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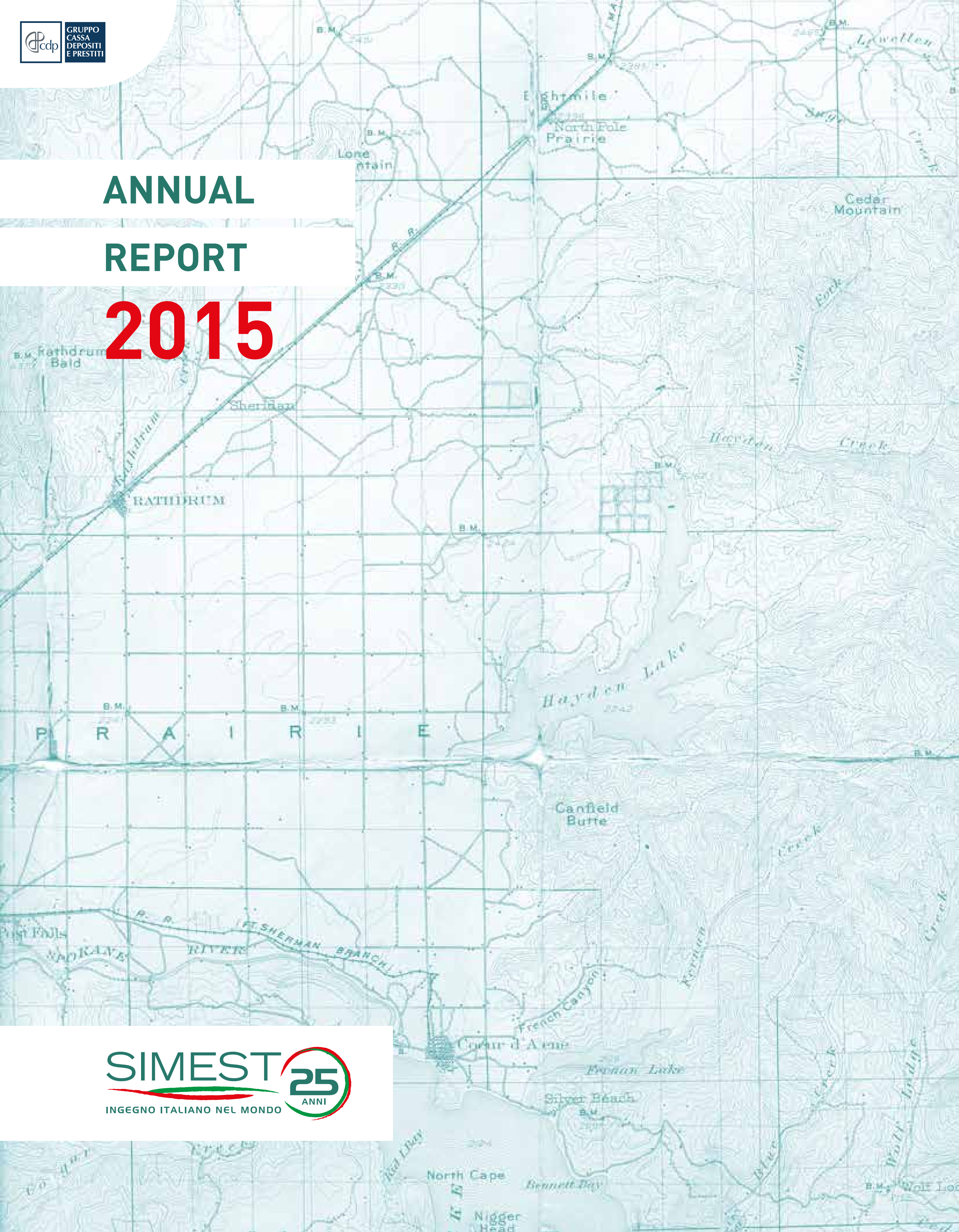
ANNUAL REPORT 2015

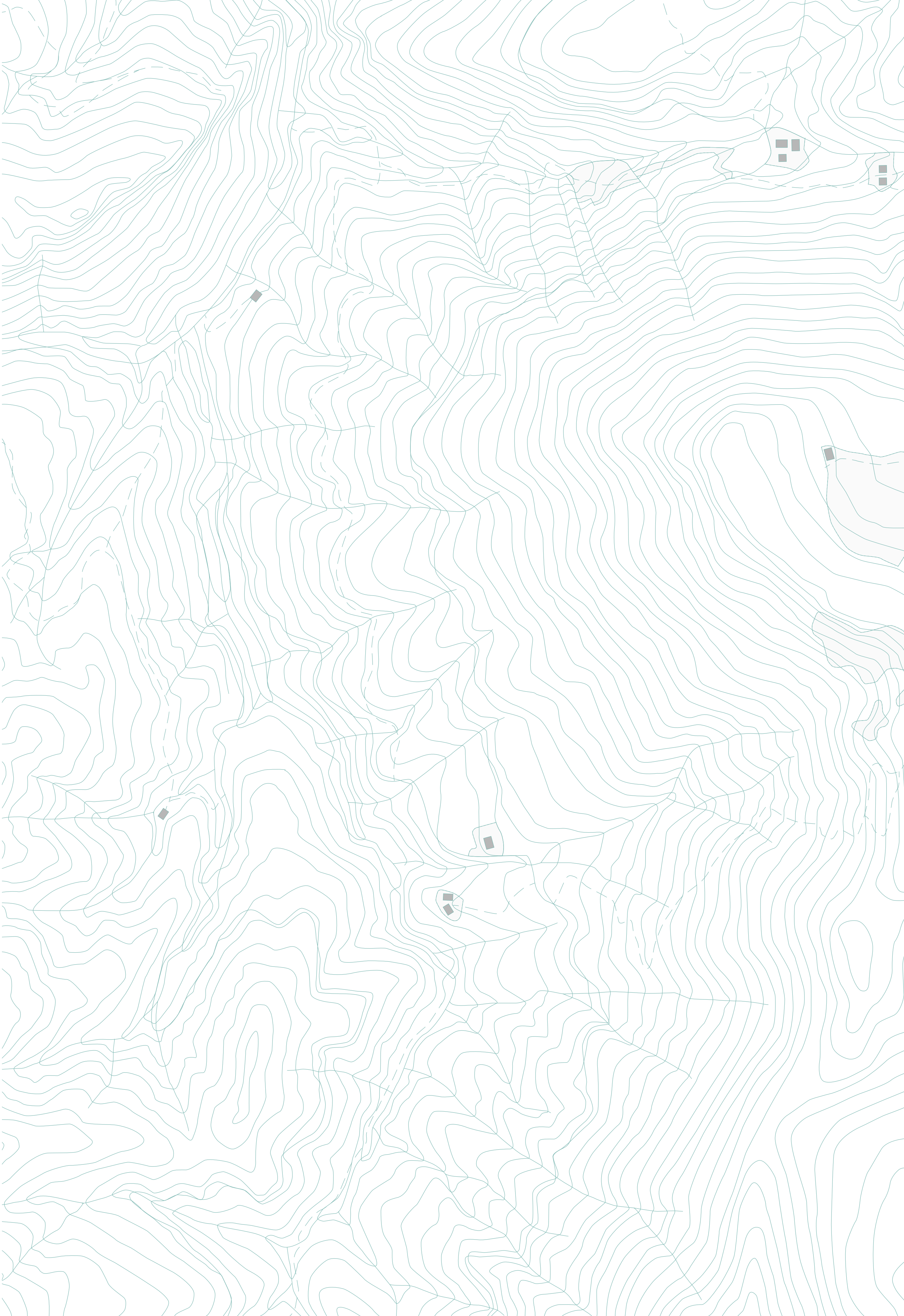


SIMEST 25 ANNI
INGEGNO ITALIANO NEL MONDO

Each year the objectives to be achieved
are many, but none are unachievable.
Each year we discover this thanks to special
people, who can see the future in a project
that develops each day.

