

**CENTREX ITALIA SPA**Registered Office in VIA LORENZINI 4 - 20139 MILAN (MI)  
Share capital €5,000,000.00 fully paid-in

## Financial statements for the year ended as at 31/12/2013

<b>Balance sheet - assets</b>	<b>31/12/2013</b>	<b>31/12/2012</b>
<b>A) Subscribed capital, unpaid</b>	<b>0</b>	<b>0</b>
<b>B) Fixed assets</b>		
<i>I. Intangible assets</i>		
1) Start-up and expansion costs	2,540	3,810
2) Research, development and advertising costs	0	0
3) Industrial patent and intellectual property rights	0	0
4) Concessions, licences, trademarks and similar rights	50,129	71,731
5) Goodwill	0	0
6) Fixed assets under construction and payments on account	0	85,000
7) Other	92,769	600
	145,438	161,141
<i>II. Tangible assets</i>		
1) Land and buildings	0	0
2) Plant and machinery	850	1,190
3) Industrial and commercial equipment	0	0
4) Other assets	49,692	54,823
5) Fixed assets under construction and payments on account	0	0
	50,542	56,013
<i>III. Financial</i>		
1) Equity investments in:		
a) subsidiaries	0	0
b) associates	0	0
c) Parent Companies	0	0
d) other companies	0	0
	0	0
2) Receivables		
a) due from subsidiaries		
- within 12 months	0	0
- after 12 months	0	0
	0	0

b) due from associates			
- within 12 months	0		0
- after 12 months	0		0
		0	0
c) due from Parent Companies			
- within 12 months	0		0
- after 12 months	0		0
		0	0
d) other receivables			
- within 12 months	0		0
- after 12 months	0		0
		0	0
3) Other securities		0	0
4) Own shares		0	0
<b>Total fixed assets</b>		<b>195,980</b>	<b>217,154</b>

**C) Current assets***I, Inventories*

1) Raw materials and consumables		0	0
2) Work in progress and semi-finished products		0	0
3) Contact work in progress		0	0
4) Finished products and goods for resale		24,937,982	32,450,032
5) Payments on account		0	0
		24,937,982	32,450,032

*II, Receivables*

1) Due from customers			
- within 12 months	64,895,015		59,428,643
- after 12 months	0		0
		64,895,015	59,428,643
2) Due from subsidiaries			
- within 12 months	0		0
- after 12 months	0		0
		0	0
3) Due from associates			
- within 12 months	0		0
- after 12 months	0		0
		0	0
4) Due from Parent Companies			
- within 12 months	3,481		10,000
- after 12 months	0		0
		3,481	10,000
4-bis) For tax credits			
- within 12 months	486,352		9,396
- after 12 months	0		0
		486,352	9,396
4-ter) For prepaid taxes			

- within 12 months	9,580	375,730
- after 12 months	0	0
		9,580
		375,730
5) Other receivables		
- within 12 months	278,600	162,375
- after 12 months	0	0
		278,600
		162,375
		65,673,028
		59,986,144
<i>III, Current financial assets</i>		
1) Equity investments in subsidiaries	0	0
2) Equity investments in associates	0	0
3) Equity investments in Parent Companies	0	0
4) Other equity investments	0	0
5) Own shares	0	0
6) Other securities	0	0
		0
		0
<i>IV, Cash and cash equivalents</i>		
1) Bank and postal deposits	2,472,703	2,357,260
2) Cheques	0	0
3) Cash at bank and in hand	332	42
		2,473,035
		2,357,302
<b>Total current assets</b>	<b>93,084,045</b>	<b>94,793,478</b>

**D) Accruals and deferrals**

- miscellaneous	135,127	48,540
		135,127
		48,540

<b>Total assets</b>	<b>93,415,152</b>	<b>95,059,172</b>
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**Balance sheet - liabilities**

<b>31/12/2013</b>	<b>31/12/2012</b>
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**A) Shareholders' equity**

<i>I. Share capital</i>	5,000,000	5,000,000
<i>II. Share premium reserve</i>	0	0
<i>III. Revaluation reserve</i>	0	0
<i>IV. Legal reserve</i>	98,902	45,268
<i>V. Statutory reserves</i>	0	0
<i>VI. Reserve for own shares in portfolio</i>	0	0
<i>VII. Other reserves</i>		
Capital payments	925	925
Euro rounding difference	(1)	(1)
		924
		924
<i>VIII. Retained earnings (losses)</i>	1,879,131	860,088
<i>IX. Profit for the year</i>	711,447	1,072,677

<b>Total shareholders' equity</b>		<b>7,690,404</b>	<b>6,978,957</b>
<b>B) Provisions for risks and charges</b>			
1) Pension provisions and similar obligations		0	0
2) Provisions for taxes, including deferred		0	0
3) Other		0	0
<b>Total provisions for risks and charges</b>		<b>0</b>	<b>0</b>
<b>C) Employee severance indemnity</b>			
		<b>47,195</b>	<b>25,990</b>
<b>D) Payables</b>			
1) Bonds			
- within 12 months	0		0
- after 12 months	0		0
		0	0
2) Convertible bonds			
- within 12 months	0		0
- after 12 months	0		0
		0	0
3) Payables for shareholder loans			
- within 12 months	0		0
- after 12 months	0		0
		0	0
4) Payables due to banks			
- within 12 months	47,692,873		50,154,378
- after 12 months	0		0
		47,692,873	50,154,378
5) Payables due to other lenders			
- within 12 months	0		0
- after 12 months	0		0
		0	0
6) Payments on account			
- within 12 months	181,818		0
- after 12 months	0		0
		181,818	0
7) Trade payables			
- within 12 months	34,557,232		34,328,450
- after 12 months	0		0
		34,557,232	34,328,450
8) Payables represented by credit instruments			
- within 12 months	0		0
- after 12 months	0		0
		0	0
9) Payables due to subsidiaries			
- within 12 months	0		0
- after 12 months	0		0

		0	0
10) Payables due to associates			
- within 12 months	0		0
- after 12 months	0		0
		0	0
11) Payables due to Parent Companies			
- within 12 months	2,687,253		2,886,923
- after 12 months	0		0
		2,687,253	2,886,923
12) Tax payables			
- within 12 months	119,744		262,650
- after 12 months	0		0
		119,744	262,650
13) Payables due to welfare and social security institutions			
- within 12 months	73,397		48,726
- after 12 months	0		0
		73,397	48,726
14) Other payables			
- within 12 months	362,224		368,232
- after 12 months	0		0
		362,224	368,232
<b>Total payables</b>		<b>85,674,541</b>	<b>88,049,359</b>

**E) Accruals and deferrals**

- miscellaneous	3,012		4,866
		3,012	4,866

<b>Total liabilities</b>		<b>93,415,152</b>	<b>95,059,172</b>
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**Memorandum accounts**

	31/12/2013	31/12/2012
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1) Risks assumed by the company	0	0
2) Commitments assumed by the company	25,969,061	21,366,894
3) Third-party assets held by the company	0	0
4) Other memorandum accounts	(948,533)	2,826,873

<b>Total memorandum accounts</b>	<b>25,020,528</b>	<b>24,193,767</b>
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**Income statement**

	31/12/2013	31/12/2012
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**A) Value of production**

1) Sales and service revenues	329,501,042	235,099,203
2) Change in inventories of work in progress, semi-finished and finished products	0	0
3) Changes in contract work in progress	0	0

4) Own work capitalised		0	0
5) Other revenues and income			
- miscellaneous	107,842		40,560
		107,842	40,560
<b>Total value of production</b>		<b>329,608,884</b>	<b>235,139,763</b>

**B) Costs of production**

6) Raw materials, consumables and goods for resale		300,006,319	235,995,688
7) Services		17,815,176	11,759,628
8) Use of third-party assets		272,141	254,460
9) Personnel			
a) Salaries and wages	1,140,221		930,488
b) Social security costs	309,080		249,423
c) Employee severance indemnity	33,277		23,257
d) Pension and similar obligations	67,525		49,923
e) Other costs	28,554		23,958
		1,578,657	1,277,049
10) Amortisation, depreciation and write-downs			
a) Amortisation of intangible fixed assets	63,064		38,759
b) Depreciation of tangible fixed assets	21,344		13,510
c) Other write-downs of fixed assets			
d) Write-downs of current assets and cash and cash equivalents	300,000		0
		384,408	52,269
11) Changes in inventories of raw materials, consumables and goods for resale		7,512,049	(16,215,689)
12) Provisions for risks		0	0
13) Other provisions		0	0
14) Sundry operating expenses		138,811	48,166
<b>Total costs of production</b>		<b>327,707,561</b>	<b>233,171,571</b>

<b>Difference between the value and costs of production (A-B)</b>		<b>1,901,323</b>	<b>1,968,192</b>
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**C) Financial income and expenses**

15) Income from equity investments		0	0
16) Other financial income			
a) from receivables recorded under fixed assets	0		0
b) from securities recorded under fixed assets	0		0
c) from securities recorded in current assets	0		0
d) other income:			
- other	72,319		14,385

		72,319	14,385
		72,319	14,385
17) <i>Interest and other financial expenses</i>			
- from Parent Companies	32,952		1,862
- other	659,563		595,692
		692,515	597,554
17-bis) <i>Exchange gains (losses)</i>			
<b>Total financial income and expenses</b>		<b>(620,196)</b>	<b>(583,169)</b>
<b>D) Value adjustments of financial assets</b>			
18) <i>Revaluations</i>		0	0
19) <i>Write-downs</i>		0	0
<b>Total value adjustments of financial assets</b>		<b>0</b>	<b>0</b>
<b>E) Extraordinary income and expenses</b>			
20) <i>Income</i>			
- miscellaneous	0		13,580
- Euro rounding difference	0		1
			13,581
21) <i>Expenses</i>			
- miscellaneous	32,267		4,233
- Euro rounding difference	0		0
		32,267	4,233
<b>Total extraordinary items</b>		<b>(32,267)</b>	<b>9,348</b>
<b>Pre-tax result (A-B±C±D±E)</b>		<b>1,248,860</b>	<b>1,394,371</b>
22) <i>Income taxes for the year: current, deferred and prepaid</i>			
a) Current taxes	171,263		114,752
b) Deferred taxes	0		206,942
c) Prepaid taxes	366,150		0
		537,413	321,694
<b>23) Profit (loss) for the year</b>		<b>711,447</b>	<b>1,072,677</b>

The Chief Executive Officer

Michele Libutti

**CENTREX ITALIA SPA**

Single-member company

Registered Office in VIA LORENZINI 4 - 20139 MILAN (MI)  
Share capital Euro 5,000,000.00 fully paid-in**Explanatory Notes to the Financial Statements for the year ended as at  
31/12/2013****Introduction**

The financial statements, subject to your review and approval, reported a profit for the year of Euro 711,447.

