FINANCIAL STATEMENT ANALYSIS & RATING

CAMPARI S.P.A.

Year 2012 - 2014

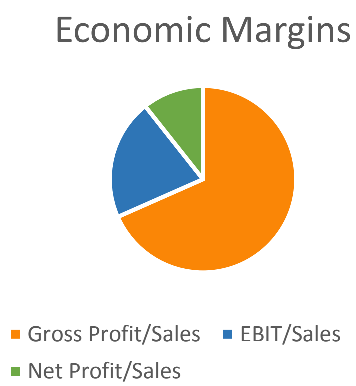
Sommario

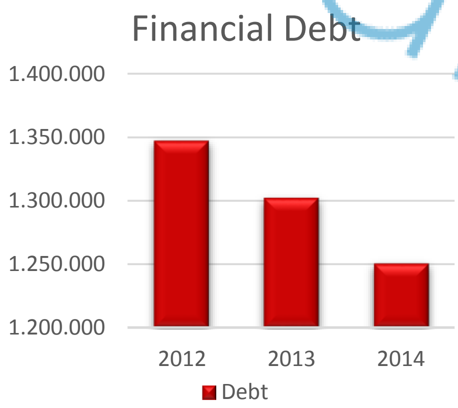
Financial Highlights

Key Statistics Snapshot 2014

Revenue (k€)	Annual Growth 2012-2013	Annual Growth 2013-2014	Debt change 2013-2014
€ 1.560	**+13,7%**	**+2,4%**	**-4,0%**

Gross Profit (k€)	EBIT (k€)	EBITDA (k€)	Profit (k€)
€ 831,7	**€ 255,0**	**€ 294,4**	**€ 129,6**

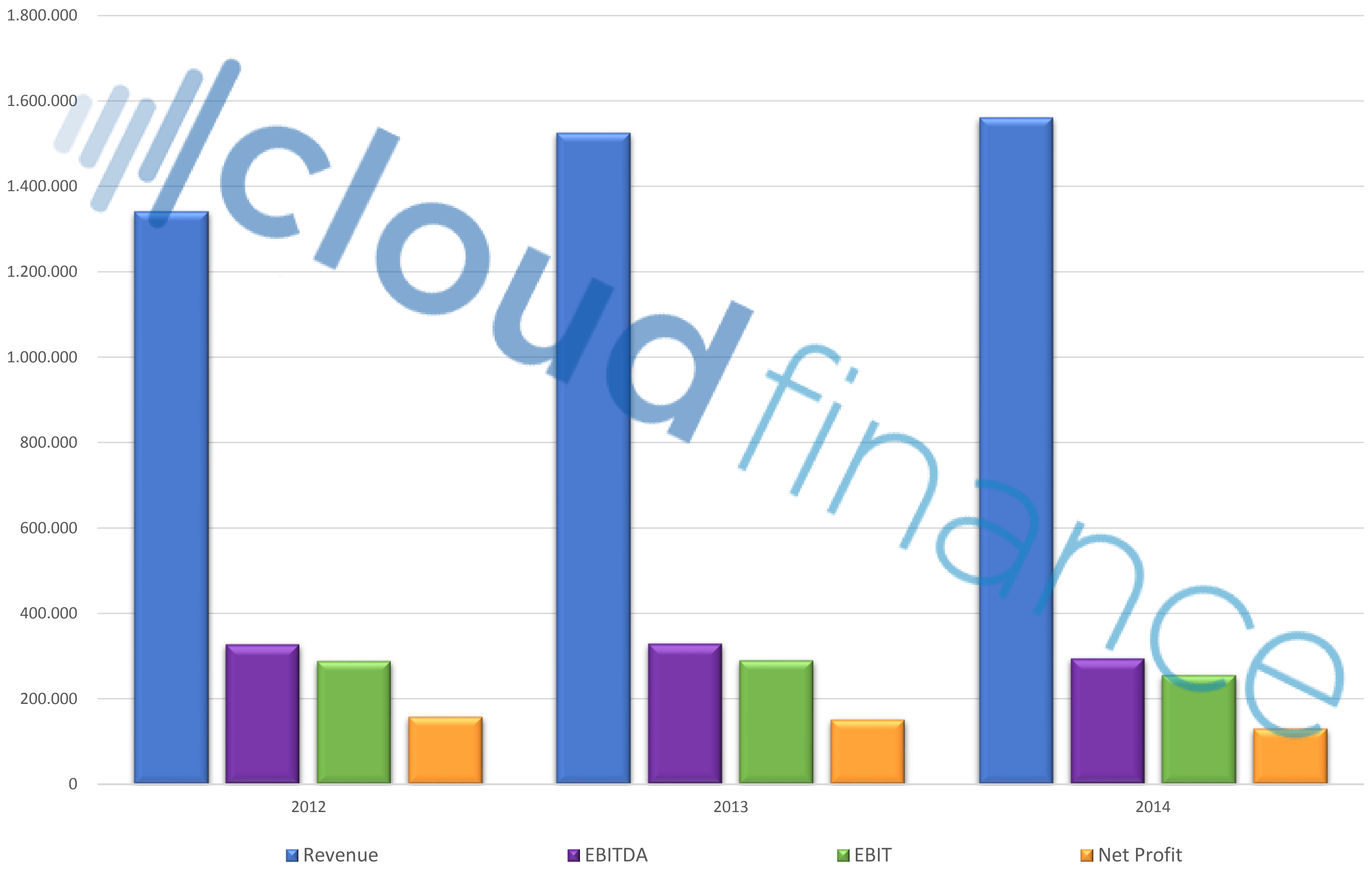




Key financials

€		2012	2013	2014
Revenue		**1.340.800**	**1.524.100**	**1.560.000**
yoy %		-	*+13,7%*	*+2,4%*
EBITDA		**326.750**	**328.800**	**294.400**
EBITDA margin		*24,37%*	*21,57%*	*18,87%*
EBIT		**287.500**	**289.300**	**255.000**
EBIT margin		*21,44%*	*18,98%*	*16,35%*
Net Debt (Cash)		**904.600**	**860.700**	**1.019.500**
NFP/EBITDA		*2,8*	*2,6*	*3,5*
D/(D+E)		*0,5*	*0,5*	*0,4*
Net Profit (Loss)		**157.200**	**150.400**	**129.600**

In the last available financial year (2014), sales volume increased by 2,4% compared to the previous year and amounted to €1.560.000, EBITDA decreased by 10,5% and amounted to €294.400 (18,9%) as a percentage of revenue while EBIT decreased by 11,9% and amounted to €255.000 (16,3%) as a percentage of revenue. Net Profit decreased by 13,8% amounting to €129.600. The company's Net Debt amounted to €1.019.500, a 18,5% increase with respect to the previous year. The Net Debt to EBITDA ratio in 2014 was 3,46, resulting from Net Debt of €1.019.500 and EBITDA of €294.400. Such a Net Debt to EBITDA ratio level is slightly lower than the industry average. Net Debt/EBITDA increased significantly (0,85 absolute variation) compared with the previous year, when it was 2,62. The growth (a worsening of the ratio) was caused from a substantial growth in Net Debt and a decline in EBITDA. Specifically, Net Debt changed from €860.700 in 2013 to €1.019.500 in 2014 (18,45% increase), while EBITDA dropped from €328.800 to €294.400 (-10,46% variation). In 2012 Net Debt/EBITDA ratio was 2,77.

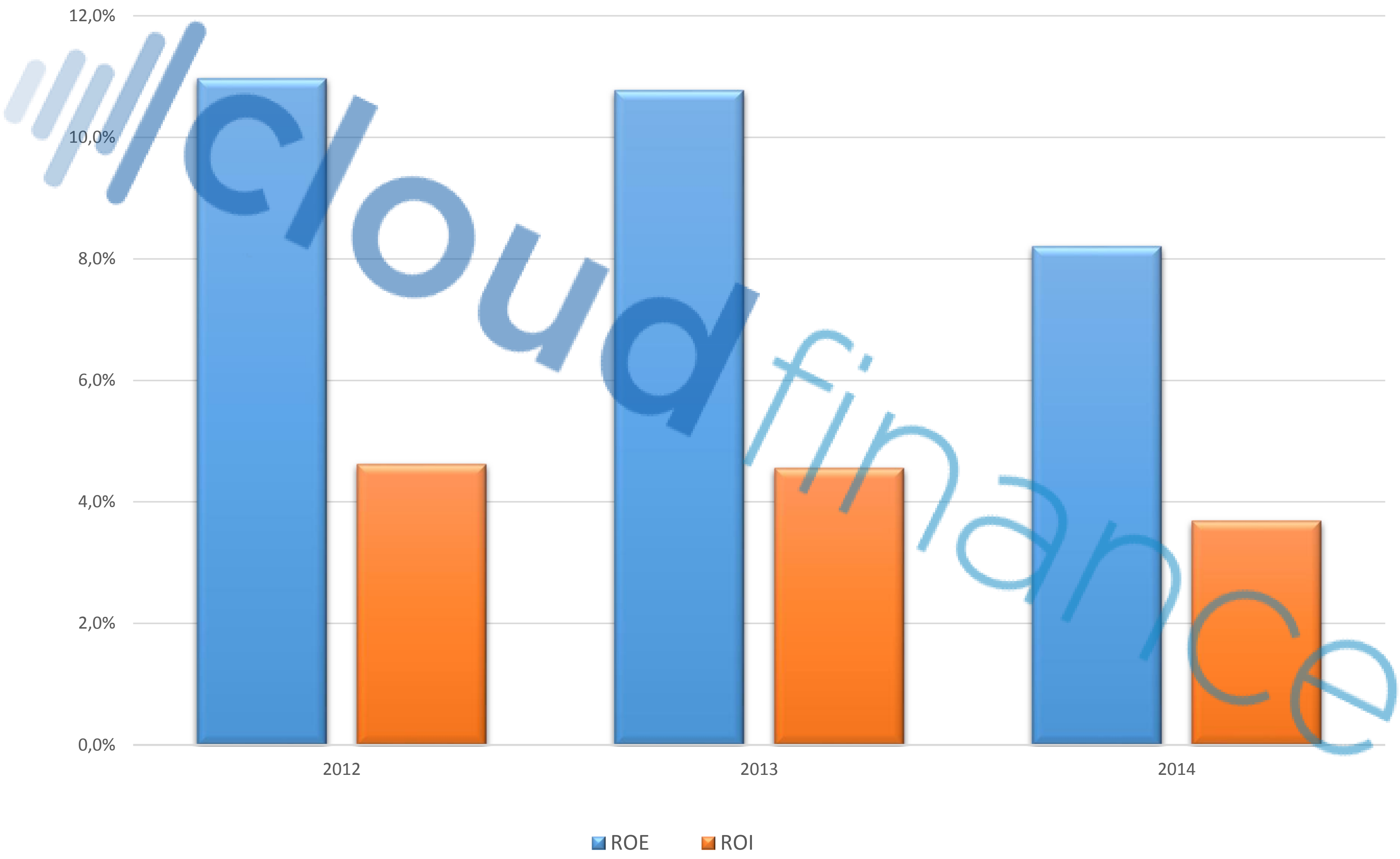

1.800.000
1.600.000
1.400.000
1.200.000
1.000.000
800.000
600.000
400.000
200.000
0
2012
2013
2014
Revenue
EBITDA
EBIT
Net Profit

Ratios

	2012	2013	2014
ROE	10,97%	10,77%	8,20%
ROA	4,62%	4,55%	3,68%
Debt to Equity ratio	0,94	0,93	0,79
Net Debt to Equity ratio	0,63	0,62	0,65
EBIT to Interest coverage ratio	5,62	4,90	4,17

Return on Equity in 2014 was 8,20%, given by Profit of €129.600 and book value of Equity of €1.579.900. Such a ROE level is deemed to be unsatisfactory. ROE was roughly unchanged (-2,57% absolute variation) compared with the previous year, when it was 10,77%. Such a stable ROE resulted despite a substantial decline in Profit and a growth in Equity. Specifically, Profit dropped from €150.400 in 2013 to €129.600 in 2014 (-13,83% variation), while the book value of Equity increased from €1.396.000 to €1.579.900 (13,17% variation). In 2012 the ratio was 10,97%. Return on Assets in 2014 was 3,68%, given by Net Profit of €129.600 and book value of Assets of €3.517.800. Such a ROA level is deemed to be unsatisfactory. ROA was roughly unchanged (-0,87% absolute variation) compared with the previous year, when it was 4,55%. Such a stable ROA resulted despite a substantial decline in Net Profit and a growth in Assets. Specifically, Net Profit dropped from €150.400 in 2013 to €129.600 in 2014 (-13,83% variation), while the book value of Assets increased from €3.302.500 to €3.517.800 (6,52% variation). In 2012 the ratio was 4,62%.