ANNUAL REPORT 2015

SIMEST management and
all our employees would like
to pay tribute to Luigi Chessa,
our chairman who passed away
prematurely last December.
He was a man of commitment
who generously dedicated himself
to the success of this company.



We would like to thank the following organizations for their generosity in allowing us to make use of photographic materials related to projects they conducted with SIMEST's support:

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- Mazzoni LB S.p.A.
- Serioplast S.p.A.
- Tiberina Holding S.r.l.

ISO 9001
BUREAU VERITAS
Certification

OHSAS 18001
BUREAU VERITAS
Certification

UKAS
MANAGEMENT
SYSTEMS
008

Società Italiana per le Imprese all'Estero
SIMEST S.p.A.

Corso Vittorio Emanuele II, 323 - 00186 Rome
Company subject to the direction
and coordination of Cassa Depositi
e Prestiti S.p.A.

Share capital €164,646,231.88, wholly paid-in
Registered with the Rome Chamber of Commerce
under REA no. 730445; Rome Company Register,
tax ID, and VAT number 04102891001

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SIMEST WORKS TO DEVELOP AND PROMOTE THE BUSINESS OF ITALIAN ENTERPRISES ABROAD

SIMEST is a joint-stock company and has been a subsidiary of Cassa Depositi e Prestiti S.p.A., subject to the direction and coordination of this parent company, since September 25, 2013. Other shareholders include banks and businesses in the private sector. The company was founded in 1991 to promote investment in Italian businesses abroad and to provide them with technical and financial support.
Beginning in 1999, the company also manages public-sector financial instruments in support of the international expansion of Italian businesses.

Areas of activity

Equity investments

Working alongside Italian companies, SIMEST can acquire up to 49% of the equity of foreign firms, both directly and through a Venture Capital Fund, in order to support foreign investment in certain countries outside the European Union. SIMEST investment also gives the Italian company access to interest-rate support to finance its equity interest in the non-EU company.
SIMEST can also acquire stakes (of up to 49%) in Italian companies or their European Union subsidiaries that pursue investments in production and in innovation and research at market terms without support (bailouts are excluded).

Financing to support internationalization and exports

SIMEST manages financial instruments designed to support exports and other forms of internationalization for Italian businesses. More specifically, SIMEST:

- supports export credits for investment goods produced in Italy;
- finances feasibility studies and technical assistance programs connected with foreign investment;
- finances programs for entering foreign markets outside the EU;
- finances the capitalization of SME exporters;
- finances first-time participation in trade shows in non-EU markets.

Professional services

SIMEST also provides Italian companies seeking to internationalize their businesses with technical assistance and advisory services.

Activities based on EU funding

SIMEST is one of the Italian financial institutions authorized by the EU to serve as a lead financial institution within the scope of partnership programs, e.g. the Neighbourhood Investment Facility (NIF), the Latin America Investment Facility (LAIF), Trust Fund Africa, the Investment Facility for Central Asia (IFCA), etc.

CORPORATE OFFICERS

Salvatore Rebecchini
Chairman[1]

Maurizio Marchesini
Vice Chairman

Andrea Novelli
Chief Executive Officer
and General Manager

BOARD OF DIRECTORS[2]

Antonella Baldino
Director

Camilla Cionini Visani
Director

Ivana Greco
Director

Michele Tronconi
Director

1. Since February 18, 2016 in replacement of Luigi Chessa.
2. In office since August 6, 2015, in replacement of: *Ferdinando Nelli Feroci - Chairman; Riccardo Maria Monti - Vice Chairman; Massimo D'Aiuto - Chief Executive Officer and General Manager; Sandro Ambrosanio - Director; Ludovica Rizzotti - Director; Giuseppe Scognamiglio - Director; Michele Tronconi - Director.*

BOARD OF AUDITORS[3]

Daniele Discepolo
Chairman

Laura Guazzoni
Standing auditor

Carlo Hassan
Standing auditor

Daniela Frusone
Alternate auditor

Livio Domenico Trombone
Alternate auditor

DIRECTOR DESIGNATED BY THE STATE AUDIT COURT

(Law 259/1958)

Carlo Alberto Manfredi Selvaggi

EXTERNAL AUDIT FIRM

PricewaterhouseCoopers S.p.A.

SUPERVISORY BODY

Roberto Tasca
Chairman

Ugo Lecis
Standing member

Vincenzo Malitesta
Standing member

3. In office since August 6, 2015 in replacement of: *Ines Russo - Chairman; Maria Cristina Bianchi - Standing auditor; Giampietro Brunello - Standing auditor.*

REPORT

ON OPERATIONS

1. HIGHLIGHTS

(€ millions)

	2015	2014
RECLASSIFIED BALANCE SHEET HIGHLIGHTS		
Total assets	506	500
Lending for equity investments	480	475
Liabilities for financing	176	172
Shareholders' equity	316	314
RECLASSIFIED INCOME HIGHLIGHTS		
Gross income	48	47
Operating income	13	20
Net income	4	7

FUNDS MOBILIZED AND MANAGED

(€ millions)

New funds	**2015**	**2014**
Equity investments	107	90
Financing for internationalization	87	115
Support for exports	5,195	2,416
Total new funds	**5,389**	**2,620**

Balances at period end	**2015**	**2014**
Equity investments	662	665
Financing for internationalization	343	392
Totals at period end	**1,005**	**1,057**

KEY FINANCIAL INDICATORS

(units; percentages)

	2015	2014
PROFITABILITY RATIOS		
Cost-to-income ratio (%)	46	41
ROE (%)	1	2
OPERATING STRUCTURE		
Average number of employees (incl. seconded)	152	146