**Business activities**

As is well-known, your company's purpose is the creation and use of energy and gas production plants, strategic structuring of energy and gas supply contracts, as well as the creation of distribution structures, sale and distribution of oil and natural gas products, and the purchase and sale of energy and natural gas.

**Drafting criteria**

These financial statements conform to the provisions of articles 2423 et seq. of the Italian Civil Code, as shown by these explanatory notes, drafted in accordance with art. 2427 of the Italian Civil Code, which constitutes, pursuant to and in accordance with art. 2423, an integral part of the financial statements for the year.

The figures in the financial statements are stated in Euro, and the associated amounts are rounded up. Any rounding differences have been indicated in the item "Reserve for Euro rounding", included under items of Shareholders' Equity and "Euro rounding" in the item "Extraordinary income and expenses" in the Income Statement.

Pursuant to Art. 2423, par. 5 of the Italian Civil Code, the explanatory notes have been prepared in Euro.

**Basis of measurement**

(Ref. art. 2427, par. 1, no. 1 of the Italian Civil Code)

The criteria used to draft the financial statements for the year ended as at 31/12/2013 are the same as those used in the previous year, particularly as regards the valuations and continued use of the same standards.

The valuation of items in the financial statements is based on the general principles of prudence and accrual accounting, in the assumption of the company as a going concern, also taking into account the economic function of the asset or liability considered.

The application of the prudence principle involved the individual valuation of the individual asset and liability items, to avoid offsetting between losses to be recognised and profits not to be recognised given unrealised.

In compliance with the accrual principle, the effect of transactions and other events has been accounted for and allocated to the year in which said transactions and events refer, and not to the one in which the associated cash flows occur (collections and payments).

Continued application of the valuation criteria over time is a key element for the purposes of comparing the company's financial statements from different years.

Valuation of asset or liability components by taking into account their economic function embodies the principle of prevalence of substance over form, mandatory where not expressly contradicted by other specific regulations governing financial statements. It enables transactions to be reported according to the economic situation underlying the formal aspects.



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**Exceptions**

(Ref. art. 2423, par. 4, of the Italian Civil Code)

No exceptional cases were identified that required the use of the exceptions set forth under art. 2423, par. 4 of the Italian Civil Code.

**Reclassification of financial statement items as at 31 December 2012**

Software was re-classified with respect to the previous year from the item "Industrial patent rights and use of intellectual property rights" (B.I.3) to the item "Authorizations, Licenses and Trademarks" (B.I.4) given that this was a software for which only usage licenses were acquired.

In particular, the following valuation criteria were adopted to draft the financial statements.

**Fixed assets***Intangible assets*

These are recorded at their historical acquisition cost and stated net of amortisation applied over the years and booked directly to the individual items.

Start-up and expansion costs with long-term benefits were recognised under assets with the consent of the Board of Statutory Auditors and are amortised over a period of 5 years.

Industrial patent and intellectual property rights, licences, concessions and trademarks are amortised according to an annual rate of 33%.

Improvements to third-party assets are amortised according to rates that depend on the duration of the contract.

If, regardless of the depreciation already accounted for, impairment is recorded, the fixed asset is written down accordingly. If, in subsequent years, the reasons for the write-down no longer exist, the original value is written back, adjusted solely for depreciation.

*Tangible assets*

These are booked at acquisition cost and adjusted by the corresponding accumulated depreciation.

The book value takes account of additional expenses and costs incurred in using the fixed asset, deducting trade and cash discounts of any significant amount from the cost.

Depreciation charges, booked to the income statement, were calculated on the basis of the type of use and technical-economic life of the assets, based on the residual useful life criteria, which we believe to be fully represented by the following rates, unchanged with respect to the previous year and calculated on a *pro-rata temporis* basis in the year the asset enters use.

- plant and machinery (office and electronic machines): 20%
- other assets: 20%

If, regardless of the depreciation already accounted for, impairment is recorded, the fixed asset is written down accordingly. If, in subsequent years, the reasons for the write-down no longer exist, the original value is written back, adjusted solely for depreciation

**Receivables**

These are stated at their presumed realisable value. The adjustment of the nominal value of receivables into line with the presumed realisable value is obtained using the appropriate bad debt provision, taking into consideration general economic and industry conditions and country risk.

Receivables originally due within one year and subsequently changed to long-term receivables were shown under long-term investments in the balance sheet.

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**Payables**

These are recorded at their nominal value, amended in the event of returns or billing adjustments.

**Accruals and deferrals**

Accruals and deferrals were calculated on an accrual basis during the year.

For multi-year accruals and deferrals, the conditions that led to their original recognition were verified, where necessary, applying the necessary changes.

**Warehouse inventories**

Inventories of "Finished products and goods for resale" made up of quantities of stored gas, are recorded at the lower of the cost of acquisition or manufacture and the realisable value taken from market trends, by applying

- the average weighted cost method.

The value obtained is then adjusted, if necessary, by the appropriate "Provision for inventory obsolescence", to take account of goods for resale whose sale value is expected to be below the cost.

For previously written down inventories, in relation to which reasons for which the value was reduced to the realisable value no longer exist, the original cost is written back.

**Employee Severance Indemnity Provision**

This refers to the actual amounts accrued due to employees in compliance with law and the applicable employment contracts, in consideration of any form of continuous pay.

The provision corresponds to the total of individual indemnities accrued by employees at the close of the financial year, net of any advances provided, and is equal to the amount that would have been due to employees if they had ended their employment on said date.

**Income taxes**

Income taxes are allocated on an accrual basis; therefore, they represent:

- the allocations for taxes paid or to be paid for the year, calculated according to the applicable rates and regulations;
- the amount of deferred or prepaid taxes in relation to the temporary differences that have arisen or been eliminated in the year;

Deferred and prepaid Ires (corporate income tax) is calculated on the temporary differences between the values of assets and liabilities determined in accordance with statutory criteria and the corresponding tax values with exclusive reference to the company.

It should also be noted that, as of the 2012 tax period, the company was subject to an additional IRES (corporate income tax), the so called Robin Tax, for companies which operate in the sector of energy and gas sales and which have certain size prerequisites (with reference to the preceding tax period of 2012, a volume of revenues which is greater than Euro 10 million and taxable income of more than 1 million Euro, while as of the upcoming tax period the reference standard will be revenue volumes of more than 3 million Euro and tax income of more than 300 thousand Euro, with reference to the 2013 tax period); it was introduced by Article 81, paragraph 16, of Legislative Decree no. 112/2008, equal to 6.5% and increased by 4 percentage points for the year 2013.

Current, deferred and prepaid Irap (regional business tax) is calculated with exclusive reference to the company.

**Revenue recognition**

Revenues from product sales are recognised at the moment of the transfer of ownership, which normally corresponds to the delivery or shipment of the goods.

Financial revenues and those deriving from the provision of services are recognised on an accrual basis.

Revenues and income and costs and expenses relating to currency transactions are determined at the current exchange rate on the date the transaction is completed.

Income and expenses relating to repurchase agreements, including therein the difference between the forward price and the spot price, are recognised for the relevant amounts for the year.

### Guarantees, commitments, third-party assets and risks

Risks relating to personal guarantees or collateral granted for third-party payables were reported in the memorandum accounts for an amount equal to the guarantee given; the amount of the third-party payable secured at the reporting date, if lower than the guarantee granted, is indicated in these explanatory notes. Commitments have been indicated in memorandum accounts at their nominal value, taken from the relevant documentation.

Risks for which the occurrence of a liability is only possible are described in the explanatory notes, with no allocation made to the provision for risks according to the reference accounting standards. No account is taken of remote risks.

## Assets

### B) Fixed assets

#### I. Intangible fixed assets

Balance as at 31/12/2013	Balance as at 31/12/2012	Change
145,438	161,141	(15,703)

This item includes not only start-up and expansion costs but software licences and management applications and those relating to the realization of the ETRM (Energy Trading Risk Management) system.