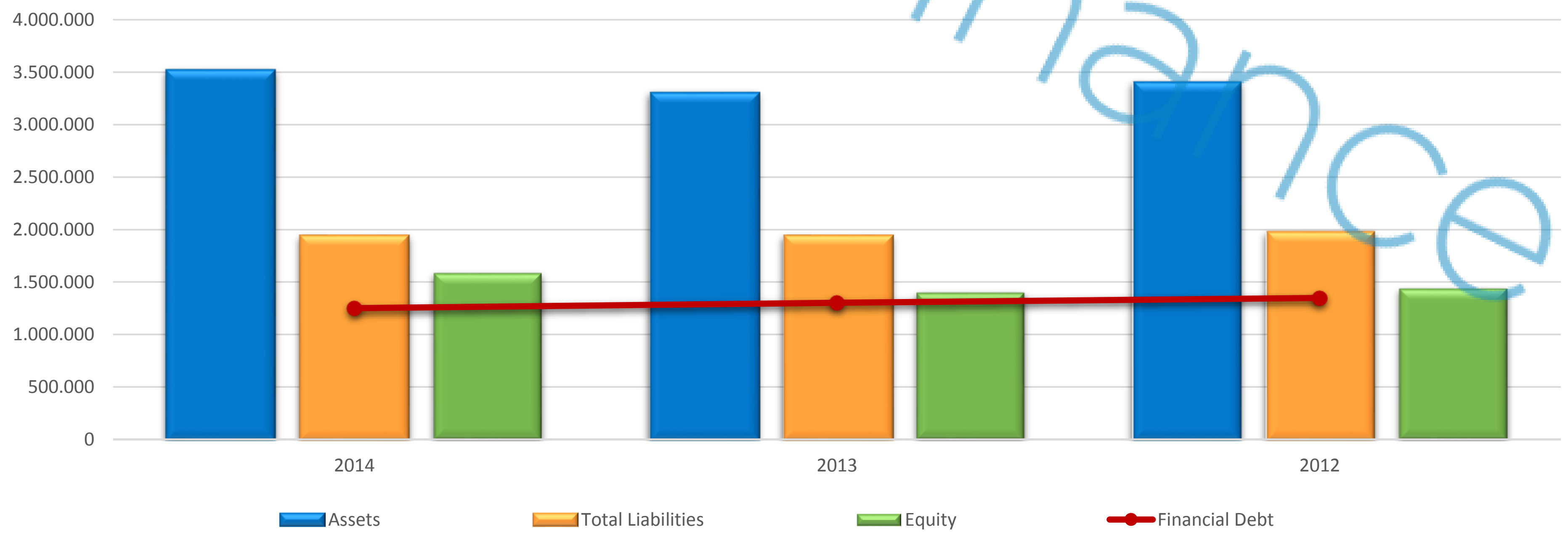
D/E ratio in 2014 was 0,79, resulting from Debt of €1.250.400 and Equity of €1.579.900. Such a Debt to Equity ratio is deemed to be more than satisfactory. Financial leverage can be conveniently increased, so to maximaze return on equity for stockholders. D/E ratio was roughly unchanged (-0,14 absolute variation) compared with the previous year, when it was 0,93. Such a stable D/E ratio resulted despite a substantial decline in Debt and a growth in Equity. Specifically, Debt dropped from €1.302.300 in 2013 to €1.250.400 in 2014 (-3,99% variation), while Equity increased from €1.396.000 to €1.579.900 (13,17% variation). In 2012 D/E ratio was 0,94. The Net Debt to Equity ratio in 2014 was 0,65, resulting from Net Debt of €1.019.500 and Equity of €1.579.900. The Net Debt to Equity ratio has a more than satisfactory value and there are then the margins for an increase in this ratio, i.e. for an increase in the use of borrowed capital, so as to increase the return on Equity of stockholders. Net Debt/Equity was roughly unchanged (0,03 absolute variation) compared with the previous year, when it was 0,62. Such a stable Net Debt/Equity resulted despite a substantial growth in both Net Debt and Equity. Specifically, Net Debt increased from €860.700 in 2013 to €1.019.500 in 2014 (18,45% variation), while Equity changed from €1.396.000 to €1.579.900 (13,17% variation). In 2012 Net Debt/Equity ratio was 0,63. EBIT to Interest coverage ratio in 2014 was 4,17, given by an EBIT of €255.000 and finance charges of €61.100. Such a level of the ratio is deemed to be unsatisfactory, being lower than industry average. The income from operating activities is sufficient to service the debt, but a careful monitoring of the situation is however recommended. EBIT on Interest Expense was roughly unchanged (-0,72 absolute variation) compared with the previous year, when it was 4,90. Such a stable ratio resulted from interest expense staying roughly constant, while EBIT declined substantially. Specifically, EBIT changed from €289.300 in 2013 to €255.000 in 2014 (-11,86% variation), while interest expense changed from €59.100 to €61.100 (3,38% variation). In 2012 EBIT to Interest coverage ratio was 5,62.


12,0%
10,0%
8,0%
6,0%
4,0%
2,0%
0,0%
2012
2013
2014
ROE
ROI
cloudfinance

Reclassified Financials

Structure of Assets & Liabilities

	2014		2013		2012			
	€	*% total*	€	*% total*	€	*% total*	*change 2013-2014*	*change 2012-2013*
TOTAL ASSETS	**3.517.800**	***100,00%***	**3.302.500**	***100,00%***	**3.402.800**	***100,00%***	**+6,5%**	**-2,9%**
1. Non-current Assets	2.407.800	*68,45%*	2.043.800	*61,89%*	2.123.400	*62,40%*	+17,8%	-3,7%
2. Current Assets	1.110.000	*31,55%*	1.258.700	*38,11%*	1.279.400	*37,60%*	-11,8%	-1,6%
Inventories	477.000	*13,56%*	442.600	*13,40%*	434.100	*12,76%*	+7,8%	+2,0%
Trade and other Current Receivables	340.300	*9,67%*	317.900	*9,63%*	345.000	*10,14%*	+7,0%	-7,9%
Cash and Cash Equivalents	230.900	*6,56%*	441.600	*13,37%*	442.500	*13,00%*	-47,7%	-0,2%
EQUITY & LIABILITIES	**3.517.800**	***100,00%***	**3.302.500**	***100,00%***	**3.402.800**	***100,00%***	**+6,5%**	**-2,9%**
1. Equity	1.579.900	*44,91%*	1.396.000	*42,27%*	1.433.000	*42,11%*	+13,2%	-2,6%
2. Non-current Liabilities	1.426.200	*40,54%*	1.421.400	*43,04%*	1.450.600	*42,63%*	+0,3%	-2,0%
3. Current Liabilities	511.700	*14,55%*	485.100	*14,69%*	519.200	*15,26%*	+5,5%	-6,6%



Balance Sheet Analysis

Cash ratio

The cash ratio in 2014 was 0,45 and was worse than in the previous year, when it amounted to 0,91 (a -50,4% variation). The analysis highlights a relatively stable financial position since cash and cash equivalents, are barely sufficient to cover current liabilities.

Fixed Assets Coverage ratio

The Equity/Invested Capital ratio is very low, indicating that the company is not properly capitalized and that financial interventions are required urgently but worsened, compared to the previous year, by 0,13 amounting to a value of 1,25

Quick Ratio

The quick ratio in 2014 was 1,16 and was worse than in the previous year, when it amounted to 1,64 (a -29,0% variation). The analysis highlights a fairly stable financial position since cash, cash equivalents, trade and other receivables are sufficient to cover current liabilities.

Current Ratio

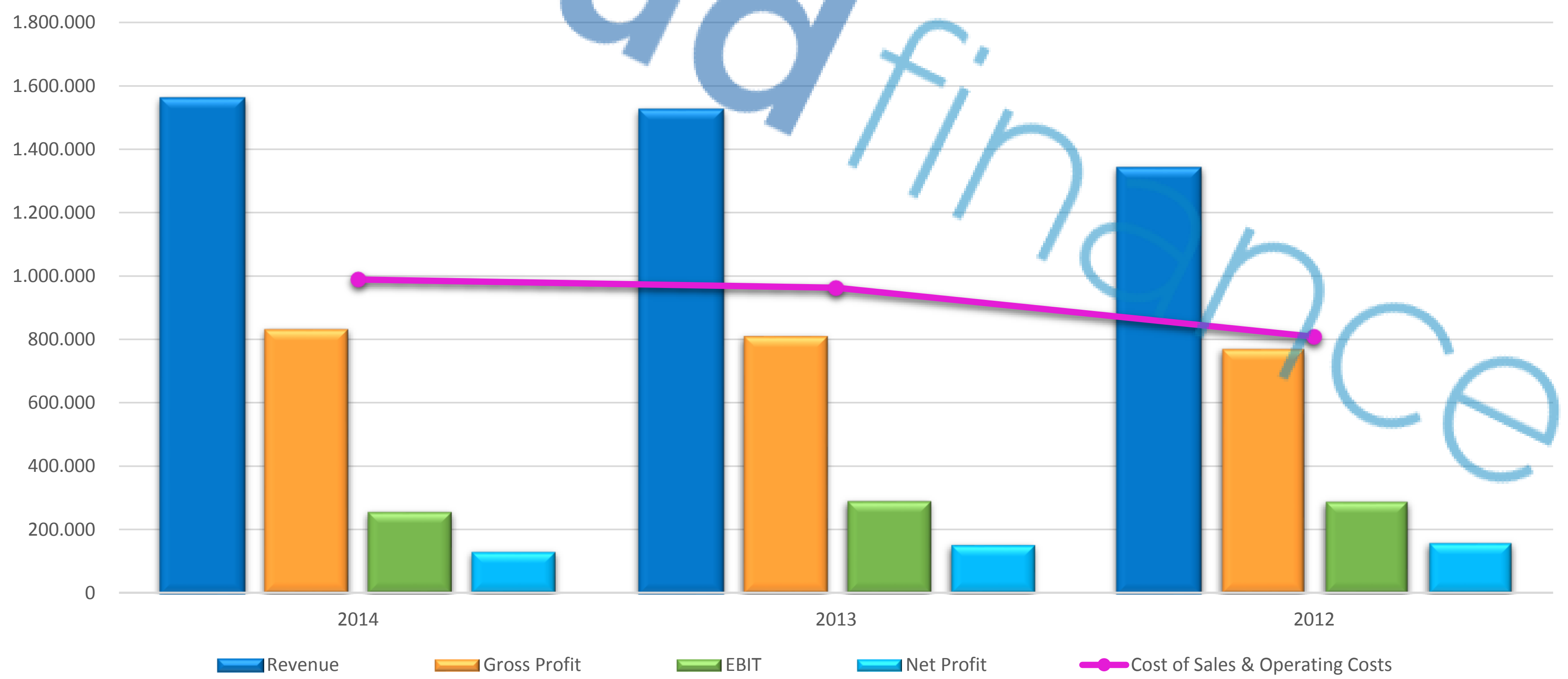
The current ratio in 2014 was 2,17 and was worse than in the previous year, when it amounted to 2,59 (a -16,4% variation). Because the Working Capital is the difference between current assets and current liabilities, a current ratio (or working capital ratio) greater than 2 means that the company has a significant amount of working capital. The analysis therefore highlights a satisfactory financial position, since current assets are more than sufficient to cover current liabilities.

