	10,034
Interest expense Centrobanca-BPM	42651
Equalization Euler insurance	13,270
Equalization insurance policies	5,100
Other non-appreciable amount	3,661
	99221

	beginning of the year value	Changes during the year	end value
Accrued liabilities	153104	(53,883)	99221
Total accrued expenses and deferred income	153104	(53,883)	99221

Accruals and deferrals

They are determined on the basis of the accrual period.
For accruals and deferrals of long term conditions that resulted in the establishment they have been verified original, and shall, where necessary, the appropriate changes.

These represent the harmonizing items for the year calculated on an accrual basis.
The criteria used in the assessment and conversion of values expressed in foreign currency for these items are repc in the first part of these notes.
Not there, 31/12/2015, prepayments and accrued income beyond five years.

Commitments arising from off balance sheet and memorandum accounts

Information on the agreements arising from off-balance sheet
(Ref. Art. 2427, first paragraph, no. 22-ter, Cc)

The company has no agreements not disclosed in the balance sheet. In the memorandum accounts include only the assets that the company holds in the financial lease amounted to Euro 718 thousand.

Notes Income Statement

A) Value of production

Balance at 31/12/2015	Balance at 31/12/2014	variations

27101346	30953159	(3851813)

Description	31/12/2015	31/12/2014	variations
Sales and service revenues	26058386	30802792	(4744406)
Changes in inventories	472553	88830	383723
Other income	570407	61537	508870
	27101346	**30953159**	**(3851813)**

Please refer to the explanations in the Management Report for comments on the reduction in sales revenues and performance.

"Other revenues" are allocated:
EUR 1,100 reimbursement training plan Fondimpresa;
€ 28,850 for recharging costs;
€ 14,241 to revenue "fringe benefit" employees use cars;
€ 503,833 for asset disposal gains;
EUR 21 803 Other revenues.

Production value

revenue recognition

Revenues from product sales are recognized upon transfer of ownership, which normally coincides with the delivery or shipment of goods.
The Financial income and income from services are recognized on the basis of competence thunderstorm.
Revenues and income, costs and expenses relating to foreign currency transactions are calculated at the exchange when the transaction is completed.

Breakdown of sales and service revenues by business segment

Revenue by business segment

(Ref. Art. 2427, first paragraph, no. 10, Cc)

Task Category	current year value
products sales	26628793
More	(570,407)
Total	26058386

Breakdown of revenues from sales and services by geographic area

Geographic area	current year value
Italy	6724349
Cee	12595782
extra Cee	6738255

Geographic area	current year value
Total	26058386

The change is closely related to what is stated in the report.

Production costs

B) Production costs

Balance at 31/12/2015	Balance at 31/12/2014	variations

28398674 33009905 (4611231)

Description	31/12/2015	31/12/2014	variations
Raw materials, supplies and goods	17609097	22259987	(4650890)
Services	2912556	3282252	(369,696)
Enjoyment of third party assets	1551304	1662406	(111,102)
Wages and payrolls	3199813	3291745	(91,932)
Social charges	1060992	1099946	(38,954)
severance indemnities	244872	244250	622
Other personnel costs	79883	161348	(81,465)
intangible assets amortization	351532	346288	5,244
Depreciation of tangible assets	790665	744323	46342
Write-downs of current receivables	7,165	11,345	(4180)
raw materials Change in inventories	444219	(251,316)	695535
Other operating expenses	146576	157331	(10,755)
	28398674	**33009905**	**(4611231)**

Costs for raw materials, supplies, consumables and goods and costs for services

They are closely related to what is stated in the Report on operations and performances of point A (Production value) of the Income Statement. The costs of raw materials. supplies and goods decreased by € 4.651 million in line with the decrease in revenues and sales of Euro 4.744 million.

Costs for use of third party assets

Costs for the use of third party assets mainly relate to the rental payments of the production facilities of Vittuone (where the registered office of the company) and in Corbetta that are subject to business activities. There reducing these costs can be attributed to the renegotiation of rents with the owner of property on which it was formalized a rent reduction with effect from 1 August 2015.

Personnel costs

This item includes all expenses for the employees, including merit increases, passes category of living increases, cost of holidays not taken and provisions of law and collective agreements. There reduction in personnel costs, decreased during the year to Euro 212 thousand, reflecting the lower volume of activities carried out during 2015 and the effects of non-continuous layoffs commenced on September 14, 2015 after reaching an agreement with the trade unions in Assolombarda September 4, 2015.

Depreciation of tangible fixed assets

As regards depreciation, it states that they have been calculated on the basis of the life of the asset and its use in production. The amortization of intangible fixed assets are in line with the previous year (Euro 352 thousand in 2015, Euro 346 thousand in 2014), while depreciation of Tangible fixed assets increased by Euro 47 thousand due to the new peeling machine, which came into operation during 2015.

Write-downs of loans included in current assets and liquid assets

As for credit losses, it states that Euro 9,951 relates to the closure of bad debt and shares residual about credits covered by insurance. In the year 2015 it is also recorded a provision for allowance for doubtful receivables of Euro 7000.

Financial income and expenses

C) Financial income and expenses

Balance at 31/12/2015	Balance at 31/12/2014	variations
(686,636)	(897,186)	210550

Breakdown of interest and other financial expenses by type of debt

Interest and other financial charges

(Ref. Art. 2427, first paragraph, no. 12, Cc)

Description	parent	controlled	Connect	More	Total
Bank interests				365888	365888
suppliers interests				8,188	8,188
Average credit interest				281334	281334
Interest on loans	15,166			18,375	33541
Rounding				(1)	(1)
	15,166			**673784**	**688950**

In 2015 the company incurred financial expenses totaling € 689,000, down by € 215,000 compared to those recorded in the previous year (Euro 904,000). This reduction is due to both lower costs for € 96,000 due on loans granted by the shareholders (as a result of the different sacrifices that occurred during the 2015) and to lower interest income from the banking system to about 100 thousand due to the lower level of debt average debt recorded in 2015 compared to 2014 and the reduction in interest rates.

	Interest and other financial charges
Due to banks	647222
Others	41729
Total	688950

Other financial income

Description	parent	controlled	Connect	More	Total
bank and postal interest				42	42
other income				211	211
Rounding				1	1
				254	**254**

Profit and losses

the total amount of profit as reported in the income statement evaluative component realized corresponds to Euro 2000.

financial income

Description	31/12/2015	31/12/2014	variations
Other income	254	4,837	(4583)
(Interest and other financial expenses)	(688,950)	(904,172)	215222
Gains (losses)	2,060	2,149	(89)
	(686,636)	**(897,186)**	**210550**

Extraordinary income and expenses

E) Extraordinary income and expenses

(Ref. Art. 2427, first paragraph, no. 13, Cc)

Balance at 31/12/2015	Balance at 31/12/2014	variations
560597	(7082)	567679

31/12/2015	Last year	31/12/2014

Description			
insurance refunds	20,544	insurance refunds	20,443
Contingent assets	575377	Contingent assets	8,768
Various		Various	
total income	595921	total income	29,211
contingent liabilities	(34,524)	contingent liabilities	(36,293)
Various	(800)	Various	
total expenses	(35,324)	total expenses	(36,293)
	560597		**(7082)**

Extraordinary income includes the extraordinary income of EUR 574 thousand recognized in the income statemen waiver of the loan and interest by the former shareholder of the company Mg Equity Securities SpA.
This item also included insurance reimbursements received during the year for € 21,000.
Under extraordinary charges are recorded the effects of the reversal of provisions and write-downs made by the company in the previous year.