#### Total changes in intangible fixed assets

(Ref. art. 2427, par. 1, no. 2 of the Italian Civil Code)

Description of costs	Value as at 31/12/2012	Re-classifications	Increases in the year	Decreases in the year	Amortisation in the year	Value as at 31/12/2013
Start-up and expansion	3,810	0	0	0	(1,270)	2,540
Industrial patent rights	71,731	(71,731)	0	0	0	0
Authorizations, licenses, trademarks	0	71,731	19,446	0	(41,048)	50,129
Fixed assets under construction and payments on account	85,000	0	0	(85,000)	0	0
Other	600	0	112,915	0	(20,746)	92,769
	<b>161,141</b>	<b>0</b>	<b>132,361</b>	<b>(85,000)</b>	<b>(63,064)</b>	<b>145,438</b>

It should be noted that software was re-classified with respect to the previous year from the item "Industrial patent rights and use of intellectual property rights" (B.I.3) to the item "Authorizations, Licenses and Trademarks" (B.I.4) given that this was a software for which only usage licenses were acquired.

#### Previous revaluations, amortisation and write-downs

(Ref. art. 2427, par. 1, no. 2 of the Italian Civil Code)

The historical cost at the start of the year – before the re-classification described above - is composed as follows:

Description of costs	Historical cost	Accumulated amortisation	Revaluations	Write-downs	Net value as at 31.12.2012
Start-up and expansion	8,727	(4,917)	0	0	3,810
Industrial patent rights	114,954	(43,223)			71,731
Fixed assets under construction	85,000	0	0	0	85,000
Other	900	(300)	0	0	600
	<b>209,582</b>	<b>(48,441)</b>			<b>161,141</b>

### Composition of start-up and expansion costs, research and development costs and advertising expenses

(Ref. art. 2427, par. 1, no. 3 of the Italian Civil Code)

#### Start-up and expansion costs

Description of costs	Value as at 31/12/2012	Amortisation in the year	Value as at 31/12/2013
Incorporation expenses and costs for amendments to Articles of Association	3,810	(1,270)	2,540
	<b>3,810</b>	<b>(1,270)</b>	<b>2,540</b>

The costs recorded are reasonably correlated to long-term benefit over several years, and are systematically amortised in relation to their residual useful life. They are recorded with the consent of the Board of Statutory Auditors.

## II. Tangible fixed assets

Balance as at 31/12/2013	Balance as at 31/12/2012	Change
50,542	56,013	(5,471)

#### Plant and machinery

(Ref. art. 2427, par. 1, no. 2 of the Italian Civil Code)

Description of costs	Historical cost	Accumulated depreciation	Value as at 31/12/2012	Increases in the year	Decreases in the year	Depreciation in the year	Value as at 31/12/2013
Plant and machinery	1,700	(510)	1,190	0	0	(340)	850
	<b>1,700</b>	<b>(510)</b>	<b>1,190</b>	<b>0</b>	<b>0</b>	<b>(340)</b>	<b>850</b>

#### Other assets

(Ref. art. 2427, par. 1, no. 2 of the Italian Civil Code)

Description of costs	Historical cost	Accumulated depreciation	Value as at 31/12/2012	Increases in the year	Decreases in the year	Depreciation in the year	Value as at 31/12/2013
Furniture and fittings	373	(261)	112	0	0	(75)	37
Electronic machinery	86,360	(31,649)	54,711	15,873	0	(20,929)	49,655
	<b>86,733</b>	<b>(31,911)</b>	<b>54,823</b>	<b>15,873</b>	<b>0</b>	<b>(21,004)</b>	<b>49,692</b>

**C) Current assets****I. Inventories**

	Balance as at 31/12/2013	Balance as at 31/12/2012	Change
	24,937,982	32,450,032	(7,512,050)

The reasons for use of the valuation criteria are explained in the first part of these Explanatory Notes. The Average Weighted Cost valuation carried out does not differ from the valuation performed using the current cost criteria.

**FY 2013**

Description	Natural gas	Other	Total
Finished products and goods	24,937,982	0	24,937,982

**FY 2012**

Description	Natural gas	Other	Total
Finished products and goods	32,450,032	0	32,450,032

The category "Finished products and goods for resale" refers to stored natural gas at year-end. Gas inventories reported a decrease of Euro 7,512,050, brought about by the decrease in volumes of warehouse stocks. Lastly, as at 31.12.13, warehouse gas stocks totalled around 78 million m<sup>3</sup>, compared to roughly 102 million m<sup>3</sup> in the previous year.

**II. Receivables**

	Balance as at 31/12/2013	Balance as at 31/12/2012	Change
	65,673,028	59,986,144	5,686,884

The balance is subdivided on the basis of due dates (Art. 2427, par. 1, no. 6, of the Italian Civil Code).

Description	Due within 12 months	Due after 12 months	Due after 5 years	Total
Due from customers	64,895,015	0	0	64,895,015
Due from Parent Companies	3,481	0	0	3,481
For tax receivables	486,352	0	0	486,352
For prepaid taxes	9,580	0	0	9,580
Other receivables	278,600	0	0	278,600
	<b>65,673,028</b>	<b>0</b>	<b>0</b>	<b>65,673,028</b>

Receivables are booked at their nominal value and are stated at their estimated realisable value. The adjustment of the nominal value of receivables with respect to their estimated realisable value is obtained by using the appropriate bad debt provision - determined through a valuation of the specific and generic risk of collectability - and by taking into consideration the general economic and industry conditions.

The item Receivables due from the Parent Company, amounting to Euro 3,481, includes non-trade receivables while the item Other receivables includes advances to suppliers of Euro 145,422, receivables due from employees for Euro 6,488 and receivables due from third parties totalling Euro 126,690.

The item "Receivables for prepaid taxes", standing at Euro 9,580, refers to Ires receivables for prepaid taxes, detailed later in these explanatory notes.

On the other hand, the item "tax receivables" is comprised of the VAT receivable totalling Euro 458,957 and the receivable for excise duty amounting to Euro 27,755, broken down as follows:

Description	Balance as at 31.12.2013
Excise duty receivable	142,121
Excise duty payable	(114,366)
<b>Total</b>	<b>27,755</b>

The breakdown of receivables by geographic area is shown in the table below (Art. 2427, par. 1, no. 6 of the Italian Civil Code).

Receivables by geographic area	Due from customers	Due from subsidiaries	Due from associates	Due from Parent Companies	Other receivables	Total
Italy	63,591,472	0	0	0	278,600	63,870,072
Abroad	1,303,543	0	0	3,481	0	1,307,024
<b>Total</b>	<b>64,895,015</b>	<b>0</b>	<b>0</b>	<b>3,481</b>	<b>278,600</b>	<b>65,177,096</b>

The bad debt provision was subject to the following movements during the course of the year:

Description	Provisions as of 31/12/2012	Allocations	Reclassifications	Utilizations	Provisions as of 31/12/2013
Bad debt provision pursuant to Art. 106 of Decree of the Pres. of the Republic no. 917/86	0	300,000	0	0	300,000
	<b>0</b>	<b>300,000</b>	<b>0</b>	<b>0</b>	<b>300,000</b>

#### IV. Cash and cash equivalents

Balance as at 31/12/2013	Balance as at 31/12/2012	Change
2,473,035	2,357,302	115,733

Description	31/12/2013	31/12/2012
Bank and postal deposits	2,472,703	2,357,260
Cash at bank and at hand	332	42
	<b>2,473,035</b>	<b>2,357,302</b>

The balance represents cash and cash equivalents and the existence of cash and assets at the close of the

year.

The item bank deposits includes the amount of positive differentials accrued as at 31.12.13 (Euro 238,917) relating to Commodity Swap contracts, as better defined below in the appropriate section.

#### D) Accruals and deferrals

Balance as at 31/12/2013	Balance as at 31/12/2012	Change
135,127	48,540	86,587

They measure income and charges whose accrual is early or deferred with respect to the actual date of payment and/or of the document; they disregard the date of payment or collection of the relative income and expense, common to two or more financial years and distributable on a time basis.

Even in the case of these items, the criteria adopted for the valuation and conversion of amounts stated in foreign currency for these items are reported in the first part of these explanatory notes.

As at 31/12/2013, no accruals and deferrals had a duration of more than five years.

The breakdown of the item is detailed as follows (Art. 2427, par. 1, no. 7, of the Italian Civil Code).

Description	Amount
Prepaid expenses for fees and subscriptions	61,948
Prepaid expenses for car leasing fees	7,268
Prepaid expenses for guarantees	57,126
Other accrued income and prepaid expenses	8,785
	<b>135,127</b>

#### Liabilities

#### A) Shareholders' equity

(Ref. Art. 2427, par. 1, nos. 4, 7 and 7-bis of the Italian Civil Code)

Balance as at 31/12/2013	Balance as at 31/12/2012	Change
7,690,404	6,978,957	711,447

Description	31/12/2012	Increases	Decreases	31/12/2013
Share capital	5,000,000	0	0	5,000,000
Legal reserve	45,268	53,634	0	98,902
Capital payments	925	0	0	925
Euro rounding difference	(1)	0	0	(1)
Retained earnings (losses)	860,088	1,019,043	0	1,879,131
Profit (loss) for the year	1,072,677	711,447	1,072,677	711,447
	<b>6,978,957</b>	<b>1,784,124</b>	<b>1,072,677</b>	<b>7,690,404</b>

Share capital is composed as follows (Art. 2427, par. 1, nos. 17 and 18 of the Italian Civil Code).

Shares/Holdings	No.	Nominal value in
-----------------	-----	------------------

		Euro
Ordinary shares	5,000,000	1
<b>Total</b>	<b>5,000,000</b>	

Items of shareholders' equity are distinguished according to origin, possibility of use, distributability and use in the three previous years (Art. 2427, par. 1, no. 7-bis of the Italian Civil Code).