Overview of Financial results

	2014		2013		2012			
	€	*% revenue*	€	*% revenue*	€	*% revenue*	*change 2013-2014*	*change 2012-2013*
1. Revenue (Sales)	**1.560.000**	***100,00%***	**1.524.100**	***100,00%***	**1.340.800**	***100,00%***	**+2,4%**	**+13,7%**
2. Cost of Sales	-728.300	*46,69%*	-713.700	*46,83%*	-571.300	*42,61%*	+2,0%	+24,9%
3. Gross Profit (1-2)	**831.700**	***53,31%***	**810.400**	***53,17%***	**769.500**	***57,39%***	**+2,6%**	**+5,3%**
4. Operating Costs	-260.800	*16,72%*	-249.200	*16,35%*	-237.200	*17,69%*	+4,7%	+5,1%
5. Other Income and (Expense)	-315.900	*20,25%*	-271.900	*17,84%*	-244.800	*18,26%*	-16,2%	-11,1%
6. Other Gains (Losses)	0	*0,00%*	0	*0,00%*	0	*0,00%*	0,0%	0,0%
7. EBIT (3 -4 +/-5 +/-6)	**255.000**	***16,35%***	**289.300**	***18,98%***	**287.500**	***21,44%***	**-11,9%**	**+0,6%**
7.a EBITDA (Ebit + Depreciation and Amortization)	294.400	*18,87%*	328.800	*21,57%*	326.750	*24,37%*	-10,5%	+0,6%
8. Share of Profit (Loss) of Associates and Joint Ventures	0	*0,00%*	0	*0,00%*	0	*0,00%*	0,0%	0,0%
9. Interest Income	500	*0,03%*	200	*0,01%*	0	*0,00%*	+150,0%	+100,0%
10. Interest Expense	-61.100	*3,92%*	-59.100	*3,88%*	-51.200	*3,82%*	+3,4%	+15,4%
11. Other Financial Income (Expense)	0	*0,00%*	0	*0,00%*	-79.000	*5,89%*	0,0%	+100,0%
12. Other Non-Operating Income (Expense)	-200	*0,01%*	-200	*0,01%*	-100	*0,01%*	0,0%	-100,0%
13. Profit (Loss) before Tax (7 +/- 8 +9 -10 +/- 11 +/- 12)	**194.200**	***12,45%***	**230.200**	***15,10%***	**157.200**	***11,72%***	**-15,6%**	**+46,4%**
14. Income tax expense	-64.600	*4,14%*	-79.800	*5,24%*	0	*0,00%*	-19,0%	+100,0%
15. Profit (Loss) from continuing operations (13 -14)	**129.600**	***8,31%***	**150.400**	***9,87%***	**157.200**	***11,72%***	**-13,8%**	**-4,3%**
16. Profit (Loss) from discontinued operations	0	*0,00%*	0	*0,00%*	0	*0,00%*	0,0%	0,0%
17. Profit (loss) (15 + 16)	**129.600**	*8,31%*	**150.400**	*9,87%*	**157.200**	*11,72%*	**-13,8%**	**-4,3%**
18. Profit (loss) attributable to non-controlling interests	0	*0,00%*	0	*0,00%*	0	*0,00%*	0,0%	0,0%
19. Profit (loss) attributable to the owners of the parent (17 + 18)	**129.600**	***8,31%***	**150.400**	***9,87%***	**157.200**	***11,72%***	**-13,8%**	**-4,3%**
20. Other comprehensive income (loss)	0	*0,00%*	0	*0,00%*	0	*0,00%*	0,0%	0,0%
21. Comprehensive Income (17+20)	**129.600**	***8,31%***	**150.400**	***9,87%***	**157.200**	***11,72%***	**-13,8%**	**-4,3%**

Main Economic Data Analysis

	2014		2013		2012	
	€	*change*	€	*change*	€	*change*
Revenue	1.560.000	*+2,4%*	1.524.100	*+13,7%*	1.340.800	-
Cost of Sales	-728.300	*+2,0%*	-713.700	*+24,9%*	-571.300	-
Gross Profit	831.700	*+2,6%*	810.400	*+5,3%*	769.500	-
EBITDA	294.400	*-10,5%*	328.800	*+0,6%*	326.750	-
EBIT	255.000	*-11,9%*	289.300	*+0,6%*	287.500	-
Profit (loss)	**129.600**	***-13,8%***	**150.400**	***-4,3%***	**157.200**	**-**



Financial ratios and margins

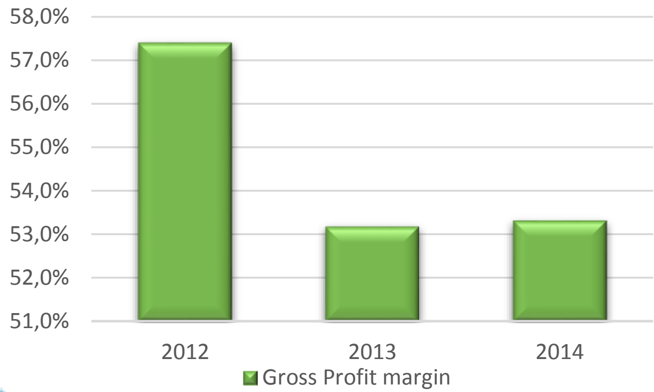
Income Statement indexes

Gross Profit margin	2012	2013	2014
Gross Profit/Sales	**57,39%**	**53,17%**	**53,31%**

Gross Profit margin measures the firm's capacity to generate profit through sales.

Range	Significance
Ratio > 20,00%	*Satisfactory outcome*
10,00% < Ratio < 20,00%	*Average outcome*
Ratio < 10,00%	*Unsatisfactory outcome*

Gross Profit margin in 2014 was 53,3%, resulting from a Gross Profit of €831.700 and Sales of €1.560.000. Such a ratio level was virtually unchanged compared with the previous year, when it was 53,2%.

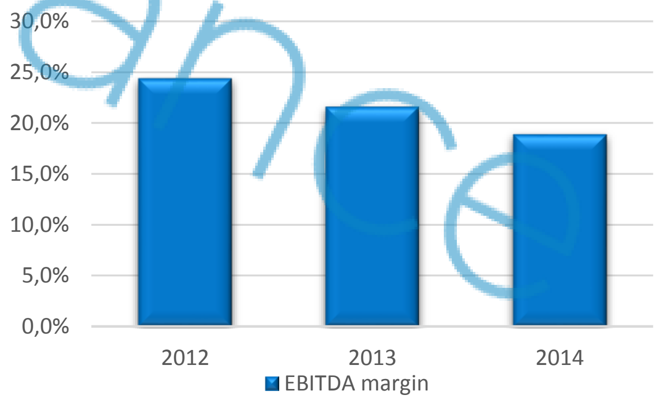


EBITDA margin	2012	2013	2014
EBITDA /Sales	**24,37%**	**21,57%**	**18,87%**

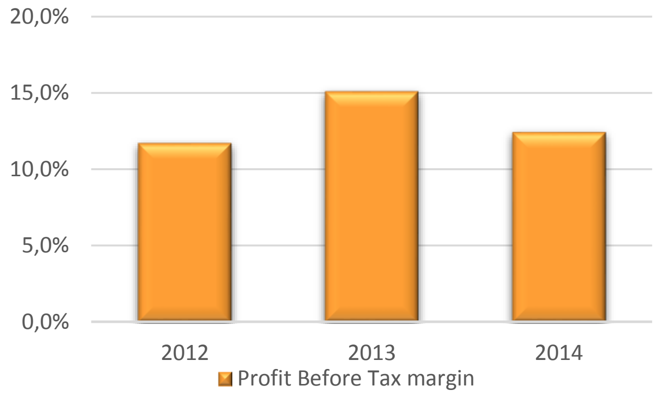
EBITDA margin measures overall profitability after taking into account all operating costs: variable costs and fixed costs.

Range	Significance
Ratio > 15,00%	*Satisfactory outcome*
8,00% < Ratio < 15,00%	*Average outcome*
Ratio < 8,00%	*Unsatisfactory outcome*

EBITDA margin in 2014 was 18,9%, resulting from an operating profit (EBITDA) of €294.400 and Sales of €1.560.000. Such a ratio level was virtually unchanged compared with the previous year, when it was 21,6%.



Profit Before Tax margin	2012	2013	2014
Profit before Tax/Sales	**11,72%**	**15,10%**	**12,45%**

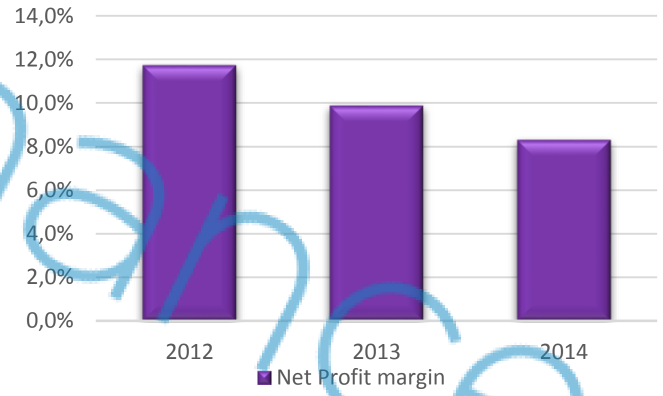


Profit Before Tax margin measures how much revenue is converted into profits, before tax is deducted.