Taxes on income, current liabilities and assets

Current tax liabilities and assets

Income tax

The taxes are allocated according to the principle of competence; therefore, they represent:

- provisions for taxes paid or to be paid for the year, determined in accordance with the rates and rules force;
- the amount of taxes deferred or paid in advance in respect of temporary differences arising or canceled year;
- adjustments to deferred tax balances to take account of changes in the rates occurred after the exercise in 2017.

As from 2014, the company exercised. as a consolidated company, the option for taxation the tax election - that determines the IRES on a taxable base corresponding to the sum Algebraic of the positive and negative taxable income of the individual companies involved -, together with the cc The latter SpA as the consolidating company and Italian Cable Company SpA, a subsidiary of Lebogest SpA.

The economic relations, as well as the reciprocal responsibilities and obligations between the parent company and controlled are defined in a consolidation agreement for the Lebogest Group SpA, signed in 2014 and

with effect from the same year for the 2014-2015-2016 triennium. And 'provided that the remuneration for the tra the tax loss is wholly recognized in the period in which such losses are obtained from the company consolidated. In 2015 it was in fact recognized in the income statement the gain from participation in the consolid tax of Euro 158 thousand record offsetting the receivable from the parent company Lebogest SpA.

The deferred and prepaid IRES is calculated on temporary differences between the carrying amounts of assets an for statutory purposes and the corresponding tax values exclusively with reference to the company.

The Irap current, deferred and prepaid is determined exclusively with reference to the company.

Tax on income

Balance at 31/12/2015	Balance at 31/12/2014	variations
148760	(516,878)	665638

taxes	Balance at 31/12/2015	Balance at 31/12/2014	variations
Current tax:		26,009	(26,009)
IRES			
IRAP		26,009	(26,009)
substitute taxes			
Deferred tax liabilities (assets)	307267		307267
IRES	307267		307267

IRAP Income (loss) from accession, under the consolidated tax / fiscal transparency	(158,507)	(542,887)	384380
	148760	**(516,878)**	**665638**

In 2015 they are not due or current taxes IRES or IRAP purposes.

Pursuant to article 2427, first paragraph no. 14, CC will show the information on deferred taxes and advance:

deferred tax / advance

The deferred tax assets recognized in the income statement at December 31, 2015 relate to the adjustment effects the tax rate from 27.5% to 24% effective from the exercise 2017.

Deferred tax assets and liabilities and effects

resulting

	IRES
B) Tax effects	
Deferred tax liabilities (assets) at beginning of year	(2,414,237)
Deferred tax liabilities (assets) for the year	307267
Deferred tax liabilities (assets) at period end	(2106971)

Disclosure of tax losses

	current year			previous year		
	Amount	**Rate fiscal**	**deferred tax detected**	**Amount**	**Rate fiscal**	**taxes detected early**
tax losses						
of previous years	6667627			6667627		
Total tax losses	6667627			6667627		
forward tax losses recoverable with reasonable assurance	6667627	24.00%	1600230	6667627	27.50%	1833597

The change in deferred taxes recognized in the income statement for Euro 307 thousand refers to the adjustment t of deferred tax to take account of the effects of the tax reduction from 27.5% to 24% effective the exercise in 2017.

deferred tax	**Balance at 31/12/2015**	**Balance at 31/12/2014**	**Variations**
IRES refund for irap deductible € 120,840	29.002	33231	(4229)
Excess interest expense € 1,990,577	477739	547409	(69,670)
tax losses previous years € 6,667.627	1600230	1833597	(233,367)
	2106971	**2414237**	**(307,267)**

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Notes to the Cash Flow Statement

As expected from the Accounting Principle n OIC. 10, the following table shows the financial information

Indirect Cash Flow Statement

	12/31/2015	1-12-2014
A) Cash flows from operating activities (indirect method)		
Profit (loss) for the year	(1572127)	(2444136)
Income tax	148760	(516,878)
Interest expense / (active)	688696	899335
1) Profit (loss) before income taxes, interest, dividends and plus / Losses on disposal	(734,671)	(2061679)
Adjustments for non-cash items that had no counterpart in the capital net working		
Allocations to provisions	244872	244250
amortization of fixed assets	1142197	1090611
Other adjustments increase / (decrease) in non-cash items	238907	522537
Total adjustments for non-cash items that had no counterpart in net working capital	1625976	1857398
2) Cash flow before changes in bcc	891305	(204,281)
Changes in net working capital		
Decrease / (Increase) in inventories	(28,335)	(347,830)
Decrease / (Increase) of receivables from customers	3083739	(912,202)
Increase / (Decrease) in trade payables	(2171082)	(152,116)
Decrease / (Increase) in prepayments and accrued income	(33,316)	(164,216)
Increase / (decrease) in accrued expenses and deferred income	(53,883)	(49,046)

Other decreases / (Other Increase) in net working capital	670178	(1578915)
Changes in net working capital Total	1469301	(2204225)
3) Cash flow after changes in the bcc	2360606	(2408506)
other adjustments		
Interest received / (paid)	(688,696)	(899,335)
(Income taxes paid)	-	13,660
(Use of funds)	(295,781)	(148,607)
Total Other Adjustments	(984,477)	(1034282)
cash flow from operating activities (A)	1376129	(3442788)
B) Cash flow from investment		
tangible		
(Flow from investments)	(328,131)	-
Flows from divestments	100014	31126
Intangible assets		
(Flow from investments)	(21,520)	(71,783)
Flows from divestments	-	1
financial fixed assets		
(Flow from investments)	(81,506)	(133,862)
Cash flow from investing activities (B)	(331,143)	(174,518)
C) Cash flows from financing activities		
Third-party funding		
Increase / (decrease) in short-term borrowings from banks	(1431765)	5362637
(Repayment)	(812,963)	(2596712)

own funds		
Capital increase Paid	1161523	659493
Cash flow from financing activities (C)	(1083205)	3425418
Increase (decrease) in cash and cash equivalents (A ± B ± C)	(38,219)	(191,888)
Cash and cash equivalents at beginning of year	197538	389426
Cash and cash equivalents at end of year	159319	197538

Notes More information

employment data

employment data

(Ref. Art. 2427, first paragraph, no. 15, Cc)

The average number of employees, broken down by category, has changed compared to the previous year, the foll

Organic	31/12/2015	31/12/2014	variations
leaders		1	(1)
clerks	31	30	1
workers	68	69	(1)
	99	**100**	**(1)**

The national work contract applied is that of the engineering industry.

	average number
clerks	31
workers	68
total Employees	99

directors and auditors fees

Further information

By law, the total remuneration paid to the directors and control (Article 2427, first paragraph, no. 16, CC).

qualification	compensation
administrators	
Board of Auditors	17,144

	Value
Remuneration to auditors	17.144
Total remuneration paid to directors and auditors	17.144

Compensation statutory auditor or audit firm

Information concerning the fees of the Statutory Auditor

(Ref. Art. 2427, first paragraph, no. 16-bis, Cc)

Under the law, the the fees charged for services rendered by the statutory auditor:

	Value
statutory audit of annual accounts	8,840
Total fees paid to the statutory auditor or the audit firm	8.840

Categories of shares issued by the company

Description	Final Consistency, Consistency final number	nominal value
Ordinary shares	210,000	5

There are no preferred shares.