Type / Description	Amount	Possibility of use (*)	Available share
Share capital	5,000,000	B	
Legal reserve	98,902		
Other reserves	924	A, B, C	
Retained earnings (losses)	1,879,131	A, B, C	
Profit for the year	711,447	A, B, C	
<b>Total</b>	<b>7,690,404</b>		
Undistributable portion	98,902		
<b>Residual distributable portion</b>	<b>2,591,502</b>		

(\*) A: for share capital increase; B: to cover losses; C: for distribution to shareholders

### C) Employee severance indemnity

(Ref. Art. 2427, par. 1, no. 4 of the Italian Civil Code)

Balance as at 31/12/2013	Balance as at 31/12/2012	Change
47,195	25,990	21,205

The change is composed as follows:

Change	31/12/2012	Increase	Decrease	31/12/2013
Changes in TFR (Employee Severance Indemnity) in the year	25,990	22,913	(1,708)	47,195

The provision allocated represents the actual amount owed by the company, as at 31/12/2013, to employees in the workforce at said date, net of advances paid.

### D) Payables

(Ref. Art. 2427, par. 1, no. 4 of the Italian Civil Code)

Balance as at 31/12/2013	Balance as at 31/12/2012	Change
85,674,451	88,049,359	(2,374,908)

Payables are valued at their nominal value and their maturities are broken down as follows (Art. 2427, par. 1, no. 6 of the Italian Civil Code)

Description	Due within 12 months	Due after 12 months	Due after 5 years	Total
Payables due to banks	47,692,873	0	0	47,692,873
Advances	181,818	0	0	181,818



Trade payables	34,557,232	0	0	34,257,232
Payables due to Parent Companies	2,687,253	0	0	2,687,253
Tax payables	119,744	0	0	119,744
Payables due to social security institutions	73,397	0	0	73,397
Other payables	362,224	0	0	362,224
	<b>85,674,451</b>	<b>0</b>	<b>0</b>	<b>85,674,451</b>

Payables due to banks as at 31/12/2013, amounting to Euro 47,692,873 – maturing within one year – include loans for commercial transactions totalling Euro 40,302,057, and a documentary advance stated in the financial statements for Euro 4,254,894; the same balance also includes a payable to factoring companies with a recourse clause totalling Euro 688,606.

Trade payables, amounting to Euro 34,557,232, are recorded net of trade discounts; by contrast, cash discounts are recognised at the time of payment. The nominal value of these payables was adjusted due to returns and rebates (billing adjustments), consistent with the amount defined with the counterparty. The payable due to the subsidiary Centrex Energy & Gas AG, totalling Euro 2,687,253, is of commercial nature.

The item “Tax payables” only includes liabilities for certain and specific taxes.

The item “tax payables” includes IRES (corporate income tax) payables totalling Euro 36,387, net of withholdings for Euro 3,270; IRAP totalling Euro 13,912, net of advances paid during the course of the year for Euro 117,693; payables for withholdings on independent contractors and employees for Euro 68,954 and a regional and municipal IRPEF (personal income tax) supplement for Euro 491.

The breakdown of payables by geographic area is shown in the table below (Art. 2427, par. 1, no. 6 of the Italian Civil Code).

Payables by geographic area	Trade payables	Due from subsidiaries	Due from associates	Due from Parent Companies	Other payables	Total
Italy	18,298,249	0	0	0	362,249	34,815,796
Abroad	16,258,983	0	0	2,687,253	0	2,790,938
Total	<b>34,557,232</b>	<b>0</b>	<b>0</b>	<b>2,687,253</b>	<b>362,249</b>	<b>37,606,734</b>

## E) Accruals and deferrals

Balance as at 31/12/2013	Balance as at 31/12/2012	Change
3,012	4,866	(1,854)

Accruals and deferrals represent the adjusting entries for the year, accounted for using the accrual principle. As at 31/12/2013, no accruals and deferrals had a duration of more than five years. Accrued liabilities amounted to Euro 3,012 and refer to expenses for guarantees with deferred debiting.

## Memorandum accounts

(Ref. art. 2427, par. 1, no. 9 of the Italian Civil Code)

Description	31/12/2013	31/12/2012	Change
Commitments assumed by the Company	25,969,061	21,366,894	4,602,167
Other memorandum accounts	(948,533)	2,826,873	(3,775,406)
	<b>25,020,528</b>	<b>24,193,767</b>	<b>826,761</b>

The commitments assumed summarise the sureties issued by banks in the interest of the Company to guarantee its obligations to trade suppliers and as a result of the conclusion of contracts for storage services and for the gas transport service.

Other memorandum accounts also include the fair value of Commodity Swap contracts stipulated to hedge gas price risk, which are amply detailed in the appropriate section of this document to which reference should be made.

## Income statement

### A) Value of production

Balance as at 31/12/2013	Balance as at 31/12/2012	Change
329,608,884	235,139,763	94,469,121

Description	31/12/2013	31/12/2012	Change
Sales and service revenues	329,501,042	235,099,203	94,401,839
Other revenues and income	107,842	40,560	67,282
	<b>329,608,884</b>	<b>235,139,763</b>	<b>94,469,121</b>

The change is strictly related to the information shown in the Report on Operations.

### Revenues by business sector

(Ref. art. 2427, par. 1, no. 10 of the Italian Civil Code)

The breakdown of revenues by business sector is not significant.

### Revenues by geographic area

(Ref. art. 2427, par. 1, no. 10 of the Italian Civil Code)

Other revenues and income include revenues for service fees of Euro 30,000 with the Austrian parent company Centrex Europe Energy&Gas AG.

### B) Cost of production

Balance as at 31/12/2013	Balance as at 31/12/2012	Change
327,707,561	233,171,571	94,535,990

Description	31/12/2013	31/12/2012	Change
Raw materials and goods for resale	300,006,319	235,995,688	64,010,631
Services	17,815,176	11,759,628	6,055,548
Use of third-party assets	272,141	254,460	17,681
Salaries and wages	1,140,221	930,488	209,733
Social security costs	309,080	249,423	59,657
Employee severance indemnity	33,277	23,257	10,020
Pension and similar obligations	67,525	49,923	17,602
Other personnel costs	28,554	23,958	4,596

Amortisation of intangible fixed assets	63,064	38,759	24,305
Depreciation of tangible fixed assets	21,344	13,510	7,834
Write-down of current receivables	300,000	0	300,000
Change in inventories of raw materials	7,512,049	(16,215,689)	23,727,738
Sundry operating expenses	138,811	48,166	90,645
	<b>327,707,561</b>	<b>233,171,571</b>	<b>94,535,990</b>

### Costs for raw materials, consumables and goods for resale and Service costs

They are strictly related to the information shown in the Report on Operations.

### Personnel costs

The item includes all expenses for employees, including therein merit pay increases, promotions, automatic cost-of-living increases, the cost of holidays accrued but not taken and legal provisions and collective contracts.

### Depreciation of tangible fixed assets

Depreciation has been calculated on the basis of the useful life of the asset and its use in the production phase.

Please refer to section B) Fixed assets in the Explanatory Notes.

### Write-down of receivables

The company has allocated a bad debt provision of Euro 300,000.

## C) Financial income and expenses

Balance as at 31/12/2013	Balance as at 31/12/2012	Change
(620,196)	(583,169)	(37,027)

Description	31/12/2013	31/12/2012	Change
Other income	72,319	14,385	57,934
(Interest and other financial expenses)	(692,515)	(597,554)	(94,961)
	<b>(620,196)</b>	<b>(583,169)</b>	<b>(37,027)</b>

### Other financial income

Description	Parent Companies	Subsidiaries	Associates	Other	Total
Bank and postal interest	0	0	0	4,608	4,608
Interest receivable from customers	0	0	0	67,711	67,711
	<b>0</b>	<b>0</b>	<b>0</b>	<b>72,319</b>	<b>72,319</b>

### Interest and other financial expenses

(Ref. Art. 2427, par. 1, no. 12 of the Italian Civil Code)

Description	Parent	Subsidiaries	Associates	Other	Total
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<b>Companies</b>					
Interest on loans	32,952	0	0		32,952
Other	0	0	0	659,563	659,563
	<b>32,952</b>	<b>0</b>	<b>0</b>	<b>659,563</b>	<b>692,515</b>

The significant increase in other financial income is due to the invoicing of customers in relation to interest on arrears for delayed payments.

With respect to the previous year, it should be noted that the Company – despite the year 2013 – reported an increase in sales volumes and reduced indebtedness in addition to proportionally containing the growth in financial charges through the use of loans negotiated at the best market conditions.

Other interest primarily included financial charges linked to operations relative to advances on invoices, documentary advances and financing for importing.

## E) Extraordinary income and expenses

(Ref. Art. 2427, par. 1, no. 13 of the Italian Civil Code)

Balance as at 31/12/2013	Balance as at 31/12/2012	Change
(32,267)	9,348	(41,615)

Description	31/12/2013	Previous year	31/12/2012
Miscellaneous		Miscellaneous	13,581
Total income		Total income	13,581
Miscellaneous	(32,267)	Miscellaneous	(4,233)
Total expenses	(32,267)	Total expenses	(4,233)
	<b>(32,267)</b>		<b>9,348</b>

## Income taxes for the year

Balance as at 31/12/2013	Balance as at 31/12/2012	Change
537,413	321,694	215,719

Taxes	Balance as at 31/12/2013	Balance as at 31/12/2012	Change
<b>Current taxes</b>	<b>171,263</b>	<b>114,752</b>	<b>56,511</b>
IRES	39,657	0	39,657
IRAP	131,606	114,752	16,854
<b>Deferred taxes (prepaid)</b>	<b>366,150</b>	<b>206,942</b>	<b>159,208</b>
IRES	366,150	206,942	159,208
IRAP	0	0	0
	<b>537,413</b>	<b>321,694</b>	<b>215,719</b>

Taxes pertaining to the year were recorded.