Range	Significance
Ratio > 15,00%	*Satisfactory outcome*
8,00% < Ratio < 15,00%	*Average outcome*
Ratio < 8,00%	*Unsatisfactory outcome*

Profit Before Tax margin in 2014 was 12,4%, resulting from a profit before tax of €194.200 and Sales of €1.560.000. Such a ratio level was worse than in the previous year, when it was 15,1% (an absolute variation of -2,7%).

Net Profit margin	2012	2013	2014
Net Profit/Sales	**11,72%**	**9,87%**	**8,31%**



Net Profit margin is the percentage of revenue remaining after all expenses (operating, financial and tax) have been deducted from the company's total revenue. Therefore, the net profit margin measures the ability of the company to convert revenue into profits available for shareholders.

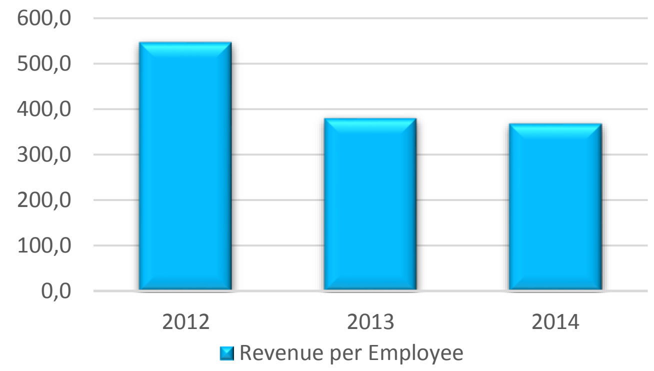
Range	Significance
Ratio > 15,00%	*Satisfactory outcome*
5,00% < Ratio < 15,00%	*Average outcome*
Ratio < 5,00%	*Unsatisfactory outcome*

Net Profit margin in 2014 was 8,3%, resulting from a net profit of €129.600 and Sales of €1.560.000. Such a ratio level was worse than in the previous year, when it was 9,9% (an absolute variation of -1,6%).

Revenue per Employee	2012	2013	2014
Sales/Number of employees	**€ 547**	**€ 381**	**€ 369**

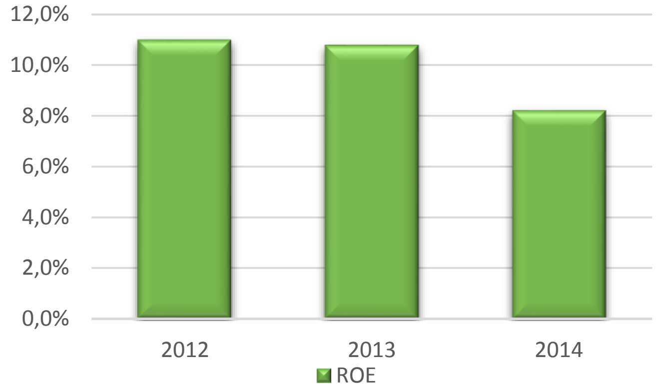
Revenue per employee ratio is an efficiency metric showing how much revenue is collected per single employee. A higher ratio indicates higher productivity.

Revenue per Employee in 2014 was €369, as the company counted on 4229 employees and collected €1.560.000 in Sales. Such a performance was comparable to the previous year, when Revenue per Employee amounted to €381.



Profitability Indexes

ROE	2012	2013	2014
Net Profit/Equity	**10,97%**	**10,77%**	**8,20%**

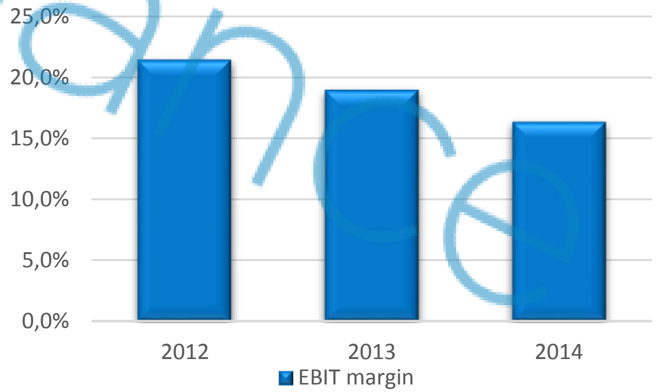


Return on Equity measures the overall profitability of the Equity capital invested in the company and provides a benchmark to evaluate alternative investments.

Range	Significance
ROE > 20,00%	*Satisfactory outcome*
10,00% < ROE < 20,00%	*Not an outstanding outcome*
ROE < 10,00%	*Unsatisfactory outcome*

Return on Equity in 2014 was 8,20%, given by Profit of €129.600 and book value of Equity of €1.579.900. Such a ROE level is deemed to be unsatisfactory. ROE was roughly unchanged (-2,57% absolute variation) compared with the previous year, when it was 10,77%. Such a stable ROE resulted despite a substantial decline in Profit and a growth in Equity. Specifically, Profit dropped from €150.400 in 2013 to €129.600 in 2014 (-13,83% variation), while the book value of Equity increased from €1.396.000 to €1.579.900 (13,17% variation). In 2012 the ratio was 10,97%.

EBIT margin	2012	2013	2014
EBIT /Sales	**21,44%**	**18,98%**	**16,35%**

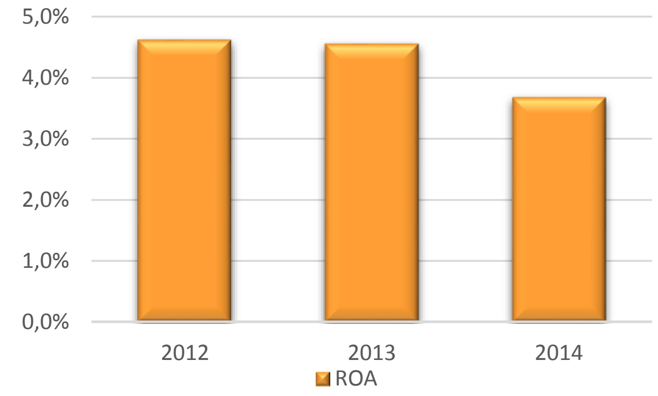


EBIT margin reflects the company's commercial performance and measures the average profit per unit of revenue.

Range	Significance
Ratio > 20,00%	*Satisfactory outcome*
10,00% < Ratio < 20,00%	*Not an outstanding outcome*
Ratio < 10,00%	*Unsatisfactory outcome*

EBIT margin in 2014 was 16,35%, given by EBIT of €255.000 and Revenue of €1.560.000. Such a level of the ratio is deemed to be less than satisfactory. EBIT margin was roughly unchanged (-2,64% absolute variation) compared with the previous year, when it was 18,98%. Such a stable ratio resulted from Revenue staying roughly constant, while EBIT declined substantially. Specifically, EBIT changed from €289.300 in 2013 to €255.000 in 2014 (-11,86% variation), while Revenue changed from €1.524.100 to €1.560.000 (2,36% variation). In 2012 the ratio was 21,44%.

ROA	2012	2013	2014
Net Profit/Total Assets	**4,62%**	**4,55%**	**3,68%**

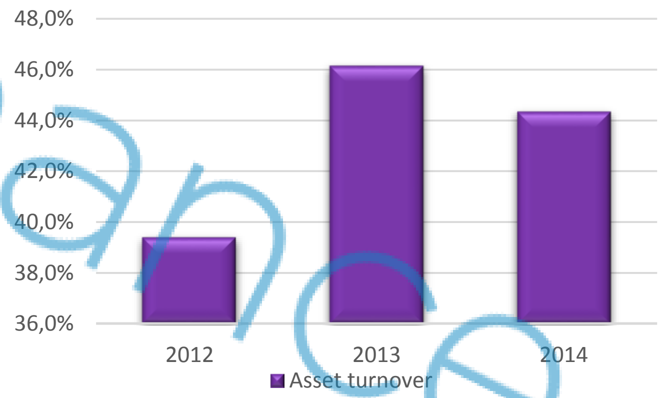


Return on Assets measures the profitability of the company, based on the company's assets.

Range	Significance
ROA > 20,00%	*Satisfactory*
10,00% < ROA < 20,00%	*Average*
ROA < 10,00%	*Unsatisfactory*

Return on Assets in 2014 was 3,68%, given by Net Profit of €129.600 and book value of Assets of €3.517.800. Such a ROA level is deemed to be unsatisfactory. ROA was roughly unchanged (-0,87% absolute variation) compared with the previous year, when it was 4,55%. Such a stable ROA resulted despite a substantial decline in Net Profit and a growth in Assets. Specifically, Net Profit dropped from €150.400 in 2013 to €129.600 in 2014 (-13,83% variation), while the book value of Assets increased from €3.302.500 to €3.517.800 (6,52% variation). In 2012 the ratio was 4,62%.

Asset turnover	2012	2013	2014
Sales/Total Assets	**39,40%**	**46,15%**	**44,35%**



Asset turnover measures the firm's capacity to generate revenue per unit of asset invested. The Asset Turnover ratio is also one component of the ROE disaggregation (DuPont Analysis), the other two components being the profit margin and the financial leverage.

Range	Significance
Ratio > 100,00%	*Satisfactory*
50,00% < Ratio < 100,00%	*Average*
Ratio < 50,00%	*Unsatisfactory*

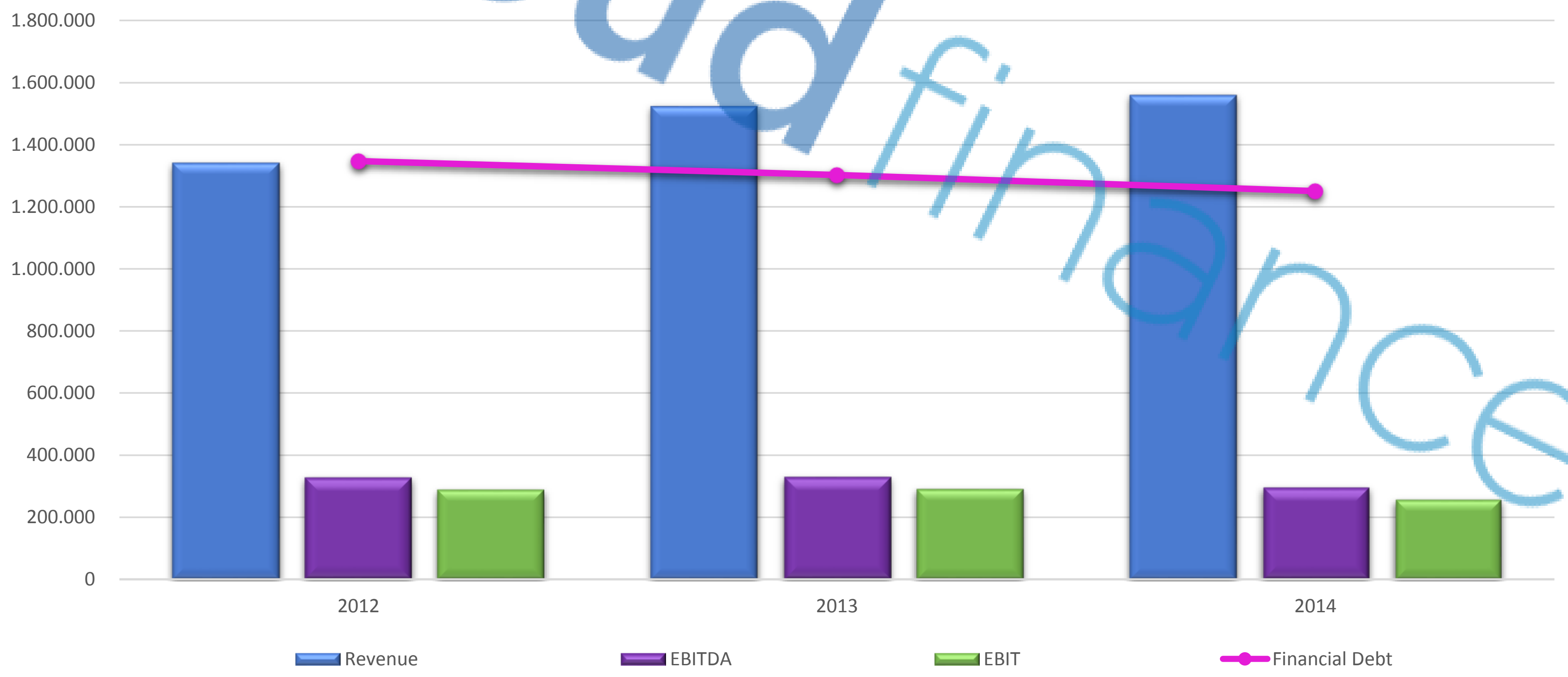
Asset turnover in 2014 was 44,3%, due to Sales of €1.560.000 and to total assets of €3.517.800. The ratio remained virtually unchanged compared with the previous year, when it amounted to 46,1%. The analysis highlights an unsatisfactory position, since annual revenue is not sufficient to replace all assets.