2015

Support for exports

€ 5.2 billion

Equity investments

€ 107 million

Financing for internationalization

€ 87 million

1,300 firms supported in 100 countries

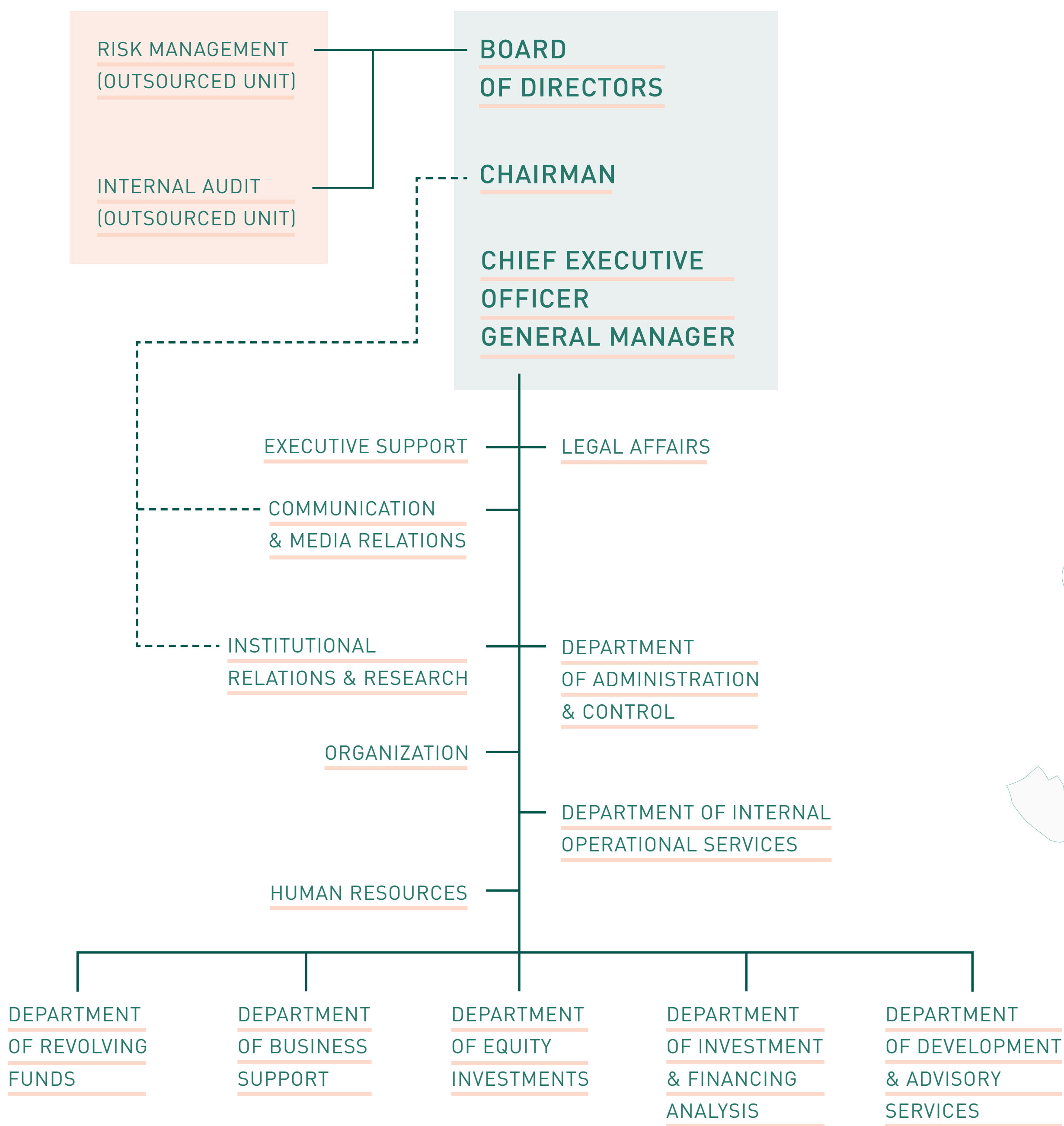
2. ORGANIZATIONAL STRUCTURE

Outsourced unit

Corporate bodies

Structural hierarchy

Functional hierarchy



PROJECT COUNTRIES IN 2015

AFRICA

Algeria
Angola
Benin
Ivory Coast
Egypt
Ethiopia
Kenya
Mozambique
Morocco
Tunisia
South Africa

AMERICAS

Dutch Antilles
Bahamas
Bermuda
Brazil
Canada
Mexico
Panama
Peru
Dominican Rep.
U.S.A.

ASIA

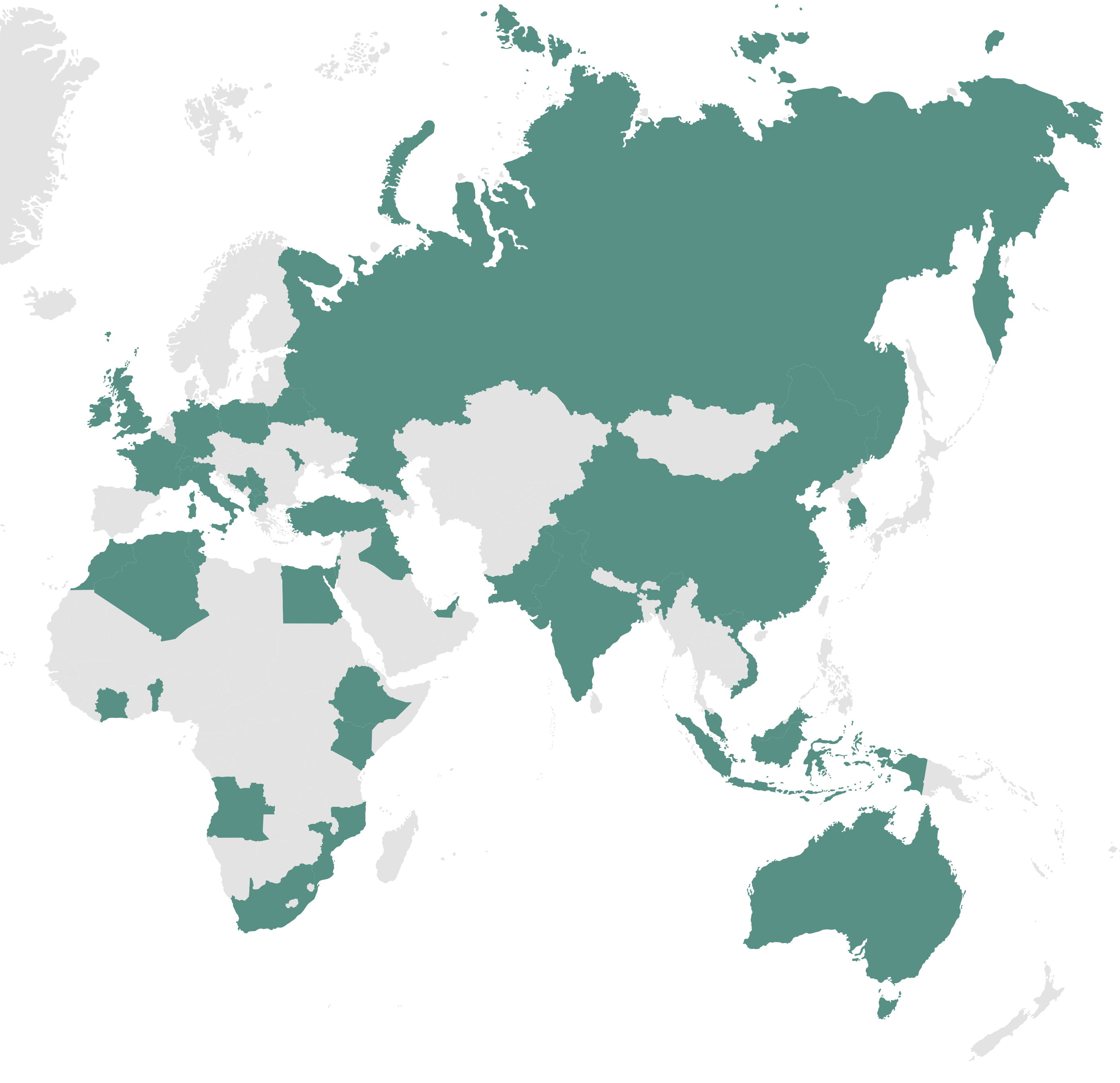
China
South Korea
Hong Kong
India
Indonesia
Iraq
Israel
Malaysia
Pakistan
Singapore
Vietnam

EUROPE

Albania
Belarus
Bosnia Herzegovina
France
Germany
Ireland
Italy
Kosovo
Macedonia
Moldavia
Poland
United Kingdom
Russia
Serbia
Switzerland
Turkey

OCEANIA

Australia



3. THE ECONOMIC BACKGROUND

THE INTERNATIONAL ENVIRONMENT

In 2015, the global economy grew at a rate of 3.1%, based on changes in GDP, slightly slower than the 3.4% posted in 2014. Although growth for the more advanced economies remained essentially unchanged (1.9% vs. 1.8% in 2014), there was a significant drop in the rate of growth for emerging and developing economies (4.0% vs. 4.6% in 2014). The rate of growth in international trade also declined from 3.4% in 2014 to 2.6% in 2015.[1]

Breaking down these figures by geographic area, the United States posted GDP growth of 2.4%,[2] in line with 2014 and greater than the overall GDP growth for the advanced economies.