A reconciliation between the tax charge in the financial statements and the theoretical tax charge is shown below:

## Reconciliation between the tax charge in the financial statements and the theoretical tax charge (IRES)

FY 2012

Description	Amount	Taxes
Pre-tax result	1,394,035	

Theoretical tax charge (%)	27.5	383,360
<b>Temporary differences taxable in subsequent years:</b>		
<b>Temporary differences deductible in subsequent years:</b>	36,400	
<b>Reversal of temporary differences from previous years</b>	(35,400)	
<b>Differences that will not carry forward to subsequent years</b>	(47,344)	
<b>Tax losses used</b>	(1,347,691)	
<b>Taxable income</b>	0	
<b>Current income taxes for the year</b>		0

FY 2013

Description	Amount	Taxes
Pre-tax result	1,248,860	
Theoretical tax charge (%)	38.5	480,811
<b>Temporary differences taxable in subsequent years:</b>		
<b>Temporary differences deductible in subsequent years:</b>	(61,688)	
<b>Reversal of temporary differences from previous years</b>	(36,400)	
<b>Differences that will not carry forward to subsequent years</b>	132,011	
<b>Tax losses used</b>	(698,632)	
<b>ACE (Italian Economic Growth Aid) Deduction</b>	(479,790)	
<b>Taxable income</b>	104,361	
<b>Current income taxes for the year</b>		39,657

### Calculation of taxable income for IRAP purposes

FY 2012

Description	Amount	Taxes
Difference between the value and costs of production	3,245,241	
Costs not relevant for IRAP purposes	4,530	
Tax wedge	(307,418)	
	<b>2,942,353</b>	
Theoretical tax charge (%)	3,9	114,752
<b>Temporary differences deductible in subsequent years:</b>	0	
<b>Taxable income for Irap purposes</b>	2,942,353	
<b>Current IRAP for the year</b>		114,752

FY 2013

Description	Amount	Taxes
Difference between the value and costs of production	3,779,981	
Costs not relevant for IRAP purposes	2,913	
Tax wedge	(408,379)	
	<b>3,374,515</b>	
Theoretical tax charge (%)	3,9	131,606
<b>Temporary differences deductible in subsequent years:</b>		
<b>Taxable income for Irap purposes</b>	3,374,515	
<b>Current IRAP for the year</b>		131.606

Pursuant to art. 2427, par. 1, no. 14 of the Italian Civil Code, the required information on deferred and prepaid taxes is shown below:

## Deferred / prepaid taxes

The net effect of deferred taxation on the income statement as of 31/12/2013 involved the booking of a cost equal to Euro 366,150 due to the reversal of prepaid taxes, primarily in relation to the use of fiscal losses and ACE.

For information relative to the differences which resulted in the booking of deferred and prepaid taxes, and for the reconciliation of the values reported in the balance sheet, the following should be noted:

- Deferred taxes were calculated on the basis of the global allocation criterion, by taking into account the cumulative amount of all timing differences and on the basis of the rates expected to be in force at the time when these timing differences occur;
- Prepaid taxes were booked given that there is a reasonable certainty of the existence - in the years in which the deductible timing differences occur, and against which the prepaid taxes were booked - of taxable income that is not less than the differences which will be cancelled.

Prepaid taxes were booked by also taking into account the IRES additional tax introduced by Legislative Decree 112/2008, equal to 6.5% and increased by four percentage points for the year 2013; In addition, there were no timing differences for which the relative deferred or prepaid taxes were booked.

It should also be noted that the Company entirely utilized the fiscal losses which could be carried forward, totalling Euro 698,632, as well as the ACE (Italian Economic Growth Aid) of Euro 479,790 (residual ACE from previous years: Euro 270,749, ACE of the period: Euro 209,041).

## Information on the financial instruments issued by the Company

(Ref. art. 2427, par. 1, no. 19 of the Italian Civil Code)

The Company has not issued any financial instruments.

## Information on the fair value of derivative financial instruments

(Ref. art. 2427-bis, par. 1, no. 1 of the Italian Civil Code)

The company has derivative financial instruments in its portfolio, in particular Commodity Swaps to hedge the volatility in gas sale prices.

In particular, the Company stipulated hedging agreements against this risk directly with a single bank.

These hedges allow the Company to eliminate any possible changes in the sale price.

Information on the nature of the agreement entered into by the Company is shown below:

Type of derivative contract: Commodity Swap;

Purpose: Hedging;

Underlying financial risk: gas price billing risk.

Information on fair value and the local entity is shown below:

Type of contract Commodity Swap	Currency	Stipulation/negotiated on date	Expiration date	Fair Value
	EUR	01/03/2013	01/04/2014	21,130
Commodity Swap	EUR	06/05/2013	01/10/2014	-31,074
Commodity Swap	EUR	12/06/2013	01/10/2014	-126,372
Commodity Swap	EUR	20/06/2013	01/10/2014	-84,862
Commodity Swap	EUR	25/06/2013	01/10/2014	-366,341
Commodity Swap	EUR	25/06/2013	01/10/2014	-239,791
Commodity Swap	EUR	22/05/2013	01/05/2014	-5,078
Commodity Swap	EUR	07/06/2013	01/10/2014	-58,193
Commodity Swap	EUR	20/06/2013	01/04/2014	-3,439
Commodity Swap	EUR	01/12/2013	01/04/2014	-28,876
Commodity Swap	EUR	01/12/2013	01/04/2014	-6,387
Commodity Swap	EUR	16/12/2013	01/04/2014	-10,057

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Commodity Swap	EUR	16/12/2013	01/04/2014	-9,193
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### Information on allocated assets

No assets were allocated to a specific area of business pursuant to art. 2447-bis, par. 1, letter a) of the Italian Civil Code.

### Information on allocated assets

No loans were allocated to a specific area of business pursuant to art. 2447-decies of the Italian Civil Code.

### Finance lease transactions

On the closing date of the year, the Company no longer retained any assets acquired through finance lease agreements.

### Parent Company shares or holdings - situation and changes

Pursuant to Art. 2435-bis and Art. 2428, paragraphs 3 and 4 of the Italian Civil Code, the Company did not hold any own shares, nor any Parent Company shares or holdings during the year.

### Related party transactions and “off-balance sheet” agreements

Pursuant to art. 2427, par. 1, points 22-bis and ter and art. 2435-bis, par. 6 of the Italian Civil Code, the following should be noted:

- **Transactions performed directly or indirectly with the majority shareholders**  
The company entered into business relations with the Parent Company Centrex Europe Energy & Gas AG during the year, as part of ordinary operations, for the purchase of raw materials and are regulated under normal market conditions.
- **Transactions carried out with members of the administration and control body**  
No significant transactions were performed and all transactions were carried out under normal market conditions.
- **Nature and objective of off-balance sheet agreements**  
No agreements or other deeds exist that are not provided for in the balance sheet.

### Information on fees due to administration and control bodies

Pursuant to law, the fees due to the independent auditors for services provided during the year are stated below:

- fees due for the legal audit of the annual accounts: Euro 34,430.
- fees due for other certification services (unbundling activities): Euro 3,200.

Pursuant to law, the fees due to the Board of Statutory Auditors for the year are as follows:

- fees due for statutory auditing activities: Euro 18,720.

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By contrast, it should be noted that the Board of Directors did not receive any fees for the current year.

### Employment figures

The average company workforce, broken down by category, underwent the following changes with respect to the previous year:

<b>Workforce</b>	<b>31/12/2013</b>	<b>31/12/2012</b>	<b>Change</b>
Managers	5	5	0
Employees	7	3	4
<b>Total</b>	<b>12</b>	<b>8</b>	<b>4</b>

These financial statements, composed of the Balance Sheet, Income Statement and Explanatory Notes, give a true and fair view of the financial position and the result for the year and correspond to the accounting records.

Milan, 26 February 2014

The Chief Executive Officer

Michele Libutti



**CENTREX ITALIA SPA**

Registered Office in VIA LORENZINI 4 - 20139 MILAN (MI) Share capital €5,000,000.00 fully paid-in

**Report on Operations of the Financial Statements for the year ended as at  
31/12/2013**

Dear Shareholders,

the year ended as at 31 December 2013 posted a net profit of €711,447.

**Operating conditions and business development**

As is well-known, your company's purpose is the creation and use of energy and gas production plants, strategic structuring of energy and gas supply contracts, as well as the creation of distribution structures, sale and distribution of oil and natural gas products, and the purchase and sale of energy and natural gas.

Pursuant to art. 2428, business activities are conducted at the registered office of Via Lorenzini no. 4 in Milan.

**Operating performance<sup>1</sup>****General economic trend**

In 2013, global economic growth and international trade continued at a moderate rate. In particular, the international economic cycle reported a strengthening in the third quarter of 2013. GDP accelerated in developed countries and reported different trends in emerging markets; as a result, global economic growth was favourably affected.