ROE breakdown (DuPont analysis)	2012	2013	2014
ROE = Net Profit Margin x Assets turnover x Leverage ratio	**10,97%**	**10,77%**	**8,20%**

This breakdown, originally developed by DuPont, is a financial measure that helps executives understand the relationships between profit, sales, total assets and leverage.

	ROE	Net Profit Margin	Asset turnover	Leverage ratio
2012	**10,97%**	**11,72%**	**39,40%**	**2,37**
2013	**10,77%**	**9,87%**	**46,15%**	**2,37**
2014	**8,20%**	**8,31%**	**44,35%**	**2,23**

Economic margins and Debt	2012	2013	2014
Revenue	1.340.800	1.524.100	1.560.000
Gross Profit	769.500	810.400	831.700
EBITDA	326.750	328.800	294.400
EBIT	287.500	289.300	255.000
Profit (Loss)	157.200	150.400	129.600
Comprehensive Income	157.200	150.400	129.600
Financial Debt	1.347.100	1.302.300	1.250.400



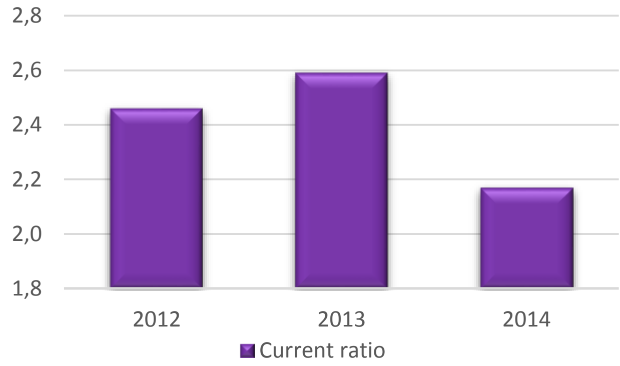
Liquidity analysis

Current ratio	2012	2013	2014
Current Assets/Current Liabilities	**2,46**	**2,59**	**2,17**

Current ratio indicates the company's ability to cover its short-term liabilities using short-term assets (i.e. the assets that turn into cash quickly).

Range	**Significance**
Current ratio > 2	*Good position*
1 < Current ratio < 2	*Average position*
Current ratio < 1	*Critical position*

The current ratio in 2014 was 2,17 and was worse than in the previous year, when it amounted to 2,59 (a -16,4% variation). Because the Working Capital is the difference between current assets and current liabilities, a current ratio (or working capital ratio) greater than 2 means that the company has a significant amount of working capital. The analysis therefore highlights a satisfactory financial position, since current assets are more than sufficient to cover current liabilities.

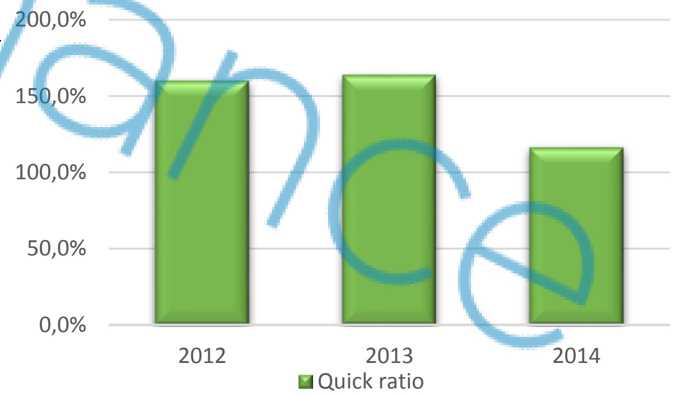


Quick ratio	2012	2013	2014
(Cash and Cash equivalents+Other Current Financial Assets+Trade and Other Current Receivables)/Current Liabilities	**159,84%**	**163,60%**	**116,08%**

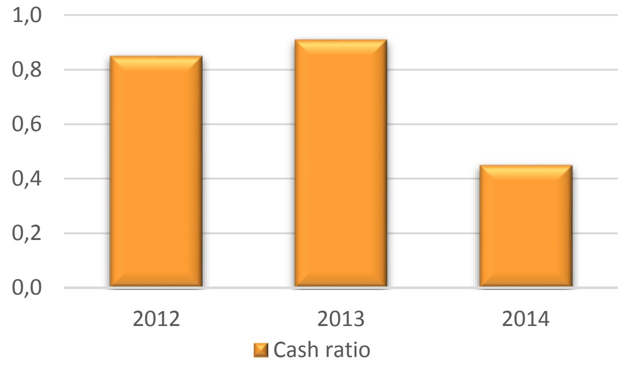
Quick ratio measures the company's solvency with regard to short-term liabilities. Specifically, it measures whether the company's cash and equivalents and its trade and other receivables are sufficient to cover the short-term liabilities.

Range	**Significance**
Quick ratio > 100,00%	*Good position*
30,00% < Quick ratio < 100,00%	*Average position*
Quick ratio < 30,00%	*Critical position*

The quick ratio in 2014 was 1,16 and was worse than in the previous year, when it amounted to 1,64 (a -29,0% variation). The analysis highlights a fairly stable financial position since cash, cash equivalents, trade and other receivables are sufficient to cover current liabilities.



Cash ratio	2012	2013	2014
Cash and Cash equivalents/Current Liabilities	**0,85**	**0,91**	**0,45**



Cash ratio is used to examine the company's liquidity. It is more conservative than the current ratio and the quick ratio, as it compares the amount of cash and cash equivalents with current liabilities.

Range	Significance
Cash ratio > 1	*Very good position*
0.3 < Cash ratio < 1	*Satisfactory position*
Cash ratio < 0.3	*Critical position*

The cash ratio in 2014 was 0,45 and was worse than in the previous year, when it amounted to 0,91 (a -50,4% variation). The analysis highlights a relatively stable financial position since cash and cash equivalents, are barely sufficient to cover current liabilities.

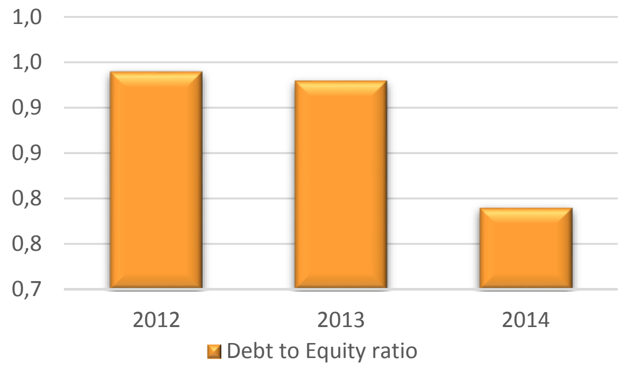
Solvency analysis

Debt to Equity ratio	2012	2013	2014
Financial Debt/Equity	**0,94**	**0,93**	**0,79**

Debt to Equity ratio compares the financial resources provided by debtholders with those provided by the shareholders. This ratio is used to monitor the company's financial risk.

Range	Significance
D/E < 1	*Strong Equity position*
1 < D/E < 5	*Average position*
D/E > 5	*Critical position*

D/E ratio in 2014 was 0,79, resulting from Debt of €1.250.400 and Equity of €1.579.900. Such a Debt to Equity ratio is deemed to be more than satisfactory. Financial leverage can be conveniently increased, so to maximaze return on equity for stockholders. D/E ratio was roughly unchanged (-0,14 absolute variation) compared with the previous year, when it was 0,93. Such a stable D/E ratio resulted despite a substantial decline in Debt and a growth in Equity. Specifically, Debt dropped from €1.302.300 in 2013 to €1.250.400 in 2014 (-3,99% variation), while Equity increased from €1.396.000 to €1.579.900 (13,17% variation). In 2012 D/E ratio was 0,94.

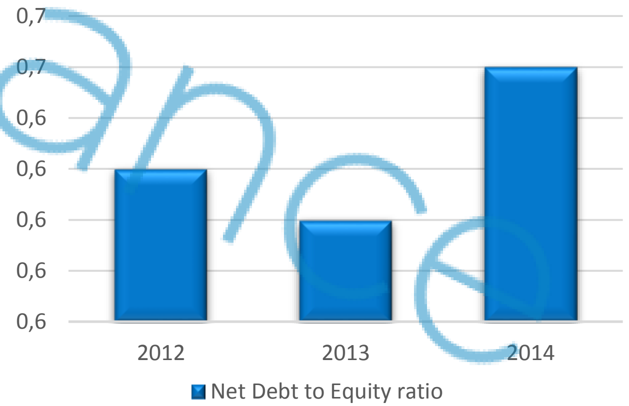


Net Debt to Equity ratio	2012	2013	2014
Net Financial Debt/Equity	**0,63**	**0,62**	**0,65**

Net Debt is defined as the borrowings of the reported entity (Total Liabilities) less cash and cash equivalents. The ratio compares the financial resources provided by debtholders with those provided by the shareholders. This ratio is used to monitor the company's financial risk.

Range	Significance
Net D/E < 1	*Strong Equity position*
1 < Net D/E < 2	*Satisfactory position*
2 < Net D/E < 4	*Risky position*
Net D/E > 4	*Seriously risky position*

The Net Debt to Equity ratio in 2014 was 0,65, resulting from Net Debt of €1.019.500 and Equity of €1.579.900. The Net Debt to Equity ratio has a more than satisfactory value and there are then the margins for an increase in this ratio, i.e. for an increase in the use of borrowed capital, so as to increase the return on Equity of stockholders. Net Debt/Equity was roughly unchanged (0,03 absolute variation) compared with the previous year, when it was 0,62. Such a stable Net Debt/Equity resulted despite a substantial growth in both Net Debt and Equity. Specifically, Net Debt increased from €860.700 in 2013 to €1.019.500 in 2014 (18,45% variation), while Equity changed from €1.396.000 to €1.579.900 (13,17% variation). In 2012 Net Debt/Equity ratio was 0,63.