The euro area posted GDP growth of 1.5%, accelerating compared with the 0.9% of 2014. The persistent rapid growth in the emerging and developing economies is the result of different rates of growth from one country to another. Whereas GDP contracted by 3.7% in Russia (compared with growth of 0.6% in 2014) and by 3.8% in Brazil (0.1% growth in 2014), the pace of growth fell slightly in China (6.9% in 2015 vs. 7.3% in 2014), and remained high in India (at 7.3% in both 2014 and 2015), whose economy is based on manufacturing and was therefore able to benefit both from declining prices for raw materials and from the recovery under way in the developed countries.[3]

Global flows of foreign direct investment (FDI) in 2015 increased significantly from 2014 to reach $1,699 billion, compared with $1,245 billion for the prior year. This growth was largely due to a significant increase in direct investment in advanced economies, particularly in the form of cross-border M&As. FDI into advanced economies increased by 90% from the previous year, going from $493 billion in 2014 to $936 billion in 2015, with the greatest portion of global FDI going to the United States ($384 billion).

In contrast to the high levels of FDI into economically advanced countries, flows into emerging and transitioning economies remained essentially stable, going from $752 billion in 2014 to $763 billion in 2015.[4]

GLOBAL OUTLOOK FOR 2016

Forecasts for 2016 point to the continuation of the current economic environment, although there are certain situations of particular risk. One such risk factor is the slowing of China's economy as a result of a rebalancing of the factors driving growth in foreign demand in relation to domestic consumption. Other potentially negative consequences internationally could come from the tightening of monetary policy in the United States. The consequent strengthening of the dollar and rising interest rates present risks to the sovereign debt of emerging countries. Low oil prices could lead the sovereign funds of oil-producing countries to divest significant portions of their assets. Finally, heightened geopolitical tensions in a number of areas could compromise both international trade and tourist flows.

1. See International Monetary Fund, *World Economic Outlook Update*, January 2016.
2. See ISTAT, *PIL e indebitamento AP (2013-2015)*, March 1, 2016.
3. Ibid.
4. See UNCTAD, *Global Investment Trends Monitor, no. 22* of January 20, 2016.

Within this context, the GDP forecasts of the International Monetary Fund (IMF) for 2016 project GDP growth of 3.4% globally, 2.6% in the United States, 1.7% in the euro area, 6.3% in China, and 7.5% in India. Conversely, the recession in Brazil is expected to continue, resulting in a 3.5% decline in GDP, whereas the contraction in GDP in Russia is expected to be just 1.0%, an improvement compared with 2015. World trade for 2016 is forecast to grow by 3.4%.[5]

UNCTAD expects FDI to decline in 2016, but has not provided any specific forecasts.[6]

THE ITALIAN ECONOMY

Italy posted GDP growth of 0.8% in 2015, compared with the 0.3% decline in 2014.[7] The average annual rate of inflation was just 0.1%, down from the 0.2% of 2014.[8] Employment rose to 56.3% of the labor force, and the unemployment rate fell to 11.9% for the first time in seven years.[9]

Industrial production rose by an average of 1.0% in 2015 compared with 2014.[10] Gross fixed capital formation in 2015 grew by 0.8% in volume terms, while final consumption expenditure increased by 0.5%. Exports of goods and services rose by 4.3%, falling short of the 6.0% growth in imports.[11] The trade balance for 2015 showed a surplus of €45.2 billion; excluding energy the surplus was €78.7 billion.[12]

Foreign direct investment into Italy came to €6.5 billion, down from €10.3 billion in 2014, and FDI out of Italy went from €15.3 billion in 2014 to €14.2 billion in 2015.[13]

In 2016, growth is expected to accelerate in Italy as well, with the IMF forecasting Italian GDP to increase by 1.3%, which is in line with the expected growth rate in France, but less than the 1.7% growth forecast for the euro area and for Germany and the 2.7% growth expected for Spain.[14] The acceleration of growth in Italy is expected to be driven by the increase in domestic consumption and by foreign demand from within the euro area. Throughout these years of crisis, the industrial system has been buoyed both by exports and by the presence of SMEs in both traditional and highly specialized, high-value sectors in international markets.

5. See International Monetary Fund, *op. cit.*
6. See UNCTAD, *op. cit.*
7. See ISTAT, *PIL e indebitamento AP (2013-2015)*, March 1, 2016.
8. See ISTAT, *Prezzi al consumo. Dati definitivi (dicembre 2015)*, January 15, 2016.
9. See ISTAT, *Il mercato del lavoro (Q4 2015)*, March 10, 2016.
10. See ISTAT, *Produzione industriale (dicembre 2015)*, February 10, 2016.
11. See ISTAT, *PIL e indebitamento AP (2013-2015)*, March 1, 2016.
12. See ISTAT, *Commercio con l'estero (dicembre 2015)*, February 16, 2016.
13. See Bank of Italy, *Bilancia dei pagamenti e posizione patrimoniale sull'estero, no. 10* of February 18, 2016.
14. See International Monetary Fund, *op. cit.*

4. DEVELOPMENTS IN OPERATIONS

4.1 FUNDS MOBILIZED AND MANAGED

Funds mobilized by SIMEST and resources managed through subsidized public funds in 2015 totaled €5,389 million, more than double the same figure for 2014 (€2,620 million). This increase in operations was mainly attributable to the instruments to support exports, but direct equity investments also rose to €99 million, the highest level since the company's founding and an increase of around €19 million from 2014.

As at December 31, 2015, SIMEST is now supporting some 1,300 businesses in their internationalization and export programs in 100 countries.

FUNDS MOBILIZED AND MANAGED

(€ millions)

Line of business	2015	2014	% change
SIMEST direct equity investments (acquired)	99	80	24%
Venture Capital Fund equity investments (acquired)	8	10	-20%
TOTAL EQUITY INVESTMENTS	**107**	**90**	**19%**
Financing for internationalization	87	115	-24%
Support for exports	5,195	2,416	115%
TOTAL INTERNATIONALIZATION & EXPORTS	**5,282**	**2,531**	**109%**
TOTAL FUNDS MOBILIZED AND MANAGED	**5,389**	**2,620**	**106%**

(€ millions)

Balances at period end	2015	2014	% change
SIMEST direct equity investments	514	497	3%
Equity investments through the Venture Capital Fund	148	168	-12%
TOTAL EQUITY INVESTMENTS	**662**	**665**	**- 0.5%**
Financing for internationalization	343	392	-13%
TOTALS AT PERIOD END	**1,005**	**1,057**	**-5%**

4.2 EQUITY INVESTMENTS

SIMEST DIRECT EQUITY INVESTMENTS

In 2015, the SIMEST Board of Directors approved 59 operations, including:

- 35 new investment projects;
- 6 capital increases of existing shareholdings;
- 18 adjustments to previously approved or evaluated projects.

The companies in which SIMEST approved equity investments during the year call for:

- a financial commitment for SIMEST acquisitions of about €130 million;
- total share capital of €298 million;
- total final investment of €972 million.

On the whole, the volume of operations increased compared with 2014 (+4%), thereby confirming the positive contribution that SIMEST is making in investments by Italian organizations in foreign markets.

The two main geographic areas in which these initiatives are taking place are Asia and North America, primarily focused in China, India, and the United States, areas which account for 32.5% of total commitments across 13 projects (5 in China and 4 each in India and the US) for a total commitment of about €42 million. Significant transactions also involved Italy (with 8 projects totaling €42 million) to support internationalization initiatives that call for investment in Italy or across multiple countries. The main areas in which initiatives are expected to be carried out include: China, Japan, India, the United States, Canada, Mexico, South America (Brazil), the Middle East (Saudi Arabia, Qatar, Dubai, Iran), and Europe.
In terms of industries, the focus continues to be on initiatives in Italy's leading industries: electrical and mechanical engineering, food and agriculture, chemical/pharmaceutical, and services.