More recent data highlighted that, in fact, global trade accelerated in the fourth quarter of 2013 after strengthening in the third. Inflation in advanced countries remained at very contained levels. Monetary policies remained expansive in developed countries while in emerging economies they were less accommodating. In China, the Central Bank reduced the rate of expansion of liquidity in order to contain that of credit; in India and Brazil, the authorities increased the reference rates for monetary policy in order to contain inflationary pressures and counteract the outflow of capital. According to recent OECD estimates, global growth should - after falling to 2.7% in 2013 - report a recovery to 3.6% in 2014. Growth should accelerate to 2.9% in the United States and 2.4% in the United Kingdom, but should fell to 1.5% in Japan. Even in the primary emerging economies - with the exception of Brazil - GDP growth should strengthen with respect to 2013. Global trade should accelerate to 4.8%, a figure which is still low compared to that of GDP when making a historical comparison; in 2002-2007, and given a growth of global GDP of 4.5% per year, trade exchanges reported an average annual increase of 9.5%.

In the Euro zone, GDP reported a slight increase in the third quarter of 2013; it was however less than that of the previous period. Inflation reached its minimum values in the last four years. In the month of November, the European Central Bank reduced the rate primarily for re-financing operations and, in January, strongly reiterated that it expects to maintain official rates at levels that are equal to or lower than current ones for a prolonged period of time.

<sup>1</sup> Information of general economic and sectorial nature is derived from the following publications:

- Economic Bulletin. Bank of Italy. Issue 1, January 2014
- Forecasts. Prospects for the Italian economy. Istat. 4 November 2013.
- Newsletter of GME (Gestore dei Mercati Energetici, "Manager of Energy Markets"). no .67 of January 2014

In the third quarter of 2013, GDP in the Euro zone increased by 0.1% with respect to the second quarter, drawing support from an increase in consumption. In December, the *€-coin* indicator of the Bank of Italy – which provides an estimate of fundamental GDP dynamics for the Euro zone – increased slightly and confirmed itself to be moderately positive.

Industrial activity, however, still reported signs of weakness: in the two month period of October-November, production essentially stagnated in the Euro zone, including Germany and France, while it increased by half a percentage point in Italy. Demand from families has not been recovering although is showing some signs of recovery.

More recent data, on the other hand, have confirmed the positive trend of foreign sales. On average, exports of only goods in the Euro zone - at current and seasonally adjusted prices – increased by 0.6% in the August-October period with respect to the July-September period. In the autumn months, and up to December, inflation fell and reached extremely contained levels.

In November, loans to companies decreased by 3.6% while those to families increased in a non-significant manner (0.6%). Overall, loans to the private and non-financial sector decreased by 1.3%. Of the primary countries of the Euro zone, lending to companies continued to decrease across the 12-month period in Spain, Ireland and – to a lesser extent – Germany; it increased weakly in France and the Netherlands.

In light of the prospects for a prolonged period of low inflation, the ECB – in the beginning of November – decreased the rate for primary and marginal re-financing operations.

Liquid funds held by banks within the Eurosystem – in surplus with respect to reserve obligations - decreased further despite remaining at still high levels.

As of the second quarter of 2013, inflation reported a significant slowdown. In September, annual growth of consumer prices was equal to 0.9%. The decrease was largely due to the re-absorption of tensions for the most volatile components (energy and food). The increasing crisis in consumption and the low levels of demand for important expense items of families also resulted in a slowing of inflation as of the spring, reporting rates in recent months of slightly more than 1%.

Given this context, the higher reported level of inflation for consumer prices in the last quarter of the year was essentially due to the effects of an increase in the rate which could, however, be slowed down by the continuing weak level of consumption.

## Development of demand and performance of the markets in which the Company operates

### - European market

In 2013, the European price of crude oil consolidated the indications of a substantial level of stability which emerged in the previous two years, stabilizing at 110 \$/barrel; this was due to a decrease of minimum intensity (-3%) which was lower than the strongly negative forecasts expressed by the markets during the course of 2012. This figure reports a trend over the past months which was characterized by the attainment of an annual peak in February (120.10 \$/barrel) – when the price reached its highest levels since April of 2012 – followed by a subsequent quarter with significant annual decreases (-7%/-14%) which was only partially compensated by the recovery in June and July (+5%/+9%). The second part of the year was certainly less volatile and was characterized by decreased fluctuations of prices around the annual average.

Significant decreases were also reported in stock exchanges for electricity; on the one hand, this strengthened the trend of the past year in France and in Germany while on the other hand it inverted the increasing trend in Italy where rates fell to their minimum levels since 2005.

Significant trends relative to the primary European gas hubs also appear to go against the norm; they all consolidated the multi-year phase of growth and managed to exceed 27€/MWh in the TTF, CEGH and NBP (+4%/+9%). The Italian PSV (Punto di Scambio Virtuale, "Virtual Trading Point") was an exception to this generalized trend; after three years of incessant growth, it returned to 28 €/MWh, thereby reporting a decrease in the difference with other continental references (approximately 1 €/MWh).

### - Italian market

In 2013, natural gas consumption in Italy fell for the third time in succession, down to 69,460 million m<sup>3</sup> (735.1 TWh) a decrease of 6.3% over 2012 and the lowest levels in the last ten years. Consumption in the thermoelectric sector – equal to 20,544 million m<sup>3</sup> - was again subject to a significant decrease (-15.6%). The decrease in consumption in the industrial sector, equal to 13,154 million m<sup>3</sup> (-1.4%), was more

contained, while in the civil sector it remained stable at 33,815 million m<sup>3</sup> (+0.1%). Exports also decreased, standing at 1,947 million m<sup>3</sup> (-27.3%). Inflows into the storage systems, equal to 9,811 million m<sup>3</sup>, increased by 5.5%, the maximum levels since 2007. From the supply side, national production – following the increase of 2012 – again fell to 7,469 million m<sup>3</sup> (-9.5%), reaching a historical low. Imports of natural gas also fell for the third consecutive year, reaching 61,509 million m<sup>3</sup>.

The annual price for natural gas at the PSV - which decreased by 0.75 €/MWh with respect to 2012 – fell to 27.98 €/MWh.

### **Competitors' behaviour**

Even in 2013, the gas sector's difficulty in re-establishing a growth trend was confirmed. With regard to the Italian market, the continuing difficult economic situation as well as climate change and the development of technologies for energy savings resulted in significant decreases in natural gas consumption. Consequently, the market now presents a clear situation of oversupply, resulting from the on-going stagnation of demand, which creates competitive pressures on the markets, giving rising to problems for operators that operate at an intermediate position in the supply chain.

### **Main legislative references and most significant changes in the year of the financial statements**

#### **BALANCING**

- 15/2013/R/gas. This provision introduced provisions pertaining to guarantees to cover economic balancing items.
- 143/2013/R/gas. This resolution approved a proposal for updating the network code of the company Snam Rete Gas as well as provisions pertaining to the monitoring of exposure of the user with respect to transportation and balancing.
- 446/2013/R/gas. This resolution completes the regulatory framework pertaining to the balancing service following the introduction - with resolution 538/2012/R/GAS - of a new market balancing session on the previous day. In particular, the themes subject to this resolution include: (i) the definition of the unbalancing price as of the date of activation of the new balancing session of day G-1; (ii) the criteria with which the Balancing Manager intervenes by acquiring or selling gas in this session; (iii) definition of neutrality mechanisms for the Balancing Manager and transportation companies pertaining to balancing activities.
- 361/2013/R/gas. This provision optimizes and clarifies certain aspects of current regulations pertaining to the default service, particularly with regard to the starting date of the service and applicable rates.
- 520/2013/R/gas. The resolution in question approved, with amendments, the proposal for updating the Network Code presented by Snam Rete Gas following resolution 446/2013/R/Gas. It also introduces certain amendments to resolution ARG/gas 45/11 in relation to the modalities for determining the unbalancing price.
- 552/2013/R/gas. The resolution adopts urgent provisions pertaining to the economic balancing of natural gas as a result of the current balancing context.
- 616/2013/R/gas. This resolution approved, for the year 2014, the amount of compensation for participation in the balancing platform as well as the contribution required for negotiations in the gas market managed by GME. It also expressed a favourable opinion to the Ministry of Economic Development in relation to amendments to regulations of the natural gas market.
- 619/2013/R/gas. This resolution approved new modalities for defining the daily provisional budget, with consequences on the determination of economic items relative to the balancing services and which have not been definitively identified or not yet invoiced as well as of expected economic items.

#### **STORAGE**

- 297/2012/R/gas. This provision regulates the modalities for transfer and management of transportation capacities within the points of the network that are interconnected with the re-gasification terminals or with the storage areas.
- 75/2013/R/gas. This provision implements – within the realm of the regulatory framework defined by the Authority – the provisions of the decrees of the Ministry of Economic Development dated 15 February 2012 that pertain to storage and re-gasification.
- 92/2013/R/gas. This resolution defines the modalities for organizing the auction procedures relative to the granting of storage capacities for the thermal year 2013/2014, in accordance with the decrees of the Ministry of Economic Development of 15 February 2013.
- 310/2013/R/gas. This provision defines norms for granting storage capacities that are still available for filling during the current injection phase.
- 350/2013/R/gas. The rate proposals for the storage service of the companies Stogit S.p.A. and Edison Stocaggio S.p.A. are approved, the single national storage compensation amounts are defined in relation to the year 2013.
- 353/2013/R/gas. This resolution introduces provisions pertaining to flexibility of the storage service as well as amendments to provisions of resolution no. 119/05 that pertain to compensation for exceeding the maximum stock levels during the injection phase; it also approved a proposal for updating the code of the code Stogit for the purposes of incorporating the provisions of resolutions 75/2013/R/gas and 92/2013/R/gas.
- 625/2013/R/gas. This resolution adopts provisions for the company Stogit S.p.A. in relation to the modalities for determining the maximum additional performance of storage capacity pursuant to resolution 353/2013/R/gas.