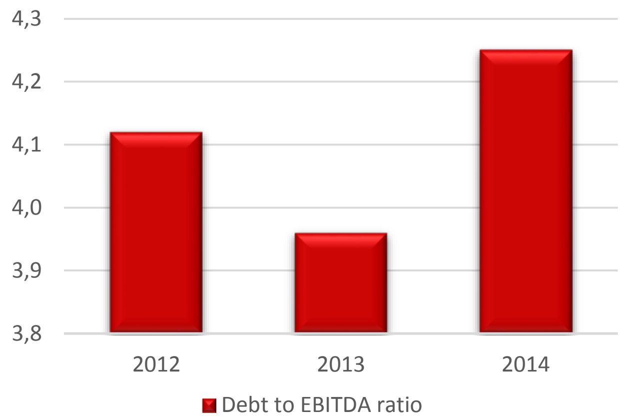


Debt to EBITDA ratio

Debt to EBITDA ratio	2012	2013	2014
Financial Debt/EBITDA	**4,12**	**3,96**	**4,25**

Debt to EBITDA ratio is a solvency indicator that is commonly used by credit rating agencies to assess the probability of defaulting on issued debt. It indicates the approximate time period required by a firm or business to pay off all financial debts.

Range	Significance
Ratio < 1	*Very good position*
1 < Ratio < 3	*Satisfactory position*
3 < Ratio < 5	*Critical position*
Ratio > 5	*Very risky position*



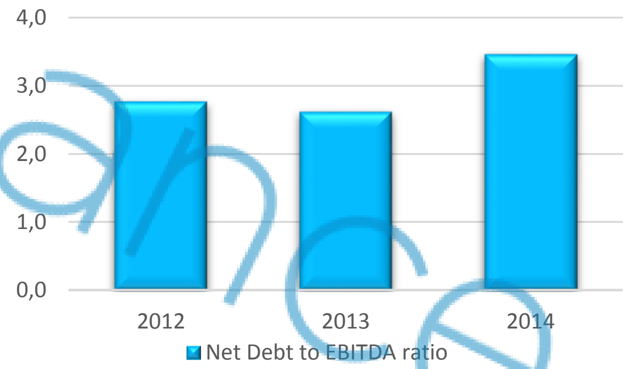
Debt to EBITDA ratio in 2014 was 4,25, resulting from Debt of €1.250.400 and EBITDA of €294.400. Such a Debt to EBITDA ratio level is deemed to be more than satisfactory. Debt to EBITDA ratio was roughly unchanged (0,29 absolute variation) compared with the previous year, when it was 3,96. Such a stable ratio resulted despite a substantial decline both in Debt and EBITDA. Specifically, Debt decreased from €1.302.300 in 2013 to €1.250.400 in 2014 (-3,99%variation), while EBITDA changed from €328.800 to €294.400 (-10,46% variation). In 2012 Debt to EBITDA ratio was 4,12.

Net Debt to EBITDA ratio

Net Debt to EBITDA ratio	2012	2013	2014
Net Financial Debt/EBITDA	**2,77**	**2,62**	**3,46**

Net Debt to EBITDA ratio is a solvency metric akin to Debt on EBITDA ratio. Unlike the aforementioned ratio, it takes into account the company's immediate liquidity, as it involves net financial debt, i.e. Debt minus cash and cash equivalents.

Range	Significance
Ratio < 1	*Very good position*
1 < Ratio < 3	*Satisfactory position*
3 < Ratio < 5	*Critical position*
Ratio > 5	*Very risky position*



The Net Debt to EBITDA ratio in 2014 was 3,46, resulting from Net Debt of €1.019.500 and EBITDA of €294.400. Such a Net Debt to EBITDA ratio level is slightly lower than the industry average. Net Debt/EBITDA increased significantly (0,85 absolute variation) compared with the previous year, when it was 2,62. The growth (a worsening of the ratio) was caused from a substantial growth in Net Debt and a decline in EBITDA. Specifically, Net Debt changed from €860.700 in 2013 to €1.019.500 in 2014 (18,45% increase), while EBITDA dropped from €328.800 to €294.400 (-10,46% variation). In 2012 Net Debt/EBITDA ratio was 2,77.

Total Liabilities to Assets ratio	2012	2013	2014
Total Liabilities/Total Assets	**0,58**	**0,58**	**0,55**

Total Liabilities to Assets ratio shows how much of company's assets consist of liabilities.

Range	Significance
Ratio < 0,50	*Very good position*
0,50 < Ratio < 0,67	*Satisfactory position*
0,67 < Ratio < 0,83	*Critical position*
Ratio > 0,83	*Very risky position*

The analysis shows a satisfactory solvency, as total liabilities is covered by total value of the assets. The ratio's value is however improved, compared with the previous year, by 0,03 amounting to a value of 0,55

Total Liabilities to Equity ratio	2012	2013	2014
Total Liabilities/Equity	**1,37**	**1,37**	**1,23**

Total Liabilities to Equity ratio is a capital structure metric comparing the whole amount of the company's obligations to the book value of Equity.

Range	Significance
Ratio < 1	*Very good position*
1 < Ratio < 3	*Satisfactory position*
3 < Ratio < 5	*Critical position*
Ratio > 5	*Very risky position*

Total Liabilities to Equity ratio in 2014 was 1,23, resulting from Total Liabilities of €1.937.900 and Equity of €1.579.900. Such a level of the ratio is deemed to be more than satisfactory. Liabilities on Equity ratio was roughly unchanged (-0,14 absolute variation) compared with the previous year, when it was 1,37. Such a stable ratio resulted from Total Liabilities staying roughly constant, while Equity grew substantially. Specifically, Total Liabilities changed from €1.906.500 in 2013 to €1.937.900 in 2014 (1,65% variation), while Equity increased from €1.396.000 to €1.579.900 (13,17% variation). In 2012 Liabilities on Equity ratio was 1,37.

Equity to Assets ratio	2012	2013	2014
Equity/Total Assets	**0,42**	**0,42**	**0,45**

Equity to Assets ratio assesses the degree of financial independence, i.e. what percentage of total company's assets is financed by Equity. A low equity ratio is not necessarily bad, as it can contribute an increase in the Return on Equity (as long as the company earns a rate of return on assets that is greater than the interest rate paid to creditors).

Range	Significance
E/A > 0,50	*Good position*
0,50 < E/A < 0,17	*Average Position*
E/A < 0,17	*Critical position*

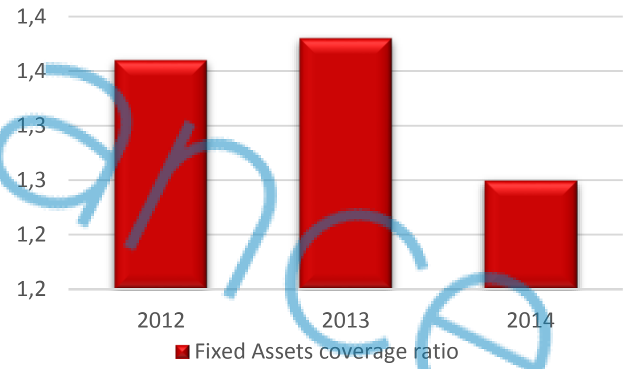
Equity to Assets ratio (E/A) in 2014 was 0,45, given by a book value of Equity of €1.579.900 and Assets amounting to €3.517.800. The analysis highlights a quite satisfactory balance between Debt capital and Equity. E/A was roughly unchanged (0,03 absolute variation) compared with the previous year, when it was 0,42. Such a stable E/A resulted despite a substantial growth in both Equity and Assets. Specifically, Equity increased from €1.396.000 in 2013 to €1.579.900 in 2014 (13,17% variation), while Assets changed from €3.302.500 to €3.517.800 (6,52% variation). In 2012 the ratio was 0,42

Fixed Assets coverage ratio	2012	2013	2014
(Equity + Non-current Liabilities) / Non-current Assets	**1,36**	**1,38**	**1,25**

Fixed Assets Coverage ratio measures the company's ability to cover required investments in fixed assets by means of equity and debt.

Range	Significance
Ratio > 1	*Satisfactory outcome*
Ratio < 1	*Unsatisfactory outcome*

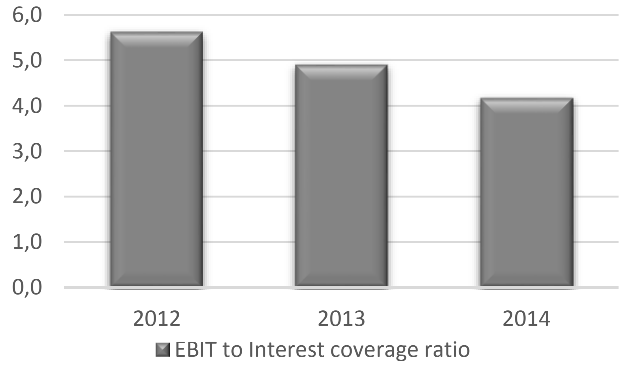
The Equity/Invested Capital ratio is very low, indicating that the company is not properly capitalized and that financial interventions are required urgently but worsened, compared to the previous year, by 0,13 amounting to a value of 1,25



EBIT to Interest coverage ratio	2012	2013	2014
EBIT/Interest Expense	**5,62**	**4,90**	**4,17**

EBIT on Financial Charges ratio assesses the company's ability to cover its finance charges through its operating income.

Range	Significance
Ratio > 10	*Good position*
5 < Ratio < 10	*Good position, to be controlled*
2 < Ratio < 5	*Financial tension*
Ratio < 2	*Serious financial tension*

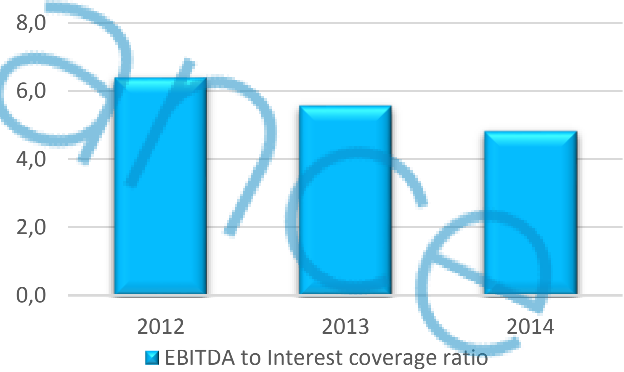


EBIT to Interest coverage ratio in 2014 was 4,17, given by an EBIT of €255.000 and finance charges of €61.100. Such a level of the ratio is deemed to be unsatisfactory, being lower than industry average. The income from operating activities is sufficient to service the debt, but a careful monitoring of the situation is however recommended. EBIT on Interest Expense was roughly unchanged (-0,72 absolute variation) compared with the previous year, when it was 4,90. Such a stable ratio resulted from interest expense staying roughly constant, while EBIT declined substantially. Specifically, EBIT changed from €289.300 in 2013 to €255.000 in 2014 (-11,86% variation), while interest expense changed from €59.100 to €61.100 (3,38% variation). In 2012 EBIT to Interest coverage ratio was 5,62.