SIMEST DIRECT EQUITY INVESTMENT

Equity investments approved in 2015 - by country

(€ millions)

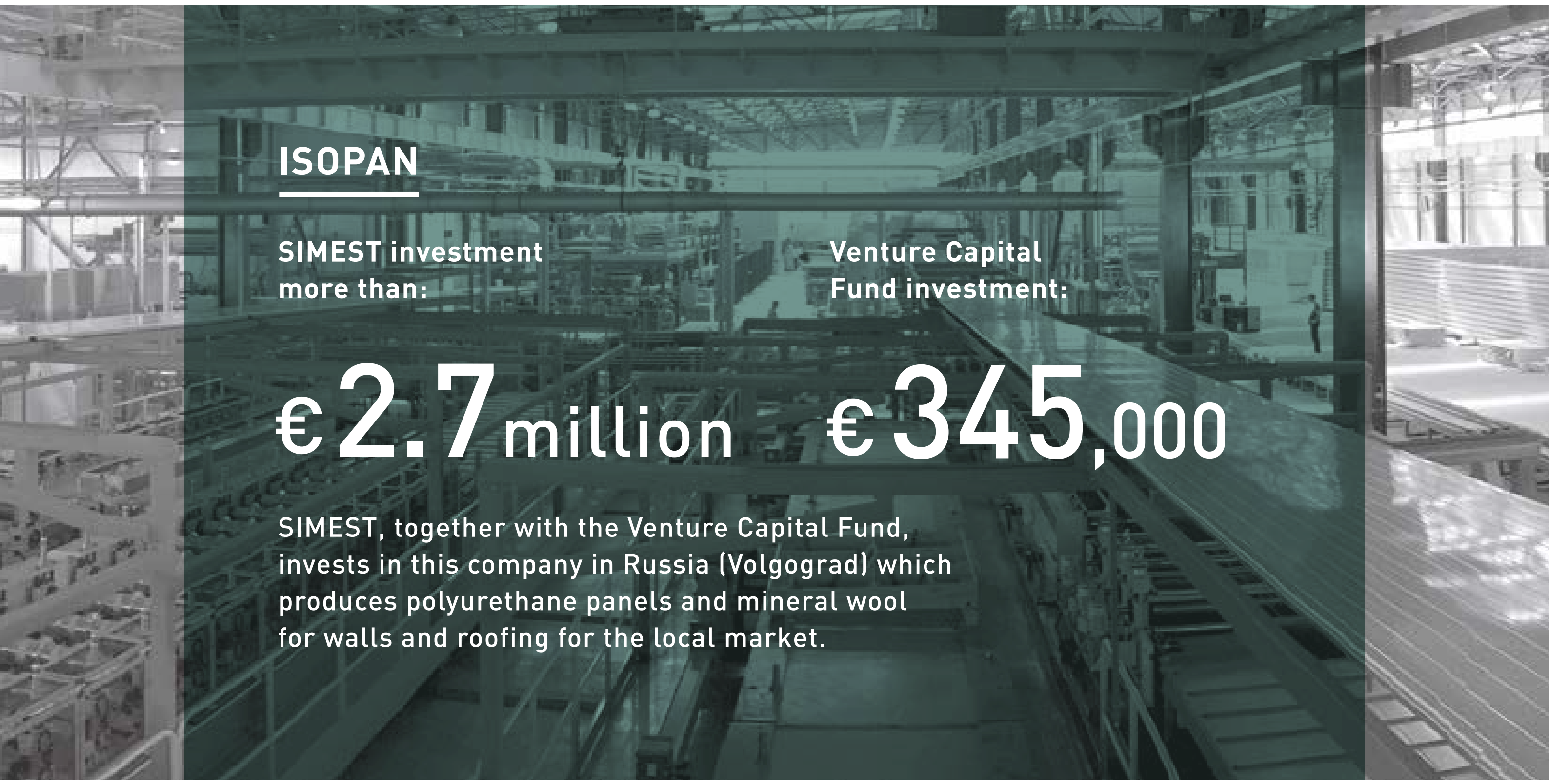
Country	Planned investment	Planned share capital	SIMEST commitment
New projects			
Italy	381	77	42
India	84	55	24
Brazil	152	35	18
U.S.A.	206	41	17
France	30	9	4
Luxembourg	6	8	3
Czech Republic	13	10	3
China	7	10	2
Other countries	40	39	9
TOTAL NEW PROJECTS	**918**	**283**	**121**
Existing shareholdings			
Capital increase/increase in appropriation	54	15	9
OVERALL TOTAL	**972**	**298**	**130**

SIMEST DIRECT EQUITY INVESTMENT

Projects approved in 2015 - by industry

(€ millions)

Industry	Planned investment	Planned share capital	SIMEST commitment
New projects			
Electrical/mechanical engineering	332	114	38
Chemical/Pharmaceutical	209	46	19
Food & agriculture	77	24	18
Services	120	12	11
Textiles/Clothing	52	14	7
Rubber/Plastics	25	22	6
Construction	19	19	5
Energy	10	10	5
Other industries	74	24	11
TOTAL NEW PROJECTS	**918**	**283**	**121**
Existing shareholdings			
Capital increase/increase in appropriation	54	15	9
OVERALL TOTAL	**972**	**298**	**130**



ISOPAN

SIMEST investment more than:

€2.7million

Venture Capital Fund investment:

€345,000

SIMEST, together with the Venture Capital Fund, invests in this company in Russia (Volgograd) which produces polyurethane panels and mineral wool for walls and roofing for the local market.

During the year, SIMEST conducted 41 operations regarding projects approved in or prior to 2015 for a total of €99 million, including:

- 23 new equity investments in foreign companies for a total of about €42 million;
- 8 capital increases and 3 plan revisions in foreign companies held prior to December 31, 2014, for a total of €7 million;
- 9 new equity investments in Italian companies for a total of €48 million;
- a capital increase in an Italian company held prior to December 31, 2014, in the amount of €2 million.

Total operations in equity investments rose from €80 million in 2014 to €99 million in 2015.

In 2015, in execution of agreements with partner companies, 46 equity investments were sold for a total of €78 million after value adjustments. At year end, following portfolio transactions in 2015, SIMEST held equity investments in 243 companies in Italy and abroad for a total of €514 million (including the interest in FINEST), compared with €497 million at the end of 2014.

SIMEST DIRECT EQUITY INVESTMENT

Equity investments acquired in 2015 - by country

(€ millions)

Country	SIMEST commitment
Italy	50
USA	20
Brazil	15
Russia	6
France	4
China	2
India	1
Mexico	1
Other	1
TOTAL	**99**

SIMEST DIRECT EQUITY INVESTMENT

Equity investments acquired in 2015 - by industry

(€ millions)

Industry	SIMEST commitment
Electrical/mechanical engineering	47
Food & agriculture	17
Chemical/Pharmaceutical	11
Construction	7
Textiles/Clothing	7
Services	3
Rubber/Plastics	3
Energy	2
Other	2
TOTAL	**99**

This breakdown by country and by industry reflects the same breakdown of the approved projects.

VENTURE CAPITAL FUND EQUITY INVESTMENTS

The Venture Capital Fund managed by SIMEST on behalf of Italy's Ministry for Economic Development is represented by a minority interest – in addition to the direct equity investment by SIMEST and/or FINEST – in the share capital of enterprises established by Italian companies abroad (outside the EU in geographic areas of strategic interest to these companies).