During the exercise we have not been subscribed for new shares.

Information about financial instruments issued by the company

Information about financial instruments issued by the company

(Ref. Art. 2427, first paragraph, no. 19, Cc)

The company has not issued any financial instruments.

related information *fair value* of derivative financial instruments

(Ref. Art. 2427- the first paragraph, no. 1, Cc)

The company has no derivative financial instruments.

Summary statement of accounts of the company engaging in the activity of management and coordination

Whether it belongs to a group

Your company belongs to Lebogest Group carrying out management and coordination by the company Lebogest SpA, based in Bolgare (Bg) Via Francesca 8.

In the following table the main data of the last approved balance sheet of the said company are provided that carrying out management and coordination (ex Article 2497, fourth paragraph. Cc). We point out, however, that the (prepares consolidated financial statements.

Summary statement of the company's balance sheet that

It exercises direction and coordination activities

	last financial year	previous year
B) Fixed	52279160	50922600
C) Current assets	4685870	6887589
D) Accrued income and prepaid expenses	47661	220188
total assets	57012691	58030377
A) Shareholders' equity		
share capital	1164800	1164800
stocks	26847268	27133173
Profit (loss) for the year	(156,847)	(17,106)
Total shareholders' equity	27855221	28280867
B) Provisions for risks and charges	141829	198359
C) Provision for employee severance	4,603	2,010
D) Payables	28920227	29454917

E) Accrued expenses and deferred income	90811	94224
total liabilities	57012691	58030377

Summary statement of account of the company income that

It exercises direction and coordination activities

	last financial year	previous year
A) Value of production	2689870	2673943
B) Production costs	2374470	2199530
C) Financial income and expenses	(419,140)	(350,385)
E) Extraordinary income and expenses	412456	30958
Income taxes	465563	172092
Profit (loss) for the year	(156,847)	(17,106)

Notes the end

Information relating to operations carried out with related parties

(Ref. Art. 2427, first paragraph, no. 22-bis, Cc)

The Company has not made significant transactions with related parties, stating that the same have been conclude normal market conditions:

Transactions with related parties (Part numerical)	Amount	incidence%
Financial charges	15,166	2.20%
operating costs	875	0,00%

Sheet Transactions with related parties (part numerical)		incidence%
Payables / members	38153	0.16%
Receivables / members	158518	2,05%

These financial statements, consisting of balance sheet, income statement and explanatory notes, is so give a true and fair view of the financial position and earnings for the year and are to the accounting records.

Chairman of the board of directors
Ottavio Rota
I HEREBY OTTAVIO ROTA WITH ART. 47 THE DPRN 445/2000, DECLARES THAT THE COMPUTER PAPER FORMAT XBRL CONTAINING THE BALANCE SHEET, THE ACCOUNT ECONOMIC AND NOTES, MEET THE RELEVANT DOCUMENTS ORIGINAL FILED WITH THE COMPANY '.
DATE 30/05/2016

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Companies register
Archive Official Chamber of Commerce
Document no. T 218105123
Extract from the Register of Companies on 21/07/2016

STELMI ITALY SPA
Tax Code 05374560968

Companies Register - Archive Journal of Chamber of Commerce
updated 31/12/2015 budget

STELMI ITALY SPA
Tax code: 05374560968

Chapter 2 - MINUTES OF ORDINARY

STELMI ITALY SPA

Reg. Imp. 05374560968
Rea.1816371

STELMI ITALY SPA
Company under the direction and control of Lebogest Spa

Based on VIA GANDHI 15-20010 VITTUONE (MI) Share capital Euro 1,050,000.00 IV

Ordinary Meeting Minutes

The year 2016 on the 30th of May at 10.00, at the headquarters of the parent Lebogest Spa Via Francesca 8, Bolgare (BG) is the ordinary general meeting was held on the first call of the ITALY SPA company STELMI to discuss and resolve on the following

agenda

1. Report on the financial statements and related Management fiscal year ended 31/12/2015: Resolutions related and consequent. Statutory Auditors' report and the auditor's report.

The place and time indicated are physically present:

Ottavio Rota	Chairman of the board of directors
Francesco Spiranelli	adviser
Alessandro Rota	adviser
Luciana Rota	adviser
Luca Gherardi	Chairman Board of Statutory Auditors
Andrea Trabattoni	Mayor in charge
Francesco Turati	Mayor in charge

as well as the shareholders:
x Lebogest SpA represented by the Chairman of the Board of Directors Mr Enrico Rota;
x The Sig. Francesco Spiranelli;
x It is the absent Mr Michele Facheris.
shareholders representing 96% of the share capital.

The attendance of the participants are also from the paper signed by all participants. The attendance sheet It will be kept in the Company acts.

In the Articles of Association shall chair the Mr Ottavio Rota, Chairman of the Board.

The present call to serve as Secretary Dr. Alessandro Rota, giving the Assembly the appointment the tellers.

Constituted as the Bureau, the President is to note that the meeting in first call must remain in effect being present the Board of Directors, and shareholders represented in person or by delegated 96% of the share capital and being the meeting was convened in the manner and within the terms prc the Articles of Association.

It then goes to the conduct of the agenda.

The President asks if anyone intends to plead not informed about the topics on the agenda.

Obtained the consent to the treatment of the subject, the Chairman declared the session entitled to pass resoluti

Ordinary Meeting Minutes

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Companies register
Archive Official Chamber of Commerce
Document no. T 218105123
Extract from the Register of Companies on 21/07/2016

STELMI ITALY SPA
Tax Code 05374560968

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updated 31/12/2015 budget

STELMI ITALY SPA
Tax code: 05374560968

STELMI ITALY SPA

The President asks the participants the disclosure of impediments of voting rights and no one intervenes.

With reference to the first item on the agenda, the President distributes to present a copy of:

x draft financial statements for the year ended 31/12/2015
x draft of the Management Report on the Financial Statements for the year ended 31/12/2015
x Report of the Statutory Auditors on the financial statements for the fiscal year ended 31/12/2015
x Report of the statutory auditor to the financial statements for the year ended 31/12/2015

The Chairman of the Board of Statutory Auditors. Gherardi Luca read out the Statutory Auditors' Report to Financial statements for the year ended 31/12/2015.

Which opened the discussion on the various proposed questions, the President responds by providing the reque: discussion, the Chairman put to the vote the topic at the first point on the agenda and the meeting unanimously

resolution

- to take note of the Statutory Auditors' Report to the financial statements for the business year closed on 31/12/2015 ANNEX And the Auditor's report for the year to the balance sheet Social closed on 31/12/2015;
- to approve the Financial Statements and the Management Report relating to the financial year ended 31/12/2015, as prepared by the Chairman of the Board, which highlights a loss of € (1,572,127) (A NNEX B;
- to approve the proposal of the Board of Directors about the allocation of surplus Operating:

profit for the year 31/12/2015	**Euro**	**(1572127)**
A new	Euro	**(1572127)**

- to confer wide-ranging powers to the Chairman of the Board of Directors, for all executions related legal.