EBITDA to Interest coverage ratio	2012	2013	2014
EBITDA/Interest Expense	**6,38**	**5,56**	**4,82**

EBITDA on Financial Charges ratio assesses the company's ability to cover its finance through its operating income, before depreciation and amortization expenses, and share of profit from associates.

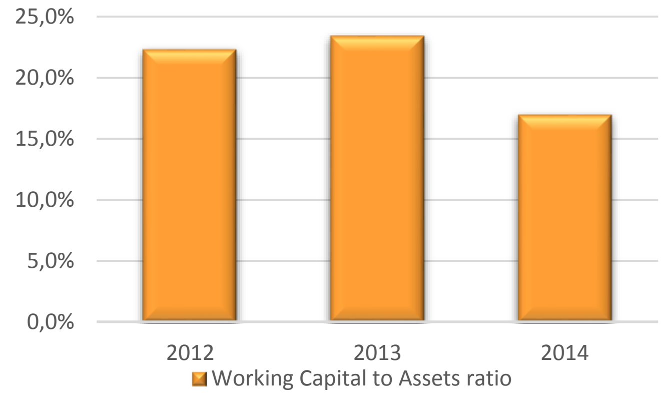
Range	Significance
Ratio > 10	*Good position*
5 < Ratio < 10	*Good position, to be controlled*
2 < Ratio < 5	*Financial tension*
Ratio < 2	*Serious financial tension*



EBITDA to Interest coverage ratio in 2014 was 4,82, given by an EBITDA of €294.400 and finance charges of €61.100. Such a level of the ratio is deemed to be unsatisfactory, being lower than industry average. The income before interest, taxes, depreciation and amortization is sufficient to service the debt, but a careful monitoring of the situation is however recommended. EBITDA on Interest Expense was roughly unchanged (-0,75 absolute variation) compared with the previous year, when it was 5,56. Such a stable EBITDA on Interest Expense resulted from interest expense staying roughly constant, while EBITDA declined substantially. Specifically, EBITDA changed from €328.800 in 2013 to €294.400 in 2014 (-10,46% variation), while interest expense changed from €59.100 to €61.100 (3,38% variation). In 2012 EBITDA to Interest coverage ratio was 6,38.

Working Capital to Assets ratio	2012	2013	2014
Net Working Capital/Total Assets	**22,34%**	**23,42%**	**17,01%**

Range	**Significance**
Ratio > 30,00%	*Very Good*
15,00% < Ratio < 30,00%	*Satisfactory*
0 < Ratio < 15,00%	*Unsatisfactory*
Ratio < 0	*Critical, no Net Current Assets*



The working capital in 2014 amounted to 17,0%, which was worse than in the previous year, when it was 23,4% (an absolute variation of -6,4%).

Retained Earnings to Total Assets ratio	2012	2013	2014
Retained Earnings/Total Assets	**0,00%**	**0,00%**	**0,00%**

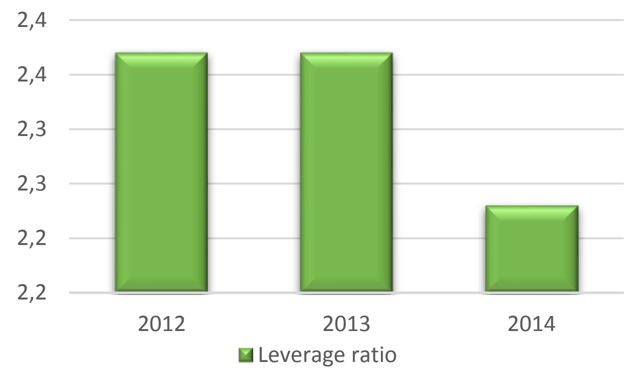
Retained earnings is a balance sheet account which records the total amount of profits (or losses) made by a firm over its entire life, net of the dividends paid. The age of a firm is implicitly considered in this ratio. For example, a relatively young firm is likely to show a low RE/TA ratio because it has not had time to build up its cumulative profits. Retained Earnings to Total Assets measures the leverage of a firm because it refers to the company's ability to build up assets through retained earnings. The RE/TA ratio in 2014 was 0,0%, which was virtually unchanged compared with the previous year, when it amounted to 0,0%.

Leverage ratio	2012	2013	2014
Total Assets/Equity	**2,37**	**2,37**	**2,23**

Leverage ratio indicates a company's ability to make use of its borrowed capital to purchase assets. This ratio is an indicator of the company's financial leverage used to finance the firm.

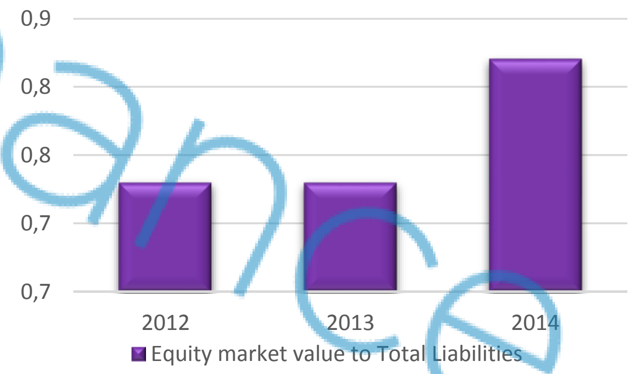
Range	**Significance**
Leverage < 2	*Solid position*
2 < Leverage < 6	*Average position*
Leverage > 6	*Risky position*

Leverage Ratio (A/E) in 2014 was 2,23, given by Assets amounting to €3.517.800 and a book value of Equity of €1.579.900. The analysis highlights a quite satisfactory balance between Debt capital and Equity. Leverage ratio was roughly unchanged (-0,14 absolute variation) compared with the previous year, when it was 2,37. Such a stable ratio resulted despite a substantial growth in both Assets and Assets. Specifically, Assets increased from €3.302.500 in 2013 to €3.517.800 in 2014 (6,52% variation), while Equity changed from €1.396.000 to €1.579.900 (13,17% variation). In 2012 the ratio was 2,37

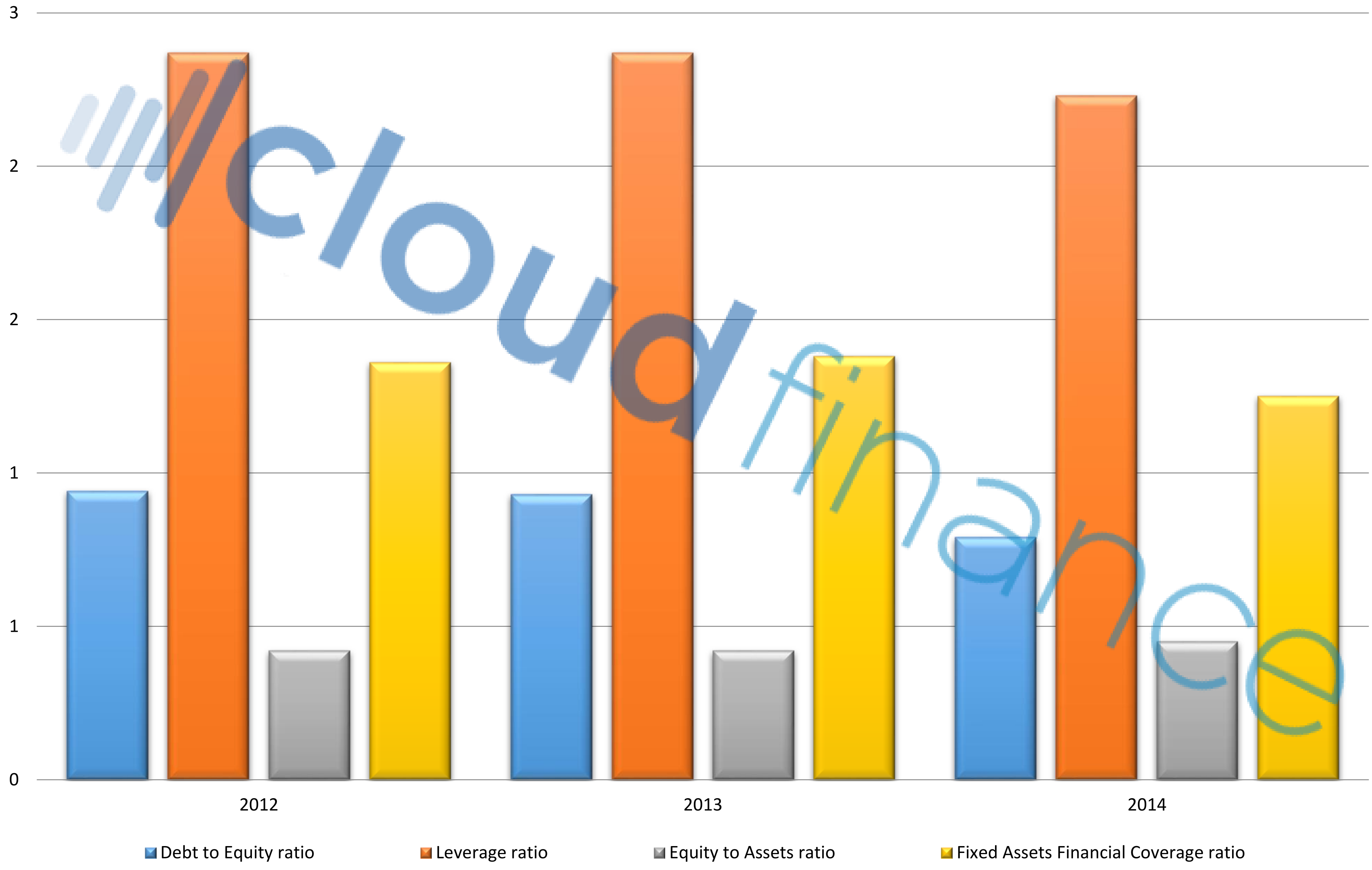


Equity market value to Total Liabilities ratio	2012	2013	2014
Market value of Equity*/Total Liabilities	**0,73**	**0,73**	**0,82**

Range	**Significance**
Ratio > 1	*Strong Equity position*
0.2 < Ratio < 1	*Average position*
Ratio < 0.2	*Critical position*



**In this software, if the "Market value of the Equity" is unknown, it is replaced by the book value of Equity*


3
2
2
1
1
0
2012
2013
2014
Debt to Equity ratio
Leverage ratio
Equity to Assets ratio
Fixed Assets Financial Coverage ratio
cloudfinance