In 2015, there were a total of 56 approvals of equity investments by the Guidance and Oversight Committee (the interministerial body responsible for authorizing uses of the fund). This included 16 new investment projects, 5 capital increases for existing shareholdings, and 35 revisions of previously approved projects.

More specifically, these approvals of equity investments provide for:

- a total commitment under the Venture Capital Fund of about €15 million;
- a total cumulative investment by the foreign companies of €192 million, funded by share capital of about €125 million.

The geographic breakdown of the projects approved reveals – in line with the SIMEST direct equity investments – a marked focus in areas and countries that have been traditional targets of the international expansion strategies of Italian businesses.

VENTURE CAPITAL FUND

Projects approved in 2015 - by country

(€ millions)

Country	Expected investment	Share capital	Use of Fund
New projects			
India	84	55	4
Brazil	46	29	3
Mexico	32	19	2
China	7	10	2
Serbia	5	5	1
Bosnia	4	4	1
TOTAL NEW PROJECTS	**178**	**122**	**13**
Capital increase/increase in appropriation			
China	-	-	0.1
India	4	1	0.6
Turkey	2	2	0.5
Brazil	9	-	1
TOTAL CAPITAL INCREASE/INCREASE IN APPROPRIATION	**14**	**3**	**2**
OVERALL TOTAL	**192**	**125**	**15**

TIBERINA GROUP

SIMEST investment:

€2.5million

Venture Capital Fund investment:

€1million

SIMEST, together with the Venture Capital Fund, invests in this Brazilian company, which locally produces components for the automotive industry, thereby strengthening partnerships with the leading customers in that country.

In 2015, equity investments acquired with resources from the Venture Capital Fund totaled about €8 million, which can be broken down as follows:

- 18 new equity investments in companies abroad – in addition to the interests acquired directly by SIMEST and/or FINEST – for a total of about €7 million;
- 4 capital increases and 3 plan revisions in companies held prior to December 31, 2014, for a total of about €1 million.

By geographic area, new initiatives drawing on the fund saw a reduction in China (to 2 operations from 6 in 2014), whereas Brazil saw the greatest number of initiatives (at 7 operations) for a total of over €4 million, and Russia continued to attract marked interest with 4 new initiatives and a total investment of nearly €2 million.

In 2015, in execution of agreements with partner companies, 27 equity investments were sold for a total of €29 million. As a result of the various transactions carried out during the year, the portfolio of equity interests held by SIMEST using resources from the Venture Capital Fund totaled about €148 million at the end of 2015 (vs. around €168 million in 2014) and involved 190 foreign companies (vs. 199 in 2014). The trend in investments and in the portfolio reflects the preference of the Guidance and Oversight Committee to limit each individual equity interest to no more than €1 million.

START-UP FUND EQUITY INVESTMENTS

In 2015, the Start-Up Fund, established with Ministerial Decree 102 of March 4, 2011 and managed by SIMEST, continued operations, albeit to a limited extent given that competent ministry is considering suspending such operations.
In 2015, 2 new investments were approved, but no new acquisitions were approved. The portfolio of equity investments using the Start-Up Fund totaled about €0.8 million at year end.

FINEST

Under Law 19/1991 SIMEST holds an interest of 3.9% in FINEST S.p.A. of Pordenone (a member of the Friulia Group), which had paid-up share capital of about €137 million at June 30, 2015.

As of June 30, 2015, FINEST had conducted support activities for businesses in the Italian northeast for a total of over €7 million, entirely involving equity investments, including 13 new equity investments and 1 capital increase in an existing shareholding. The portfolio of equity investments included 69 interests totaling over €61 million (€55 million after write-downs), whereas outstanding financing totaled over €25 million.

4.3 FINANCING FOR INTERNATIONAL EXPANSION (LAW 394/81 FUND)

SIMEST manages a revolving fund ("Law 394/81 Fund") to disburse subsidized financing on behalf of the Ministry for Economic Development to assist Italian businesses in their internationalization efforts.

In 2015, the Support Committee (the interministerial body responsible for authorizing uses of the fund) approved 151 operations for a total of €87 million (compared with 172 operations for a total of €115 million in 2014).

FUND 394/81 FINANCING GRANTED
Volumes by product

Product	No.	€ millions
Foreign market penetration programs	103	80
Capitalization of exporter SMEs	27	6
Feasibility studies and technical assistance programs	10	1
SME participation in trade fairs/exhibitions	11	0.3
OVERALL TOTAL	**151**	**87**

CORNELIANI

€2.7 million

SIMEST has supported the commercial development of this Mantua-based firm, which has opened a boutique in China.

At total of €80 million in operations to help launch and promote products and services abroad through permanent establishments in non-EU countries were recorded during the year. This was followed by financing aimed at strengthening the capitalization of SME exporters for a total of €6 million.

Feasibility studies and technical assistance programs connected with Italian investments in non-EU countries reached a total of €1 million. Financing to help SMEs participate in trade shows in non-EU markets, finally, totaled €0.3 million.

In terms of the size of the enterprises receiving this financing in 2015, 78% were SMEs and 22% were larger enterprises.

The volume of new financing granted decreased from 2014 due, in part, to the gradual decline in the effective subsidy involved as a result of falling market interest rates (taking account of the need for beneficiary firms to post bank or insurance guarantees on a portion of the financing).

Against this background, SIMEST submitted proposals to the competent ministries to realign the instrument with the needs of its beneficiaries. Based on the feedback received, we expect these proposals to be fully implemented during 2016.

LAW 394/81 FUND FINANCING GRANTED - volumes by geographic area

(€ millions)

Area	Programs for penetrating non-EU markets	Feasibility studies and technical-assistance programs	Participation of SMEs in trade fairs/exhibitions
Mediterranean and Middle East	23	0.1	0.2
Asia	18	-	-
North America	25	0.2	0.1
Central and South America	9	0.2	-
CIS and Eastern Europe	4	0.4	-
Sub-Saharan Africa	0.4	0.3	-
Non-EU Western Europe	0.2	-	-
OVERALL TOTAL	**80**	**1**	**0.3**

Financing involved a total of 30 countries, with programs to assist in penetrating foreign markets being concentrated in the Mediterranean and Middle East. Feasibility studies and technical assistance programs mainly concerned Central and South America, whereas initiatives to facilitate SME participation in trade fairs and exhibitions primarily concerned the geographic areas of the Mediterranean and Middle East and North America. During the year, there were 236 disbursements for a total of €54 million related to existing financing. A study by Ernst & Young Financial Business Advisors S.p.A. (EY) concerning the first half of 2015 has shown that this financing will result in a total cumulative benefit for beneficiaries of about €10 million over the full life of the projects. The total value of the investments facilitated by the fund was over €139 million, and the secondary impact (multiplier effect) is estimated at around €1.20 on every euro of financing granted.

ICI CALDAIE

€2 million

SIMEST supported this Veneto company's non-EU market penetration program in China, Russia and Kazakhstan.

4.4 SUPPORT FOR EXPORTS (LAW 295/73 FUND)

SIMEST manages a fund ("Law 295/73 Fund") on behalf of the Ministry for Economic Development providing grants to support exports and international expansion.

The grants issued by SIMEST for export credit, in the form of both buyer and supplier credit, are aimed at supporting the export of capital goods (plant, machinery, replacement parts, associated studies, works and other services) throughout the world.