After that, there being nothing to decide, and no one asked to speak, the sitting closed at 11:00, after reading and unanimous approval of these minutes.

The Secretary
Dott. Alessandro Rota

President
Sig.Ottavio Rota

The undersigned ROTA LUCIANA legal representative of the company STELMI ITALY SPA aware of criminal liability provided for in cases of false declarations, declares, pursuant dell'art.47 DPR 445/2000, the **correspondence** of this document to the one kept in the acts of the company

f.to**ROTA LUCIANA**

CARRY STAMP VIRTUAL
AUT. No 3/4774/2000 of 19.07.2000 AG. REVENUE DRE Lombardy - SS MILAN

Ordinary Meeting Minutes

Chapter 3 - ADMINISTRATIVE COUNCIL MINUTES

STELMI ITALY SpA

Based in Vittuone (MI) - Via Gandhi, 15

Share capital € 1,050,000 iv

Number of the entry in the Milan Company Register

and CF 05374560968

MINUTES OF THE BOARD OF DIRECTORS

THE April 29, 2016

The year 2016, on the 29th of April, in Bolgare (BG), via Francesca n. 8, at the headquarters of the parent Lebogest SpA, at 18:30, it met on Board of Directors of Stelmi Italy SpA to discuss and de-free up the following

AGENDA

1. Approval of the draft financial statements at 31.12.2015;

2. Notice of Meeting.

A by statute shall be the chairman Mr. Ottavio Rota, President of the Board of Directors, who invites him to serve as Secretary Dr. Alessan-sandro Rota, who accepts.

The Chairman declared the duly constituted board as they are present Members of the Board of Directors, in people as well as the Chairman and the Secretary, Mr. Francesco Spiranelli and Ms Luciana Rota, are Also all the members of the Board of Auditors in the persons of:

- Dott. Luca Gherardi (Chairman of the Board);
- Dott. Andrea Trabattoni (Statutory Auditor);
- Dott. Francesco Turati (Auditor).

Moving on to discuss the agenda, the President presented the draft balance.

In summary, the data that emerge from the balance sheet and income statement co are the following:

BALANCE SHEET		AMOUNT
Receivables from shareholders for capital contributions	€	-
fixed assets	€	15195898
Current assets	€	12750128
Accruals and deferrals	€	352579
Total activity	**€**	**28298605**
Net assets	€	2757841
Provisions for risks and charges	€	-
Employee termination subordinate relationship	€	1391404
debts	€	24050139
Accruals and deferrals	€	99221
total liabilities	**€**	**28298605**
Memorandum accounts	€	717871

The loss for the year, equal to Euro (1,572,127), is confirmed by the statement Economic summarized as follows:

INCOME STATEMENT		AMOUNT
Production value	€	27101346
Production costs	€	28398674
Difference	**€**	**(1297328)**
Financial income and expenses	€	(686,636)
Value adjustments to financial assets	€	-
Extraordinary income and expenses	€	560597
Income tax	€	148760
Profit (loss) for the year	**€**	**(1572127)**

Following extensive discussion, which gives the President the opportunity to provide these further clarification.

After the discussion, the Council unanimously approved the draft financial ie as of 31 December 2015, including the notes and the report on operations.

Moreover, the Board unanimously resolves to call an Ordinary Shareholders' members, at the headquarters of the parent company "Lebogest Spa", in Bolgare (BG) Via Francesca 8

For the day

May 30, 2016 at 10:00 am

with the following agenda:

1. Company's financial statements as the 31/12/2015: related resolutions and consequent. Report of the Supervisory Board and the auditor's report statutory audit.

There being nothing to deliberate and no one asked to speak, the President, after writing, reading and approval of these minutes, closed the Seduta at 19:30.

The Secretary	President
______________	______________
(Mr Alessandro Rota)	(Mr Ottavio Rota)

The undersigned **ROTA LUCIANA** legal representative of the company STELMI ITALY SPA aware of the criminal liability provided **for in cases of** false declarations, **declares**, meaning dell'art.47 DPR 445/2000, the **correspondence** of this document with that preserved the acts of the **company**

f.to**ROTA LUCIANA**

CARRY STAMP VIRTUAL
AUT. No 3/4774/2000 of 19.07.2000 AG. REVENUE DRE Lombardy - SS MILAN

Chapter 4 - MANAGEMENT REPORT

STELMI ITALY SPA

Reg. Imp. 05374560968
Rea 1816371

STELMI ITALY SPA

Company subject to the direction and coordination of LEBOGEST SPA
Based on VIA GANDHI 15 -20010 VITTUONE (MI) Share capital Euro 1.050.000,00 iv

Report on budget management to 31/12/2015

Dear Shareholders,

the year ended 31/12/2015 shows a net loss of Euro (1,572,127) after accounted depreciation of Euro 1.142 million and taxes of Euro 149 thousand.

operational environment and performance

As is well known to you, your company operates in the production of chromium-plated bars and honed tubes, rolled and barenati, which together represent the most important semi-finished product for the construction of fluid systems, hydraulic and pneumatic generally.

Under Article. 2428 it is reported that the activity is carried out in the headquarters in Via Gandhi 15, Vittuone and the head secondary Via Zanella 27, Corbetta.

Operating performance

general economic trends

The analysis of the 2015 results showed a year when European demand has remained, in terms of volume, constant for the first half of the year but fell in the second half. As regards the trend
Instead of prices throughout the year it has been characterized by a descending trend.
The margin squeeze has been accentuated by a very strong competition from operators rented sector in countries with low production costs and an expectation linked to the decline in the value of scr. ferrous.

During the first part of 2015 Stelmi Italy it has been able to maintain the volumes of previous years, but in the second half of the year the choice to pursue a trade policy geared to supporting the margin led to a selection of the market: this operation has improved the margin contribution although with a lower sales volume.

The investments made in recent years are fully operational and have allowed a recovery of margins, which, in the general profit of the company, is resized due to the fall in the prices of products.

Significant events during the year

The difficult global economic environment and the difficulties in the steel throughout the world, also in 2015 It affected the performance of our market. Market characterized by a deflationary expectation is for the course of the raw material for both commercial disruptive actions held to be leased to manufacturers in low production cost.

The year 2015 was characterized by an ever-changing business trends influenced by market factors and different strategic choices.
In the first months of the year the policy of the aforementioned competitors has conditioned the sale price limiting the margins; in the middle of the year two important emerging markets, where the product Stelmi is sold with above-average margins, they expressed major consumer downturns. The last part Stelmi year the offer has been withdrawn by the course of average market prices as unsustainable focusing on enhancing the most recognized product quality even risking some volume

STELMI ITALY SPA

sale. Simultaneously has made consistent financial and economic structure of society by reducing the employed working capital, other operating costs, including the rental of real estate, and the man hours used by recourse to the ordinary redundancy fund.