## TRANSPORTATION

- 292/2013/R/gas. Approval of proposals for updating the network code prepared by the company Snam Rete Gas S.p.A. and approval of additional provisions following the initiation of the settlement gas.
- 382/2013/R/gas. Provisions relating to the economic regulation of physical items of natural gas generated from the failure to build a correspondence matrix amongst the system's users. Amendments and supplements to regulations relating to the supply of the default transportation service.

### ***Social, political and trade union climate***

In 2013, family expenditures fell by 2.4%. Adjustments in the spending plans of families should continue in 2014, with these families benefiting from a moderate recovery in purchasing power due to an increase in available income associated with a modest increase in consumer prices. The improvement in available income will also contribute to the continued recovery of the savings rate which has been underway since the second half of 2012.

2013 was characterized by a labour market that is still in difficulty. In the summer months, the decrease in employment which characterized the first part of the year was halted, but the situation of the labour market remains very weak. The contained decrease in work input continued throughout the year 2013 (-1.6%). The unemployment rate – which grew substantially in the first part of the year - reached a quota of 12.1% in 2013 and is forecasted to continue to rise, although more moderately, in 2014.

Given the conditions of weakness in the labour market, remuneration per employee continued to report a moderate dynamic due to the remuneration block in the public sector and the substantial equivalence of effective and contractual payment levels. As a result of these trends, work productivity was stabilized in 2013 while employment cost per product unit is expected to decrease.

### ***Operating performance in the sectors in which the Company operates***

Despite the contraction of the economic system and the financial tensions in the Eurozone, Centrex Italia confirmed its strong growth trend with a significant increase in turnover and its national and international positioning.

The Company reacted to this contracted market situation through intensive activity involving a considerable rise in the number of eligible counterparties across all three primary sales segments identified in the growth plan (Wholesales, Sales to Industrial customers, and Trading), by signing partnership agreements with numerous national and international operators of primary standing. During the course of 2013, the Company continued the path it initiated in 2012 by strengthening its organisational structure. This development was consistent with the growing complexity of the market and the competitive environment within which the Company operates, including growing volumes of managed gas and the numerous wholesale and industrial clientele.

The table below reports the results achieved in the last two years in terms of value of production, gross operating margin/profit and the pre-tax result.

	31/12/2013	31/12/2012
Value of production	329,608,884	235,139,763
Gross operating profit	2,285,731	2,020,461
Pre-tax result	1,248,860	1,394,371

### Main income statement figures

The Company's reclassified income statement, compared with the one from the previous year, is shown below (in Euro):

	31/12/2013	31/12/2012	Change
Net revenues	329,608,884	235,139,763	94,469,121
Operating costs	325,744,496	231,842,253	93,902,243
<b>Value Added</b>	<b>3,864,388</b>	<b>3,297,510</b>	<b>566,878</b>
Cost of labour	1,578,657	1,277,049	301,608
<b>Gross Operating Profit</b>	<b>2,285,731</b>	<b>2,020,461</b>	<b>265,270</b>
Amortisation/depreciation, write-downs and other provisions	384,408	52,269	332,139
<b>EBIT</b>	<b>1,901,323</b>	<b>1,968,192</b>	<b>(66,869)</b>
Financial income and expenses	(620,196)	(583,169)	(37,027)
<b>Ordinary profit</b>	<b>1,281,127</b>	<b>1,385,023</b>	<b>(103,896)</b>
Net extraordinary items	(32,267)	9,348	(41,615)
<b>Pre-tax profit</b>	<b>1,248,860</b>	<b>1,394,371</b>	<b>(145,511)</b>
Income taxes	537,413	321,694	215,719
<b>Net income</b>	<b>711,447</b>	<b>1,072,677</b>	<b>(361,230)</b>

In 2013, the Company generated sale volumes of 961.35 million m<sup>3</sup>, compared to 693.54 million m<sup>3</sup> in the previous year, marking an increase of 39%. The growth in revenues and in the value of production is essentially linked to the significant process of expansion despite the reduced opportunities for transactions following the decrease in geographical spreads.

Final inventories of gas stored at Stogit SpA, as at 31.12.13 totalled 77.88 million m<sup>3</sup> compared to 102.36 million m<sup>3</sup> in the previous year.

The value added was approximately 3.86 million Euro. The gross operating margin stood at around 2.29 million Euro, after deducting all operating and personnel costs. The increase in the cost of personnel was due to the strengthening of all company departments which were required for business development and control.

Net income came to 0.71 million Euro after net financial expenses of 0.62 million Euro and income taxes of 0.54 million Euro.

The financial management result confirms the specific attention of the Company in containing the financial charges through use of loans negotiated at the best possible market conditions.

To aid a better description of the Company's profitability, the table below shows certain profitability ratios compared with the same ratios relating to the financial statements for the previous year.

	31/12/2013	31/12/2012
Net ROE	0.09	0.15
Gross ROE	0.16	0.20
ROI	0.04	0.05
ROS	0.01	0.01

### Main balance sheet figures

The Company's reclassified balance sheet, compared with the one from the previous year, is shown below (in Euro):

	31/12/2013	31/12/2012	Change
Net intangible fixed assets	145,438	161,141	(15,703)
Net tangible fixed assets	50,542	56,013	(5,471)
<b>Net fixed assets</b>	<b>195,980</b>	<b>217,154</b>	<b>(21,174)</b>
Warehouse inventories	24,937,982	32,450,032	(7,512,050)
Receivables due from customers	64,895,015	59,428,643	5,466,372
Other receivables	778,013	557,501	220,512
Accrued income and prepaid expenses	135,127	48,540	86,587
<b>Short-term operating assets</b>	<b>90,746,137</b>	<b>92,484,716</b>	<b>(1,738,579)</b>
Trade payables	34,557,232	34,328,450	218,782
Advances	181,818	0	181,818
Tax and social security payables	193,141	311,376	(118,235)
Other payables	3,049,477	3,255,155	(205,678)
Accrued expenses and deferred income	3,012	4,866	(1,854)
<b>Short-term operating liabilities</b>	<b>37,984,680</b>	<b>37,899,847</b>	<b>84,833</b>
<b>Net working capital</b>	<b>52,761,457</b>	<b>54,584,869</b>	<b>(1,823,412)</b>
Employee severance indemnity	47,195	25,990	21,205
<b>Medium/long-term liabilities</b>	<b>47,195</b>	<b>25,990</b>	<b>21,205</b>
<b>Invested capital</b>	<b>52,910,242</b>	<b>54,776,033</b>	<b>(1,865,791)</b>
Shareholders' equity	(7,690,404)	(6,978,957)	(711,447)
Net medium/long-term financial position	(45,219,838)	(47,797,076)	2,577,238
Net short-term financial position	(45,219,838)	(47,797,076)	2,577,238
<b>Own equity and net financial debt</b>	<b>(52,910,242)</b>	<b>(54,776,033)</b>	<b>1,865,791</b>

The reclassified balance sheet shows the Company's capital strength, i.e. its capacity to maintain financial equilibrium in the medium/long-term. The improvement in the net financial position – despite the significant increase in revenues – is the result of a decrease in short-term activities, particularly the decrease in both inventories as well as the limited increase in trade receivables with respect to net revenues. In 2013, in fact, the Company implemented a careful commercial and financial plan for the purposes of containing exposure and absorption of capital. The Company avails itself, nonetheless, of proper credit lines that allow it to sustain growth by exploiting available financial resources without burdening its debt structure and the natural cyclical nature of the gas business.

Despite the liquidity held in banks remains significant, FY 2013 reported a decrease in loans to companies. Bucking the trend in the credit market, and as confirmation of its credit standing, Centrex Italia increased its bank credit facilities, managing to maintain an adequate pricing level, also due to the stability of the reference interest rates.

For the purposes of a better description of the Company's capital strength, the table below shows certain financial statement ratios relating to (i) the methods of financing medium/long-term investments and (ii) to the composition of sources of financing, compared to the same financial statement ratios in the previous year.

	<b>31/12/2013</b>	<b>31/12/2012</b>
Fixed asset / equity margin	7,494,424	6,761,803
Fixed asset / equity ratio	39.24	32.14
Fixed assets / liabilities and equity margin	7,541,620	6,787,793
Fixed assets / liabilities and equity ratio	39.48	32.26

### Main financial figures

The net financial position as at 31/12/2013 was as follows (in Euro):

	<b>31/12/2013</b>	<b>31/12/2012</b>	<b>Change</b>
Bank deposits	2,472,703	2,357,260	115,443
Cash at bank and in hand	332	42	290
Own shares			
<b>Cash and cash equivalents and own shares</b>	<b>2,473,035</b>	<b>2,357,302</b>	<b>115,733</b>
<b>Current financial assets</b>			
Payables due to banks (within 12 months)	47,692,873	50,154,378	(2,461,505)
<b>Short-term financial payables</b>	<b>47,692,873</b>	<b>50,154,378</b>	<b>(2,461,505)</b>
<b>Net short-term financial position</b>	<b>(45,219,838)</b>	<b>(47,797,076)</b>	<b>2,577,238</b>
<b>Net medium/long-term financial position</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net financial position</b>	<b>(45,219,838)</b>	<b>(47,797,076)</b>	<b>2,577,238</b>

With respect to the previous year, it should be noted that the Company – despite the year 2013 – reported an increase in sales volumes and reduced indebtedness in addition to containing the growth in financial charges despite an environment of continual increases in the cost of credit. Capital ratios were also maintained and its net financial position improved.