Rating assessment

Altman's rating

	MAIN VARIABLES	2012	2013	2014
T_1	**Working Capital/Total Assets**	**0,22**	**0,23**	**0,17**
	The working capital to total assets ratio compares the net liquid assets of the firm to the total assets. Working Capital is the difference between current assets and current liabilities, so the Working Capital to Total Assets ratio determines the short-term company's solvency. The working capital in 2014 amounted to 17,0%, which was worse than in the previous year, when it was 23,4% (an absolute variation of -6,4%).			
T_2	**Retained Earnings/Total Assets**	**0,00**	**0,00**	**0,00**
	Retained earnings is a balance sheet account which records the total amount of profits (or losses) made by a firm over its entire life, net of the dividends paid. The age of a firm is implicitly considered in this ratio. For example, a relatively young firm is likely to show a low RE/TA ratio because it has not had time to build up its cumulative profits. Retained Earnings to Total Assets measures the leverage of a firm because it refers to the company's ability to build up assets through retained earnings. The RE/TA ratio in 2014 was 0,0%, which was virtually unchanged compared with the previous year, when it amounted to 0,0%.			
T_3	**Ebit/Total Assets**	**0,08**	**0,09**	**0,07**
	Earnings Before Interest and Taxes (EBIT) to Total assets ratio is a measure of the economic productivity of the firm's assets, independently of tax and financial leverage. The EBIT/TA ratio in 2014 was 0,07, worse than in the previous year, when it amounted to 0,09 (a -17,25% variation)			
T_4	**Equity market value/Total liabilities**	**0,73**	**0,73**	**0,82**
	The Market value of equity to total liabilities ratio measures financial leverage using Equity at market price, rather than at book value. In the current year, the ratio was 81,53%, better than the previous year, when it amounted to 73,22% (a 11,34% variation)			
T_5	**Sales/Total Assets**	**0,39**	**0,46**	**0,44**
	The Sales to Total Assets ratio, also known as Asset turnover ratio, measures the capacity of the company to generate sales using its assets (an asset efficiency metric). In the current year, the Asset turnover was 44,35%, due to sales of €1.560.000 and to Total Assets of €3.517.800. The Asset turnover remained virtually unchanged compared with the previous year, when it amounted to 46,15%.			

Altman's Z-Score standard model		2012	2013	2014
$Z = 1.2T_1 + 1.4T_2 + 3.3T_3 + 0.6T_4 + 0.999T_5$		**1,38**	**1,47**	**1,38**
		Distress zone	**Distress zone**	**Distress zone**
	Change	n.a.	6,79%	-6,47%

Z-Score is a financial metric developed by Edward I. Altman to predict the probability that a firm will undergo bankruptcy within the next few years. It is calculated as a linear combination of five common business ratios, weighted by coefficients. In this software, if the "Market value of the Equity" is unknown, it is replaced by the book value of Equity.

Range	**Significance**
Z-score < 1.81	Distress zone
1.81 < Z-score < 2.99	Gray zone
Z-score > 2.99	Safe

Altman's Z-Score is in the range of Distress zone and worsened, compared with the previous year, by -6,5% when it amounted to a value of 1,47

Altman's Z-Score for private firms		2012	2013	2014
$Z = 0.717T_1 + 0.847T_2 + 3.10T_3 + 0.420T_4 + 0.998T_5$		**1,12**	**1,21**	**1,13**
		Distress zone	**Distress zone**	**Distress zone**
	Change	n.a.	7,74%	-6,29%

In 2002, Altman advocated a revised Z-Score formula for private companies, which uses different weights and the book value of Equity instead of the market capitalization. It is calculated as a linear combination of five common business ratios, weighted by different coefficients to the ones used in Altman's original Z-Score.

Range	**Significance**
Z-score < 1.23	Distress zone
1.23 < Z-score < 2.9	Gray zone
Z-score > 2.9	Safe

Altman's Z-Score is in the range of Distress zone and worsened, compared with the previous year, by -6,3% when it amounted to a value of 1,21

Z-Score for Nonmanufacturers

$Z = 1.2T_1 + 1.4T_2 + 3.3T_3 + 0.6T_4$	2012	2013	2014
	0,98	**1,01**	**0,93**
	Distress zone	**Distress zone**	**Distress zone**
Change	n.a.	2,66%	-7,63%

Edward Altman originally developed the Z-Score for manufacturers, primarily because those were the companies in his original sample. However, the emergence of large, public service companies prompted him to develop a second Z-Score model for non-manufacturing companies. The formula remains essentially the same, except that it excludes the last component (Sales/Total Assets) because Altman wanted to minimize the effects of manufacturing-intensive asset turnover.

Range	Significance
Z-score < 1.1	Distress zone
1.1 < Z-score < 2.6	Gray zone
Z-score > 2.6	Safe

Altman's Z-Score for Nonmanufacturers is in the range of Distress zone and worsened, compared with the previous year, by -7,6% when it amounted to a value of 1,01

Z-Score for Emerging markets

$Z = 6.56T_1 + 3.26T_2 + 6.72T_3 + 1.05T_4$	2012	2013	2014
	2,80	**2,89**	**2,46**
	Safe	**Safe**	**Gray zone**
Change	n.a.	3,47%	-15,04%

It is often impossible to build a model for emerging market countries, because of the of credit experience there. To solve this issue , Altman, Hartzell, and Peck modified the original Altman Z-Score model, creating the emerging market scoring (EMS) model.

Range	Significance
Z-score < 1.1	Distress zone
1.1 < Z-score < 2.6	Gray zone
Z-score > 2.6	Safe

Altman's Z-Score for emerging markets is in the range of Gray (or ignorance) zone and worsened, compared with the previous year, by -15,0% when it amounted to a value of 2,89

Damodaran’s rating

Professor Damodaran holds that the only significant parameter to assess a company's rating is the EBIT/FC ratio, also known as Finance Charges Coverage Index. Each value of such index is associated to a spread and hence to a certain rating.

	2012	2013	2014
EBIT to Interest coverage ratio	**5,62**	**4,90**	**4,17**
Estimated Bond Rating	**A-**	**A-**	**BBB**

Performance Evaluation

Below we examine the overall business performance through the analysis of the main management.

Economic

ROE - Return On Equity			ROA - Return on Assets			Asset turnover			EBIT margin		
Year	Value	Indicator	Year	Value	Indicator	Year	Value	Indicator	Year	Value	Indicator
2012	10,97%	Average outcome	2012	4,62%	Unsatisfactory outcome	2012	39,40%	Unsatisfactory outcome	2012	21,44%	Satisfactory outcome
2013	10,77%	Average outcome	2013	4,55%	Unsatisfactory outcome	2013	46,15%	Unsatisfactory outcome	2013	18,98%	Average outcome
2014	8,20%	Unsatisfactory outcome	2014	3,68%	Unsatisfactory outcome	2014	44,35%	Unsatisfactory outcome	2014	16,35%	Average outcome

Economic evaluation	C	The company's profitability is critical

The following interventions are recommended:

The overall performance of the company is not satisfactory. Although the company's ROE is satisfactory, the ROE breakdown formula shows that ROE was negatively influenced by ROI, which is low. However, non-ordinary activities, fiscal management and financial leverage contributed positively to ROE. Focus on improving the profitability of ordinary activities is recommended.

ROA is critically low, indicating poor profitability of the ordinary business activities. Based on the ROA breakdown formula, ROA is not satisfactory due to a poor production efficiency (measured by ROT), despite a good sales profitability (measured by ROS). An improvement in production efficiency is required.

Solvency

Debt to Equity Ratio			Debt to EBITDA ratio			Leverage ratio			EBIT to Interest coverage ratio		
Year	Value	Indicator	Year	Value	Indicator	Year	Value	Indicator	Year	Value	Indicator
2012	0,94	Satisfactory outcome	2012	4,12	Average outcome	2012	2,37	Average outcome	2012	5,62	Average outcome
2013	0,93	Satisfactory outcome	2013	3,96	Average outcome	2013	2,37	Average outcome	2013	4,90	Average outcome
2014	0,79	Satisfactory outcome	2014	4,25	Average outcome	2014	2,23	Average outcome	2014	4,17	Average outcome

Solvency evaluation **B** **The company's long-term financial solidity is to be improved**

The following measures are recommended:

Coverage of finance charges is inadequate, as Finance charges are too high compared to the profits from ordinary activities. A renegotiation of financial liabilities should be considered, or interventions to reduce production costs.

Liquidity

Current ratio			Quick ratio			Cash ratio			Equity to Assets ratio		
Year	Value	Indicator	Year	Value	Indicator	Year	Value	Indicator	Year	Value	Indicator
2012	2,46	Satisfactory outcome	2012	159,84%	Satisfactory outcome	2012	0,85	Average outcome	2012	0,42	Average outcome
2013	2,59	Satisfactory outcome	2013	163,60%	Satisfactory outcome	2013	0,91	Average outcome	2013	0,42	Average outcome
2014	2,17	Satisfactory outcome	2014	116,08%	Satisfactory outcome	2014	0,45	Average outcome	2014	0,45	Average outcome

Liquidity evaluation **A-** **The company's short-term liquidity is good**

No interventions are required.

Global evaluation

B

The analysis highlights that the overall condition of the business is to be improved

Methodological notes

Indexes

ROE	Net Profit/Equity
EBIT margin	EBITDA/Sales
ROA	Net Profit/Total Assets
Asset turnover	Sales/Total Assets
Gross Profit margin	Gross Profit/Sales
EBITDA margin	EBITDA/Sales
Profit Before Tax margin	Profit Before Tax/Sales
Net Profit margin	Net Profit/Sales
Current ratio	Current Assets/Current Liabilities
Quick ratio	(Cash and Cash equivalents+Other Current Financial Assets+Trade and Other Current Receivables)/Current Liabilities
Cash ratio	Cash and Cash equivalents/Current Liabilities
Debt to Equity ratio	Financial Debt/Equity
Net Debt to Equity ratio	Net Financial Debt/Equity
Debt to EBITDA ratio	Financial Debt/EBITDA
Net Debt to EBITDA ratio	Net Financial Debt/EBITDA
Total Liabilities to Assets ratio	Total Liabilities/Total Assets
Total Liabilities to Equity ratio	Total Liabilities/Equity

Fixed Assets coverage ratio	(Equity+Non-current Liabilities)/Non-current Assets
Equity to Assets ratio	Equity/Total Assets
EBIT to Interest coverage ratio	EBIT/Interest Expense
EBITDA to Interest coverage	EBITDA/Interest Expense
Working Capital to Assets ratio	Net Working Capital/Total Assets
Retained Earnings to Total	Retained Earnings/Total Assets
Leverage ratio	Total Assets/Equity
Equity market value to Total Liabilities ratio	Market value of Equity/Total Liabilities
Gross Profit	Revenue - Cost of Sales
Operating Costs	Distribution, Marketing and administrative expense
Other Income and (Expense)	Other Income – Other Expense
EBIT	Gross Profit – Operating Costs +/- Other Income and (Expense) +/- Other Gains (Losses)
EBITDA	EBIT + Depreciation and Amortization
Net Working Capital	Current Assets - Current Liabilities

Abbreviations

NO EQUITY	The book value of Equity is zero or negative.
NO ASSETS	Total Assets is zero.

NO LIABILITIES	Total Liabilities is zero.
NO DEBT	Financial debt is zero.
NO NFP	Net financial debt is zero or negative, but financial debt is not. Net financial debt is given by Debt less cash and cash equivalents.
NO SALES	The company did not collect any revenue.
NO EBIT	EBIT is zero or negative.
NO EBITDA	EBITDA is zero or negative.
NO FC	No Finance Charges. The company did not incur any interest expense.