These choices, and the best use of the latest investments (Packaging and peeler automation) have allowed reduce operational losses of the company compared to previous years; to improve the income situation over the previous year helped the sale and installation of a plant used with technology own the company Stelmi America Inc. and the remission of debt by a minority shareholder. Optimize inventory for a better use of working capital it helped the new peeler (purchased in 2014, but became operational during 2015) which allowed to re-enter the operational flow slow-moving material: this operation has had positive effects on the financial level but penalized the income result for tens of thousands of euro.

Suffered in this market environment and industry, have remained frozen for several years, the company has achieved in 2015 an operating loss of EUR 1.572 million (in 2014 the loss was Euro 2,444 thousand) that, as in previous years, the majority shareholder has taken steps to cover all by waiving the right to repayment of loans and interest and with their simultaneous conversion into capital reserves of € 1,548 thousand. December 31, 2015, shareholders' equity the company amounts to € 2,758,000.

December 31, 2015, in addition, the company is in financial debts to banks for € 16.94 million (in decrease compared to the financial debt of EUR 18.3715 million as at 31 December 2014) of which EUR 903 000 against installments due in 2016 that will be able to repay through the flows of Cash from operating and with the support of Lebogest SpA shareholder.
As for the contributions and support of Lebogest SpA shareholder, it should be noted that during the first two months of 2016, the majority shareholder has granted funding for a further € 1 million and March there has waived repayment, converting capital reserve to strengthen the company.

To face up to the structural crisis in the sector the company is considering transactions extraordinary with others in the industry that would bring synergies and financial benefits.

In this context it should be noted that in the course of 2016 we signed a preliminary contract for the sale of a branch of the company holding the effectiveness of which is subject to certain conditions precedent to occur of which it will be changed the scope of activities of the company. This operation will not involve any reduction in the volume of business of the company by virtue of agreements being finalized aimed at safeguardi commercial relationships with customers, thus maintaining the level of sales pre-existing.

In this economic and financial context and particularly delicate financial, these financial statements have been prepared assuming business continuity of the company by virtue of budget economic and financial statements for the year 2016, and the commitment secured in the past and confirmed again by the Lebogest SpA shareholder.

It is noted that in this budget is the revaluation was carried out, in accordance with 208/2015 law, the plant and equipment at a rate 15.5% acquired in the years 2009, 2011 and 2013, totaling Euro 2,415,000 for which it will be paid a substitute tax of 16%, equal to Euro 386 thousand.
The revaluations find their limit in the market value to be determined according to conservative estimates made by appraisers. Depreciation on revalued assets shall run to starting in 2016.
In the aspect of shareholders' equity, with the aforementioned revaluation resulted in the recognition in a specia reserves of 'amount of Euro 2,029,000, equal to the revaluation above net of that tax.

competitive behavior

In the year 2015, the competition was again very aggressive especially by leased competitors Eastern Europe where they benefit from the primary factors for the production at costs much more in favor of tl Their expansive policies are based on the pricing policies that have reduced the values of Western European competition, especially in terms of margin. the leader in the last months of 2015 Romanian market has reduced its pricing aggressiveness of the rods and around the market seems to have changed price expectations for the year 2016.

Companies Register - Archive Journal of Chamber of Commerce
updated 31/12/2015 budget

STELMI ITALY SPA
Tax code: 05374560968

STELMI ITALY SPA

The table below shows the consequent results in the last three years in terms of value production, gross operating profit and pre-tax profit.

	31/12/2015	31/12/2014	31/12/2013
production value	27101346	30953159	30233702
EBITDA	(725,538)	(1027672)	(642,004)
Result before the taxes	(1423367)	(2961014)	(2512754)

Key economic data

The company's reclassified income statement compared with the previous year is as follows (in EUR):

	31/12/2015	31/12/2014	change
Net revenues	26058386	30802792	(4744406)
external costs	22198364	27033175	(4834811)
Value added	**3860022**	**3769617**	**90405**
Cost of labor	4585560	4797289	(211,729)
EBITDA	**(725,538)**	**(1027672)**	**302134**
Amortization, impairment losses and other provisions	1142197	1090611	51,586
Operating income	**(1867735)**	**(2118283)**	**250548**
other income	570407	61537	508870
Financial income and expenses	(686,636)	(897,186)	210550
Ordinary result	**(1983964)**	**(2953932)**	**969968**
Net extraordinary items	560597	(7082)	567679
Result before the taxes	**(1423367)**	**(2961014)**	**1537647**
Income tax	148760	(516,878)	665638
Net income	**(1572127)**	**(2444136)**	**872009**

Sales showed a decrease of 15% in value in 2015 compared to 2014 due to more oriented to the stabilization of the margin of commercial selection policy and sales. such new business strategy, which was launched during the second half of the year, made it possible to improving EBITDA, while still remaining in negative territory.
Even the ordinary result remained negative after having recorded depreciation (Euro 1142000 slightly above the previous year) and financial charges for the year (equal to EUR 687 thousand), a decrease compared to 2014 is a result of lower costs for Euro 96 thousand due on loans granted by the shareholders of both lower interest due to banks for about Euro 100 000 for the lower average financial debt recorded in 2015 compared to 2014 and for the reduction in interest rates. The ordinary result, in each case, shows a significant improvement compared a year earlier to 970,000 euros thanks to the recovery in profitability, lower financial expenses and capital gain of Euro 504 thousand recorded during the design and installation of a sale facility used its technology to the company Stelmi America Inc.

Finally, it should be noted that the result before tax, an increase of Euro 1.538 million compared to previous year, it benefited from extraordinary income of EUR 574 thousand recognized in the income statemen result of the waiver of the loan and interest by the former shareholder of the company, Mg Equity Securities Spa.

Balance sheet highlights

The state of the company reclassified balance compared with the previous year is as follows (in EUR):

STELMI ITALY SPA

	31/12/2015	31/12/2014	change
Intangible assets, net	970216	1300228	(330,012)
Net tangible fixed assets	13328166	11475479	1852687
Investments and other assets financial	82922	82922	
fixed assets	**14381304**	**12858629**	**1522675**
Inventories	4866534	4838199	28335
Loans to Customers	5183806	8267545	(3083739)
Other credits	2457547	3080245	(622,698)
Prepayments and accrued income	352579	319263	33316
Short-term operating activities	**12860466**	**16505252**	**(3644786)**
Trade payables	5703986	7875068	(2171082)
advances	72987	62711	10,276
tax and social security debts	828194	468398	359796
other debts	505350	518676	(13,326)
Accrued liabilities	99221	153104	(53,883)
Short-term operating liabilities	**7209738**	**9077957**	**(1868219)**
net working capital	**5650728**	**7427295**	**(1776567)**
Employee termination of employment subordinate	1391404	1361912	29492
tax and social security debts (over 12 months)			
Other medium and long-term liabilities			
Medium and long term liabilities	**1391404**	**1361912**	**29492**
invested capital	**18640628**	**18924012**	**(283,384)**
Net assets	(2757841)	(753,210)	(2004631)
Net financial position in the medium to long term	(5712097)	(6137566)	425469
Short-term net financial position	(10170690)	(12033236)	1862546
Own funds and borrowings net	**(18640628)**	**(18924012)**	**283384**

The balance sheet reclassified shows that, despite the loss for the year of EUR 1.572 million, the equity at 31/12/15 (Euro 2.758 million) increased due to the aforementioned shareholder payouts majority carried out during 2015 (a total of € 1.548 million) and the revaluation which has resulted in the recognition in a special reserve 's amount of Euro 2,029,000.