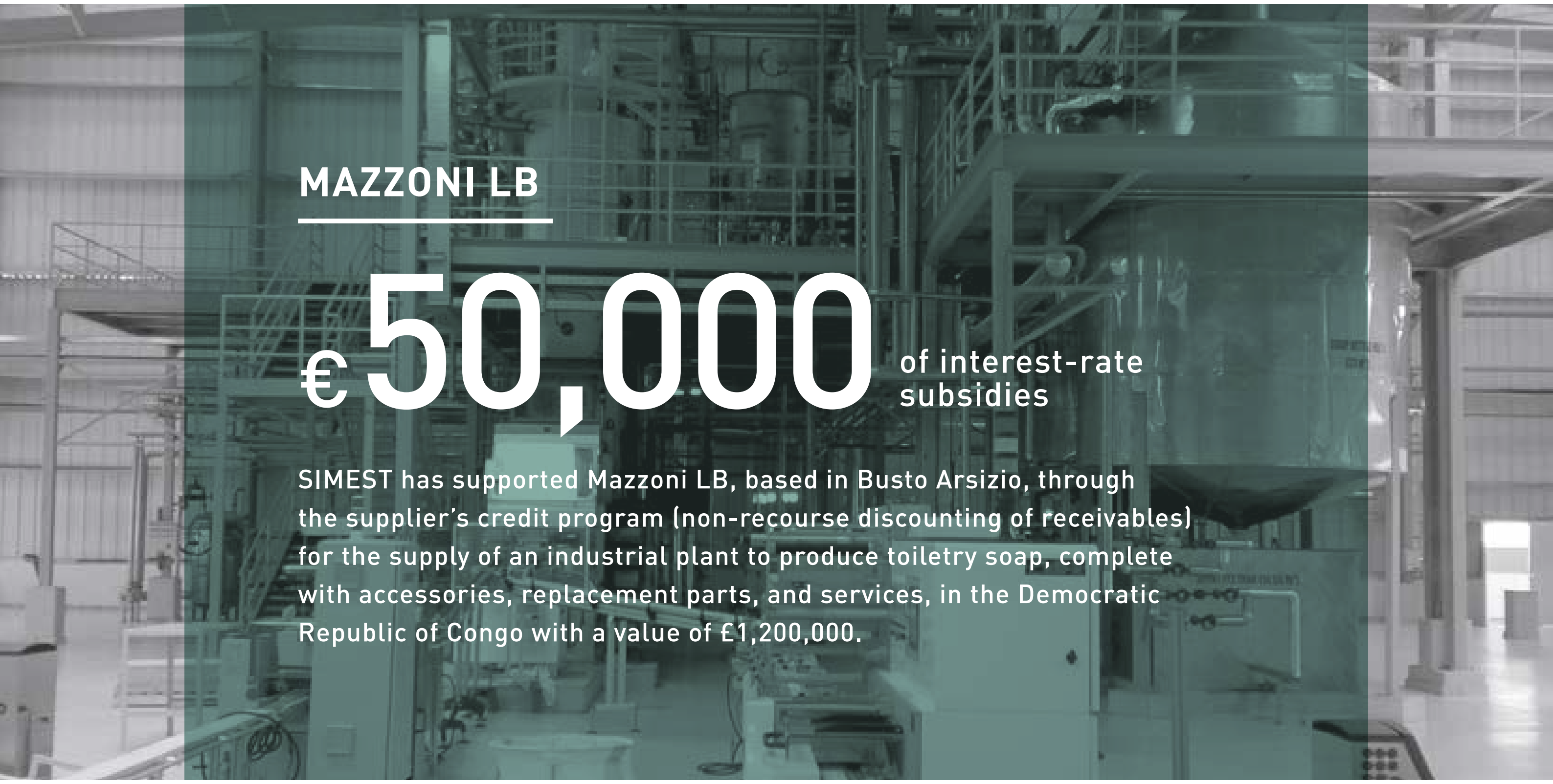
SIMEST also manages the funds related to the subsidies under Article 4 of Law 100/90 for interest subsidies granted to Italian enterprises in relation to credits received for the partial financing of their portion of risk capital in foreign companies, held by SIMEST, in countries outside of the European Union. Under a specific agreement, SIMEST also conducts all origination and disbursement activities on behalf of FINEST in relation to grants from the Law 295/73 Fund regarding the operations carried out by FINEST.

In 2015, the Subsidies Committee (the interministerial body responsible for authorizing uses of the fund) approved 83 operations for a total of €5,195 million (compared with 119 operations for a total of €2,416 million in 2014).

LAW 295/73 FUND APPROVALS IN 2015

(€ millions)

Product	Deferred principal amount
Subsidized export credit	5,118
Subsidized credit for investment in foreign companies	76
OVERALL TOTAL	**5,195**



MAZZONI LB

€50,000 of interest-rate subsidies

SIMEST has supported Mazzoni LB, based in Busto Arsizio, through the supplier's credit program (non-recourse discounting of receivables) for the supply of an industrial plant to produce toiletry soap, complete with accessories, replacement parts, and services, in the Democratic Republic of Congo with a value of £1,200,000.

A total of €5,118 million in deferred principal amount for export credits was approved in 2015 (€2,337 million in 2014). Of these transactions, €424 million concerned the supplier credit program for mid-sized plant, machinery and components. Of the remaining €4,694 million, in the form of buyer credit (financing), about 83% concerned contracts signed by large corporations related to large-scale orders.

Also in 2015, 39 approved transactions concerned investments in foreign companies with financing eligible for subsidies totaling €76 million (€78 million in 2014). Of these transactions, 33 concerned investments held by SIMEST (a total of €64 million) and 6 held by FINEST (a total of €12 million).

With regard to export credit, about 78% of 2015 volumes concerned transactions with the Dutch Antilles, the Bahamas, Bermuda, Brazil, Mexico, Panama, Peru and the Dominican Republic.

Similarly, the geographic distribution of initiatives related to investments in foreign companies saw Central and South America lead the way with 48% of the subsidized financing.

During the first half of 2015, SIMEST disbursed a total of €77 million from the Law 295/73 Fund to support Italian exports.
A study by EY to measure the performance of the beneficiaries of SIMEST support showed that SIMEST has contributed to covering about 16% of the total interest related to the average cost of the discounted financing (supplier credit) for contracts with foreign customers as well as to the average cost of debt (buyer credit), thereby making Italian exports of capital goods more competitive.

LAW 295/73 FUND - APPROVALS IN 2015 - by geographic area

(€ millions)

Area	Subsidized credit for exports (deferred principal amount)	Subsidized credit for investment in foreign companies (deferred principal amount)
Central and South America	4,012	37
Sub-Saharan Africa	412	-
European Union	300	-
Other countries	236	-
Mediterranean and Middle East	147	2
Oceania	12	-
North America	-	8
Asia	-	8
CIS and Eastern Europe	-	22
OVERALL TOTAL	**5,118**	**76**

ANSALDO STS, HITACHI RAIL ITALY AND SALINI IMPREGILO

SIMEST, together with SACE and CDP, has supported construction of the Lima subway system by Ansaldo STS, Hitachi Rail Italy, and Salini Impregilo.

SIMEST provided support to stabilize interest rates; CDP participated in financing the project together with KfW IPEX, Santander, and Société Générale; and SACE, together with ICO, provided the guarantee.

4.5 PROMOTION AND DEVELOPMENT EFFORTS

Promotion and development efforts continued in 2015 aimed both at carrying out domestic initiatives for the dissemination of the products and services provided by the company to Italian businesses and at our involvement in missions abroad to provide technical support to the Italian enterprises concerned.

DOMESTIC ACTIVITIES

SIMEST professionals throughout Italy participated in country-specific seminars and other topical events in order to present the investment opportunities and other mechanisms to support international expansion, while also providing support to businesses, seeing to organizational aspects, and developing relations with local authorities.