For a better description of the financial situation, the following table shows some financial statement ratios, compared with the same financial statement ratios in the previous year.

	<b>31/12/2013</b>	<b>31/12/2012</b>
Primary liquidity	0.80	0.70
Secondary liquidity	1.09	1.08
Debt	11.15	12.62

The primary liquidity stands at 0.80. The Company's financial position is considered sound.

The secondary liquidity stands at 1.09. The value of net working capital is certainly satisfactory in relation to the amount of current payables.

Debt stands at 11.15. The amount of payables, cyclical and short-term, is considered to be strictly related to the Company's growth.

In light of the rate of coverage of fixed assets of 39.48, the amount of own equity and consolidated payables is considered more than appropriate in relation to the amount of fixed assets.

**Cash flow statement**

(Amounts in thousands of Euro)

	2013	2012
<b>A. Cash flow generated (absorbed) from operations</b>		
Profit (loss) for the year	711	1,073
Amortization/depreciation	84	52
Net change in employee severance indemnity	21	12
Net change in working capital	0	
- receivables	(5,686)	(31,904)
- warehouse inventories	7,512	(16,216)
- payables	87	22,861
- accruals and deferrals	(88)	14
	<b>2,641</b>	<b>(24,108)</b>
<b>B. Cash flow generated (absorbed) from investment activities</b>		
Investments in:		
- intangible fixed assets	(47)	(87)
- tangible fixed assets	(16)	(47)
- financial assets	0	0
	<b>(63)</b>	<b>(134)</b>
<b>C. Net change in financial payables</b>	<b>(2,462)</b>	<b>22,224</b>
	<b>(2,462)</b>	<b>22,224</b>
<b>D. Net cash flow of the year</b>	<b>116</b>	<b>(2,018)</b>
<b>E. Liquid funds at the beginning of the year</b>	<b>2,357</b>	<b>4,375</b>
<b>F. Liquid funds at the end of the year</b>	<b>2,473</b>	<b>2,357</b>

**Information on the environment and personnel**

Taking into account the Company's social role, as also outlined in the document on the report on operations of the National Institute of Chartered Accountants, it is deemed appropriate to provide the following information on the environment and on personnel.

**Personnel**

None of the following were verified or recorded during the year:

- workplace mortalities of personnel listed in the Company's employee register,
- serious workplace accidents that involved serious or very serious injuries to personnel listed in the Company's employee register

No charges were recorded during the year, regarding occupational illnesses, against employees or former employees and cases of mobbing, for which the Company was held to be definitively liable.

**Environment**

No environmental damage was recorded during the year, for which the Company was held to be definitively at fault. No definitive sanctions or penalties were imposed on our company during the year for environmental offences or damages.

**Investments**

Investments were made in the following areas during the year:



	Fixed assets	Acquisitions during the year
Software		47,361
Other assets		15,873

### Relations with subsidiaries, associates, parent companies and sister companies

It should be noted that sole shareholder Centrex Europe Energy&Gas AG does not exercise management and coordination activities given that the Company has full decision-making, management and operational autonomy.

The Company held the following relations during the year with subsidiaries, associates, Parent Companies and sister companies:

The Company held the following relations with Group companies.

Company	Financial payables	Financial receivables	Trade receivables	Trade payables	Sales	Purchases
Centrex Europe Energy & Gas AG	0	0	0	2,676,640	30,000	26,722,793
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,676,640</b>	<b>30,000</b>	<b>26,722,793</b>

These relations, which do not include atypical and/or unusual transactions, are regulated by normal market conditions, i.e. those conditions which would be applied between independent parties.

In particular, in addition to the undersigned company, the latter and other companies that are subject to their control, relations are shown analytically below.

### Trade and other relations

Company	Payables	Receivables	Costs	Revenues
Centrex Europe Energy & Gas AG	2,676,640	0	26,722,793	30,000
<b>Total</b>	<b>2,676,640</b>	<b>0</b>	<b>26,722,793</b>	<b>30,000</b>

### Financial relations

Company	Payables	Receivables	Costs	Revenues
Centrex Europe Energy & Gas AG	0	0	32,952	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>32,952</b>	<b>0</b>

These relations, which do not include atypical and/or unusual transactions, are regulated by normal market conditions. Provided below are the reasons and interests whose evaluation affected the main decisions taken, also in consideration of the relevant Group's interest.

### Information on risks and uncertainties pursuant to art. 2428, par. 2, point 6-bis of the Italian Civil Code

In accordance with art. 2428, par. 2, point 6-bis of the Italian Civil Code, information is provided below on the use of financial instruments, given relevant for the purposes of the evaluation of the Company's financial position.

During 2013, the Company entered into derivative contracts to hedge the risk of volatility in gas prices, usually indexed to the trend in the price of commodities and to the prices of the Dutch hub TTF. During the

year, the Company stipulated a currency forward contract to eliminate the exposure to changes in the exchange rate.

The purpose of use of derivatives is therefore not speculative in nature but aim to hedge the risks of the business itself.

During the course of the year, the Company updated the risk policies which it implemented during the course of the previous year in order to improve them and render them consistent with the expectations of shareholders in relation to expectations of business auditing and monitoring in order to protect the Company's assets. In particular, the Company exercises continuous control over the portfolio and over the impact which the different represented scenarios can have on financial management (cash flow at risk).

Due to the continuing negative national and international economic conditions, specific attention is given to counterparty risk. A careful selection of national and international counterparties was therefore continued by maintaining high levels of standing.

The Company operates in the natural gas supply sector and, consequently, the main categories of risk are linked to:

- the trend in the price of commodities, the exchange rate (euro/dollar in particular) and the demand for natural gas influenced by consumer consumption and temperatures (market risk);
- non-fulfilment of contractual obligations (credit/counterparty risk);
- inability to manage unforeseen negative cash balances (liquidity risk).
- inability to manage errors (operational risk).

In order to appropriately prevent problems connected with the inadequate management of risks, the Company constantly monitors, with a high level of frequency, both its own global portfolio position and its cash flows over an ample time period of at least twelve months.

### **Market risk**

The Company manages the potential impacts on the income statement relating to currency and price risk variables through hedging transactions.

In relation to climate risk, the Company avails itself of temperature forecasting systems in order to improve its consumption estimates to optimise storage management.

### **Credit risk**

Also in consideration of the particular market situation, the Company tightened its credit policy even more and intensified monitoring activities. A careful selection policy for potential counterparties was implemented with processes of allocation of particularly severe credit lines.

In order to supplement the use of external analyses provided by leading companies in the credit rating sector, the Company intensified its procedures and actions as regards the analysis of the credit standing of its customers. The Company constantly monitors the position of each counterparty, both during the phase of start-up of the business relationship and at subsequent stages.

In particular, if credit analysis shows that the credit lines are inadequate with respect to the exposure envisaged, the Company's policy is to request collateral securities such as first demand bank guarantees or corporate sureties from the holding companies.

The Company proceeded with the adjustment of the nominal value of receivables by using the appropriate bad debt provision, determined through a valuation of specific and generic risk of credit collection and by taking into consideration general economic and industry conditions which may result in insolvencies.

### **Liquidity risk**

The Company has good credit capacity with an adequate pricing level which allows it to make best use of the available financial resources, especially in a significant growth phase.

The Company has unfavourable collection times and has attempted, during the course of the year, to reduce this gap by decreasing the level of indebtedness whose peak is attained at the end of the year in conjunction with the end of the storage injection cycle.

The Company therefore implemented a careful commercial policy and prudent treasury management, even in the medium term, for the purposes of containing exposure and absorption of capital.

## Operational risk

In order to limit the possibility of errors and to make company business efficient and effective, the Company – during the course of the year – has continually updated the processes which coordinate the primary activities implemented within the Company in order to render them increasingly consistent with the growth of operations and the increase in company size.

## Policies related to the various hedging activities

In order to reduce to a minimum any possible exposure deriving from fluctuation in commodity prices and exchange rates, the Company takes a cautious approach to hedging its portfolio. Transactions are carried out for the exclusive purpose of hedging with a neutral impact on the income statement result since the effects of hedging are opposed to the results of the underlying physical contract.

## Significant events after the close of the year

In 2014, the Company intends to continue on its path of growth in the natural gas sector, in line with the provisions of its growth plan.

As regards the recruitment programme for 2014, the Company has made provision for the hiring of professionals such as sales staff, traders and back office assistants.

## Business outlook

Consistent with the strategic guidelines presented, the Company will continue to pursue gradual growth in all three of the primary identified areas of development:

- realization of vertical integration within segments of the gas supply chain that are not yet covered (retail customers as well as small to medium sized firms) in order to improve the stability of volumes and to increase overall profitability. This objective will also be pursued through potential acquisitions and/or equity investments in sales companies.
- Diversification of the product offer by integrating the supply of natural gas with new products and services for final customers.
- Attainment of an adequate European size through growth of sales activities and trading within new countries and markets and by exploiting assets and the international positioning of the Group in Europe.

## Allocation of profit for the year

It is proposed that the shareholders' meeting allocate the profit for the year as follows:

<b>Profit for the year as at 31/12/2013</b>	<b>Euro</b>	<b>711,447</b>
5% to the legal reserve	Euro	35,572
Retained earnings	Euro	675,875

We thank you for the confidence shown in us and invite you to approve the financial statements presented

here.

Milan, 26 February 2014

The Chief Executive Officer

Michele Libutti