It also points out that the net financial debt is an improvement of € 2.288 million from € € 18,171.000 at December 31, 2014 to Euro 15.883 million at 31 December 2015. This improvement was achieved thanks to the repayment of installments due in 2015 for a total of Euro 1.977 million and in the presen a lesser need for financial resources due to the reduced volume of business of the company.

For a better understanding of the financial strength of the company are reported in the table below certain financial ratios relating to (i) the method of functioning of medium / long-term loans (ii) the composition of the sources of funding, compared with the same indexes for annual previous years.

	31/12/2015	*31/12/2014*	*31/12/2013*
Primary margin structure	(12520979)	(12921429)	(12046439)
Quotient of the primary structure	0.18	0.06	0.06
Secondary structure margin	(4519962)	(4605941)	(3065882)
Quotient secondary structure	0.70	0.66	0.76

Financial Highlights

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STELMI ITALY SPA

The net financial position at 31/12/2015 was as follows (in euros):

	31/12/2015	31/12/2014	change
bank deposits	157587	194262	(36,675)
Cash and cash equivalents on hand	1,732	3,276	(1544)
Own actions			
Cash and treasury shares	**159319**	**197538**	**(38,219)**
Financial assets not held fixed assets			
Bonds and convertible bonds (Within 12 months)			
Due to shareholders for funding (within 12 months)		469,000	(469,000)
Bank borrowings (within 12 months)	3103324	4455495	(1352171)
Due to other lenders (within 12 months)			
Advances for foreign payments	7226685	7306279	(79,594)
Short-funding share financial			
Short-term borrowings	**10330009**	**12230774**	**(1900765)**
Short-term net financial position term	**(10,170,690)**	**(12,033,236)**	**1862546**
Bonds and convertible bonds (over 12 months)			
Due to shareholders for financing (over 12 months)			
Due to banks (over 12 months)	6609613	6953576	(343,963)
Due to other lenders (over 12 months)			
Advances for foreign payments			
Long-funding share financial	(897,516)	(816,010)	(81,506)
medium net financial position long term	**(5712097)**	**(6137566)**	**425469**
Net financial position	**(15,882,787)**	**(18,170,802)**	**2288015**

A better description of the financial position are shown in the table below some indices budget, compared with the same index data for the prior year financial statements.

	31/12/2015	*31/12/2014*	*31/12/2013*
primary liquidity	0.46	0.56	0.58
secondary liquidity	0.74	0.78	0.83
indebtedness	9.23	39.13	35.88
Rate of coverage of fixed assets	0.70	0.66	0.76

In 2015, all indices are slightly improved, however, recognizes the financial difficulties of the company which it has not been able autonomously to meet its obligations if not through the support Financial shareholders.

Environment-related information and personnel

Given the company's social role as highlighted by the document on the Report on Management of the National Council of Chartered Accountants and accounting experts, it is considered appropi provide the following information concerning the environment and personnel.

staff

During the year there were no deaths in the work of the staff in writing to the payroll.

During the year there were no serious occupational accidents which have resulted in serious injury or serious personnel enrolled in the registration book.

During the year there were no debits regarding occupational diseases of employees or former

employees and workplace bullying, for which the company was declared definitively responsible.
As regards staff, it should also be noted that on September 14, 2015 is the case started contingent ordinary redundancy after reaching an agreement with the trade union organizations Assolombarda September 4, 2015.

Environment

During the year there have been no damage caused to the environment, nor were imposed sanctions or penalties definitive for environmental crimes or damages.

investiment the

During the year, investments were made in the following areas:

fixed assets	acquisitions during the year
Lands and buildings	
Plant and equipment	288423
Industrial and commercial facilities	14,863
other assets	24,845

They mainly related components for related machinery also sold the plant to Stelmi America Inc.

research and development

Pursuant to Article 2428, paragraph 2 number 1, it acknowledges the following information:

Our company in 2015 financial year has carried out research and development and has directed its in particular efforts on projects which are considered particularly innovative and which required a commitment financial for both the involved internal personnel that for materials for tests and trials. These costs are It was fully expensed in the year.

It is hoped that the success of these innovations can generate good results in terms of turnover favorable impact on the economy of the company.

Relationships with subsidiaries, affiliates, parent and sister companies

During the year were entertained the following transactions with subsidiaries, associates, parent and sister companies:
The Company entered into the following transactions with the group companies

Society	debts financial	Credits financial	Credits comm.li	debts comm.li	proceeds Consolid. fiscal	Shopping
Lebogest Spa	5,132	158518		6,532	158507	446
ICC-Italian Cable Company Spa	16,455					429
Total	**21,587**	**158518**		**6,532**	**158507**	**875**

These reports, which do not include any atypical and / or unusual transactions are settled at normal conditions market.

In particular, in addition to our society Company subject to the direction and coordination of LEBOGEST SPA, the latter and the other companies that are subject, are set out below and analytically reports, detailing the reasons and interests whose evaluation has influenced the decision

Trade and other transactions

Society	debts	Credits	guarantees	commitments	costs	revenues
Lebogest Spa	6,532				446	
ICC-Italian Cable Company Spa					429	
Total	**6,532**				**875**	

financial reports

Society	debts	Credits	guarantee	commitment	charges	proceeds from consolid. fiscal
Lebogest Spa	5,132	158518			15,166	158507
ICC-Italian Cable Company Spa	16,455					
Total	**21,587**	**158518**			**15,166**	**158507**

These reports, which do not include any atypical and / or unusual transactions are settled at normal conditions market. The following gives an indication of the reasons and interests whose valuation has affected major decisions also taken into consideration the interest of the group.

Own shares and shares / units of holding companies

Please note that the company does not hold, nor has proceeded to the purchase or sale of treasury shares or shar parent companies.

Information regarding the risks and uncertainties pursuant to art. 2428, paragraph 2, to the point 6-bis, of the Civil Code

Under Article. 2428, paragraph 2, to the point 6-bis, of the Civil Code will provide the following information Concerning the use of financial instruments, as relevant to the assessment of the situation and financial position.

credit risk

It is noted that currently the commercial and financial activities of the company have a good quality credit: do not show up situations with high criticality and exposure to customers is adequately monitored. Therefore, it is believed that the risk of collectability of receivables, however mitigated by the fact tl It has in place a cover on trade receivables with a leading insurance industry companies, both content and entirely covered by the allowance for doubtful accounts recorded in the accounts.
In terms of credit risk, it should be noted, also, that there are uncertainties with regard to potential receivables for loans granted to firms with strong electricity consumption (so-called " companies energy-hungry ") budgeted for Euro 129 thousand. These receivables refer to the amounts due to the company for the years 2014 and 2015 not yet paid to the company, as at other energy-intensive companies, It is still pending the proceedings initiated by the European Community of the compatibility check measures introduced by the Government with the European rules on state aid, a result of which could be changes to the criteria based on which are calculated the amounts of receivables in the financial statements. The magnitude of the adjustment potential is not known to date, predictable, nor is possible to evaluate the outcome of the European Commission procedure and, therefore, the degree of risk to wl company is exposed.

Liquidity risk

Liquidity risk arises if the inability to obtain under economic conditions, resources financial resources necessary for the operations of the company. The credit facilities are partly or short revocati

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term and, therefore, it remains the inherent risk that these loans are not renewed or are revoked compromising the company's ability to meet its financing needs for the the performance of the corporate purpose.
It is recalled that the company has outstanding financial debts due to banks totaling Euro 16.94 million of which Euro 903,000 against installments due in 2016 that will be able to repay through the flows of Cash from operating and with the support of the majority Lebogest SpA shareholder.

As for the contributions and support of Lebogest SpA, it notes that during the first two months the year 2016, the majority shareholder has granted funding for a further € 1 million and March there has waived repayment, converting capital reserve to strengthen the company.

Significant events after the reporting period

It highlights the following significant events occurred after the 31/12/2015:

[illegible] made
EUR 1 million; in March he waived repayment of these loans, converting them into reserve capital to strengthen the company's equity.

to address the company started some negotiations the best structural crisis in the sector relation to possible operations of an extraordinary nature with others in the industry that would lead synergies and financial benefits.

outlook

In the year 2016 it will continue to work to support and increase the contribution margin of each individual sales increases with the price list and selection of business to attend, relying on the quality of product and service recognized by the market. The inevitable loss of volumes will be managed with a reduction operating costs: Also in 2016, the company will try to reduce the impact of the cost of staff doing use of established as the ordinary redundancy fund.
Earlier this year, the choice of a trend of price lists reversal appears to have been accepted by the market having reached a level of prices no longer sustainable from many competitors and to an increase in the commodity prices that began paventarsi.

Despite continue actions aimed at recovering profitability, it is also planned for 2016 an operating loss, although down compared to this year.

Revaluation of the Company's assets pursuant to Law Decree n. 185/2008

Your company has not made use of the voluntary revaluation of company assets under Law No. 342/2000.

Destination of the operating result

It proposes to the meeting so allocate the operating result:

Operating income 31/12/2015	**Euro**	**(1572127)**
earnings	Euro	(1572127)

We thank you for your trust and we invite you to approve the budget as presented.

Chairman of the board of directors
Ottavio Rota

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STELMI ITALY SPA
Tax code: 05374560968

STELMI ITALY SPA

The undersigned **ROTA LUCIANA** legal representative of the company STELMI ITALY SPA aware of criminal liability provided for in cases of false declarations, declares, pursuant dell'art.47 DPR 445/2000, the **correspondence** of this document to the one kept in the acts of the company

f.to**ROTA LUCIANA**

CARRY STAMP VIRTUAL
AUT. No 3/4774/2000 of 19.07.2000 AG. REVENUE DRE Lombardy - SS MILAN

Chapter 5 - CERTIFICATION REPORT

Cristina Sorrentino
Chartered accountant - auditor

Report of the statutory auditor in accordance with art. 14 of Legislative Decree no. January 27, 201(

To the Shareholders of STELMI ITALY SPA

to) I played audited the financial statements of the Company STELMI ITALY SPA, comprising the balance sheet at 31/12/2015, the income statement for the year ended on that date and the notes explanatory.
The directors are responsible for the preparation of financial statements that give a representation true and fair view in accordance with the Italian regulations governing their preparation.
And 'my responsibility to express an opinion on the financial statements based on our audit.

b) I conducted our audit in accordance with International Standards on Auditing (ISA Italy) established Alt senses. 11, paragraph 3, of Legislative Decree no. 39/10. Those standards require that we comply with ethi plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence to support the

amounts and disclosures in the financial statements. The procedures selected depend on the judgment
professional auditor, including the assessment of risks of material misstatement in the financial statements due fraud or unintentional events. In making those risk assessments, the auditor considers internal control relevant to the preparation of the company's financial statements that give a representation true and fair view in order to design audit procedures appropriate to the circumstances, and not to express an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by administrators, as well as evaluating the presentation of the financial statements as a whole.

c) I think I have obtained sufficient appropriate audit evidence on which to base my judgment.

In my opinion the financial statements give a true and fair view of the financial position and financial position of STELMI ITALY SPA Company at 31/12/2015 and net profit for the year then ended that date, in compliance with the Italian regulations governing their preparation.

d) My opinion is unqualified with regard to this aspect.

is) I have performed the procedures required in Auditing Standard (SA Italy) n.720B in order to express, as required by law an opinion on the consistency of the management report, which is the responsibility to the STELMI ITALY SPA Company directors with the financial statements of the Company STELMI ITAL' SPA 31/12/2015. In my opinion, the management report is consistent with the financial statements of the Com| STELMI ITALY SPA 31/12/2015.

Vittuone, May 12, 2016

the Auditor
Dr. Cristina Sorrentino

The undersigned ROTA LUCIANA legal representative of the company STELMI ITALY SPA aware the criminal liability provided for in the event of misrepresentation, certifies, pursuant dell'art.47 Presidential I correspondence of this document to the one kept in the acts of the company

f.to**ROTA LUCIANA**

CARRY STAMP VIRTUAL
AUT. No 3/4774/2000 of 19.07.2000 AG. REVENUE DRE Lombardy - SS MILAN

Via Vittorio Emanuele II n. 68-24036 Ponte San Pietro (BG) - Tel. 035/4376923 - Fax. 035/617887
CF SRR CST 69H57 A794M - VAT 02564210165

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Tax Code 05374560968

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Chapter 6 - AUDITORS REPORT

STELMI ITALY SPA

Reg. Imp. 05374560968
Rea.1816371

STELMI ITALY SPA

Company under the direction and control of Lebogest Spa

Based in Vittuone (MI) - via Gandhi n. 15
Capital Euro 1.050.000,00 iv

Report of the Statutory Auditors to the Shareholders
pursuant to art. 2429 of the Civil Code

Shareholders of STELMI ITALY SPA,

1. Having the Company appointed to audit the accounts to an Auditor entered in the register established at the Ministry of Justice, the legal audit of the accounts, pursuant to Article 2409-bis and Civil Code, was carried out by the Auditor Dr. Cristina Sorrentino, which was responsible by the assembly 'Meeting of 30/04/2014.

2. During the year ended 31/12/2015 we carried out the supervisory activities required by law.

[illegible]onsibilities, adequacy of the Company's organizational structure, internal control system, the system administrative and accounting and its reliability in correctly representing management.

3. During the year, we participated in the meetings of the board and, in compliance the statutory provisions, we were periodically informed by the Directors' social management and the most important economic, financial and equity. In this regard, and with particular reference to the Company's ability to operate on a going conditions, we point out that:

- the Company also achieved in 2015 an operating loss, although down compared the previous year (Euro 1.572 million in 2015, of EUR 2.444 million) in 2014, still determined once by strong competitive pressures on sales prices. As in 2014, to prevent the loss intaccasse share capital, during 2015 the majority shareholder intervened more occasions giving up the return of certain receivables and a simultaneous conversion into reserves equity for a total amount of Euro 1.548 million, slightly less than the amount loss reported during the year (Euro 1.572 million). During the year, shareholders' equity It increased by Euro 2.029 million due to the revaluation of plant and machinery under Law n.208 / 2015 and 31 December 2015 it amounted to Euro 2.758 million.
- competitive pressures on prices also continued in the first months of 2016 does not allow the Company to restore the conditions of an income balance of business management. In the first two months of 2016, the majority shareholder intervened again to support the Company through the granting of new loans totaling EUR 1,000 thousand.
- December 31, 2015, the Company still be significant borrowings from banks EUR 16.94 million, but down by € 1.775 million compared to Euro financial indebtedness 18,715 at 31 December 2014 due to the repayment of installments due in 2015 Euro 1.977 million total.
- the installments due in 2016 (Euro 903,000) decreased compared to those going to expire and reimbursed in 2015 (it amounted to Euro 1.977 million) as a result of stepped renegotiation of the credit facility with Centrobanca-BPM, and with Banco Popolare. The society He repaid and will be able to repay the loan installments due in 2016 is

through cash flows from operating activities, both with the shareholder's financial resources majority Lebogest Spa, which, as in the previous year, has pledged to fund and patrimonial support the Company in order to ensure the fulfillment by Stelmi Italy Spa of its obligations and its regular continuation and continuity of business without encountering a substantial decrease in the ability to operate regularly. E 'in this context that the directors decided to prepare the financial statements of the Company according to the requirement of going concern.

We also present, which, as reported by the directors in the Notes and the Report on commenting management of significant events during the year, '' *order to better face the crisis structure of the industry, the company is considering extraordinary operations with others in the industry that would bring synergies and financial benefits. In this context it should be noted that in the course of 2016 It has signed a preliminary agreement for the sale of a business unit of the Company whose effectiveness is subject to certain conditions precedent to the occurrence of which will be changed the scope of activities of society. This transaction will not result in any reduction of the company's turnover by virtue of agreements being finalized to safeguard the commercial relationships with customers, maintaining in this way the volume of the pre-existing turnover* ".

4. The Board of Auditors did not find any atypical and / or unusual transactions, including those performed witl related parties or intergroup.

5. The statutory auditor Dr. Cristina Sorrentino issued on 12 May 2016, the report under Article 14 of Legislative Decree n. 39/2010, in which it confirms that the financial statements as at 31/12/2015 give a true and fair view of the financial position and operating results of your Company without highlight any observations or requests for information.

6. There were no complaints to the Board of Auditors pursuant to Article 2408 of the Civil Code.

7. Statutory Auditors received no petitions.

8. During the year ended 31/12/2015 the Company has not granted the statutory auditor positions

different from the activity of statutory audit in accordance with law.
9. The Board of Auditors, during the year, did not issue opinions in accordance with law.

10. The Board of Statutory Auditors ascertained, through direct verification and information collected from the compliance with legal requirements concerning the preparation and setting of the financial statements of the Co and the report on operations attached to the same. In addition, the Board of Statutory Auditors examined the cri assessment adopted in the financial statements presented for compliance with the requirements of law and economic and business conditions and in this regard notes the following:

- as previously reported, while being the Company in an economic and financial context and particularly difficult to finance, the directors decided to draw up the financial statements with business continuity criteria on the basis of majority shareholder's commitment Lebogest Spa to finance and sustain patrimonial the Company. Financial support and balance the partner will implement the initiatives that the directors intend to pursue in the coming months and which are reflected in the business budget for the year 2016; in that budget there is a new of operating loss for the year, although down compared to that achieved in 2015 (excluding the effects of any extraordinary transactions that may improve in 2016).

The Board confirmed that the directors, in preparing the financial statements, did not deviate from law pursuant to art. 2423, fourth paragraph, of the Italian Civil Code.

11. The balance sheet shows a negative result for the year of Euro 1,572,127 and is summarized in the = following values:

activity	Euro	28298605
passivity	Euro	25540764
- Shareholders' equity (excluding profit for the year)	Euro	4329968
- Profit (loss) for the year	**Euro**	**(1572127)**
Accounts, commitments, risks and other memorandum accounts	Euro	717871

Report of the Statutory Auditors to the shareholders. page 2

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STELMI ITALY SPA

The income statement presents, in summary, the following values:

Value of production (non-financial revenues)	Euro	27101346
Production costs (non financial costs)	Euro	28398674
Difference	Euro	(1297328)
Financial income and expenses	Euro	(686,636)
Value adjustments to financial assets	Euro	
Extraordinary income and expenses	Euro	560597
Result before the taxes	Euro	(1423367)
Income tax	Euro	148760
Profit (loss) for the year	**Euro**	**(1572127)**

12. Under Article. 2426 of the Civil Code, paragraph 5, the Supervisory Board gave its consent to recognition of the goodwill balance sheet of € 246,045 = and costs of research and development and advertising costs of € 13.602 =.

13. The Board of Auditors has verified the criteria applied by the directors in the aforementioned revaluation pursuant to Law n. 208/2015 on plant and machinery. Through this revaluation the value of equipment and machined parts was increased by a total of EUR 2.415 million (gross amount the substitute that the Company will be required to pay the 16% measure as provided From law).
The Board of Auditors confirms that the revaluation by the directors does not exceed the value of use of plant and equipment revalued, calculated using conservative estimates made with the help of an expert independent.
The Board of Auditors attests, therefore, that the revaluation does not exceed the value limits indicated in parag Article 11 of Law No. 342/2000.

14. The Board of Auditors has constantly kept in touch with the legal auditor through meetings at the registered office, in the course of which no significant aspects for which it has become necessary proceed with specific studies; during the meetings and the exchange of mutual information assessments carried out, there has not been notified of the existence of reprehensible actions.

mentioned in this report no significant facts that require reporting or

16. For the foregoing, the Board draws the attention of shareholders of reportedly about of the reasons why the directors decided to prepare financial statements on a going concern conditions and no objection to the approval of the financial statements as at 31/12/2015, and has no objections to make on the proposed resolution presented Administrative Body for the coverage of loss incurred during the year, while showing that in a longer-term perspective, if conditions Market should not change, Shareholders will be presumably called again to finance and patrimonial support the Company less than extraordinary transactions with others in the industry from which can derive synergies and financial benefits, which, as reported by the administrators. It is being currently being evaluated or being finalized.

Vittuone, May 14, 2016

The Board of Auditors

Chairman of the Board
Dott. Luca Gherardi

Mayor in charge
Dott. Andrea Trabattoni

Mayor in charge
Dott. Francesco Turati

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STELMI ITALY SPA

The undersigned **ROTA LUCIANA** Legal representative of the company STELMI ITALY SPA aware of the criminal liability provided for in cases of false declarations, declares, pursuant to dell'art.47 Presidential Decree 445/2000, the **correspondence** of this document with that preserved the the company acts

f.to **ROTA LUCIANA**

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Report of the Statutory Auditors to the shareholders. page 4

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Total administrative fees paid to the Chamber of Commerce € 2.50
anticipated by Infocamere SCpA in the name and on behalf of the User