During the year, SIMEST also took part in the 15 stages of the road show organized by the *Cabina di Regia per l'Internazionalizzazione* (Internationalization Control Room) established by the Ministry for Economic Development and the Ministry of Foreign Affairs & International Cooperation, which saw all private and public-sector players in the Italian economy involved in a joint action to promote public support mechanisms throughout Italy.

Collaboration with industry associations and with the chambers of commerce continued in order to provide their members with information about the services and tools provided by the company, and existing partnerships with the leading banking groups also intensified, as these provide SIMEST with support in the promotion of products to enterprises throughout Italy.

SIMEST experts took part in 4 stages of the road show entitled *Cooperazione allo Sviluppo dell'Unione Europea: nuovi trend ed opportunità per le imprese italiane* (European Union Development Cooperation: new trends and opportunities for Italian enterprises), which was organized by Confindustria, the Ministry of Foreign Affairs & International Cooperation, and ICE and saw the involvement of over 150 businesses and associations.

Also in 2015, we signed an agreement to extend the convention between CDP, SACE, and SIMEST related to the Export Bank system, thereby confirming our commitment to support exports and internationalization for Italian enterprises. Since its launch, the Export Bank system has provided over €5 billion in support for the export and internationalization efforts of Italian businesses.

MISSIONS ABROAD

In 2015, SIMEST took part in 13 institutional and private-sector missions to the following countries: Algeria, Saudi Arabia, Azerbaijan, Chile, China, Colombia, Congo (Brazzaville), Cuba, Egypt, Ethiopia, Ghana, Morocco and Mozambique. During these missions, SIMEST provided support to Italian enterprises within the scope of numerous business forums and other business-to-business events in order to discuss issues related to business opportunities in these countries and with the goal of facilitating meetings with local businesses to help foster partnerships. These missions focused on the specific sectors of interest to each of the countries concerned.

ACTIVITIES ASSOCIATED WITH EUROPEAN UNION FUNDS

Within the scope of the multilateral finance efforts of the European Commission, throughout 2015, SIMEST was actively involved on the various boards of the EU trust funds and in the Group of Experts (GOE) platform to revise the financial blending mechanisms, with a particular emphasis on the private sector and on climate finance.

4.6 PROFESSIONAL SERVICES

SIMEST provides a series of specialist consulting and support services aimed, above all, at supporting the needs of small- and medium-sized enterprises. These services are provided to businesses at all stages of their foreign investment initiatives, from planning and assembly to ongoing assistance. These support efforts are facilitated by our presence throughout Italy.

Our consulting efforts aim to provide support to our mission to promote international initiatives, so these services are provided at business missions and within the context of specific investment projects.

5. RISK MANAGEMENT

Pursuant to Article 2428 of the Italian Civil Code, with regard to the main risks and uncertainties to which the company is exposed in its equity investments, SIMEST has implemented policies for managing financial risk, including exposure to price risk, credit risk, liquidity risk and market risk.

In 2015, we formalized the process of managing and monitoring credit risk in the form of the Investment Rules (approved by the Board of Directors) and the rules of the Investment Committee and the Investment Monitoring Committee.

Within the scope of these rules, we have included specific investment guidelines and specific measures for verifying credit ratings for each, individual counterparty both prior to entering into a relationship and ongoing. The rules govern the functioning of the investment and monitoring process and establish the roles of the various units involved (i.e. the Investment and Loan Assessment Department, the Equity Investment Department, the Legal Affairs Department, the Risk Management Unit, and the Administration & Control Department).

The outcome of the origination activities conducted by the various units are summarized in investment proposals, which are then submitted for evaluation by the Investment Committee. In the event a proposal is deemed valid and of interest – given the related financial/credit risks and methods for managing and mitigating such risks – it is submitted to the SIMEST Board of Directors for final approval. Subsequently, agreements with the partner are defined based on the guidelines and other indications provided by the Board.

The credit risk related to the equity investment is first reduced by acquiring direct commitments from the Italian partners for the forward acquisition of the SIMEST shareholdings, and these commitments are backed, in part, by corporate sureties, collateral and bank or insurance guarantees.
As at December 31, 2015, direct commitments with Italian partners for the purchase of the equity interests totaled over €370 million (€357 million at December 31, 2014). Commitments backed by bank and/or insurance guarantees totaled about €77 million (€92 million at December 31, 2014), and those backed by collateral totaled €21 million (€16 million at December 31, 2014).

(%; € millions)

	2015		2014	
Direct commitments of Italian partners	79%	370	77%	357
Commitments backed by bank or insurance guarantees	16%	77	20%	92
Commitments backed by collateral	5%	21	3%	16
TOTAL DISBURSED		**468**		**465**

Price and foreign exchange risk are mitigated through contractual language which generally guarantees that SIMEST will recoup its investment at the price paid in euros for the investment.

Liquidity risk and interest rate risk are monitored constantly using a cash flow analysis approach, especially for equity investments. In 2015, in order to reduce exposure to interest rate risk, we began a review of the composition of debt in order to ensure the consistency of the temporal profile of equity investments with the related debt by taking on new medium- and long-term financing and renegotiating existing lines of credit.

During the year, we also completed the mapping of the most significant operational risks in all areas of operations, identified in part through discussions with department heads.

6. GOVERNANCE AND SUPPORT ACTIVITIES

6.1 COMMUNICATION

In 2015, public relations efforts continued in order to promote SIMEST services to Italian businesses.

Numerous initiatives focused on the leading press agencies and business newspapers and periodicals in order to promote the company's products.

Communication events were organized in conjunction with missions abroad, which featured the involvement of senior management, as well as for the signing of equity investments in Italy and abroad and of partnership agreements with industry associations and government bodies.

During the year, SIMEST took part in 123 events throughout Italy promoted by industry associations, government bodies, and banks, and an event was organized in Tuscany, in collaboration with the local industry association, which featured the involvement of both senior management and of partner firms that contributed their own direct experience.

Internal communication was also facilitated by our new corporate intranet, which now features updated graphics and more accessible content.

6.2 HUMAN RESOURCES AND ORGANIZATION

ORGANIZATION AND WORKFORCE

In 2015, the company's structure was modified slightly to ensure continuity in managing the organization.

The Organization Unit was established in order to rationalize the governance of operational and management processes, as well as to oversee the definition of the company's organizational model and to ensure the cross-functional management of the quality system and of special projects.

In order to enhance coordination with the parent company, all the secretariat activities of the corporate bodies and the Support Committee have been centralized within the Legal Affairs Department, and two senior-level positions with contracting and compliance responsibilities have been added.

A new Subsidies Origination unit has been created in order to coordinate all subsidy origination efforts related to the Law 295/73 Fund.

During the year, the workforce was reinforced with the addition of 4 junior positions within the business units and 2 positions in the Department of Administration & Control. Ordinary employee turnover was managed by shifting employees to cover the related positions, and this provided opportunities for career growth for the employees concerned.

Audits were completed for the successful annual renewal of the certifications for all enterprise systems in accordance with the ISO 9001:2008 quality standards, as well as certification of the Occupational Health & Safety Management System in accordance with the OHSAS 18001:2007 standards.

As at December 31, 2015, the company's workforce totaled 163 employees (including 5 CDP employees seconded to SIMEST: 1 senior manager, 2 middle managers, and 2 area professionals) for an increase of 8 in 2015. This increase was the net effect of 8 employees leaving the company during the year (one of

which a CDP employee seconded to SIMEST) and 16 new additions (5 of which CDP employees seconded to SIMEST). The overall workforce now has an increased proportion of non-managerial personnel.
Compared with the previous year, the average age of the workforce has remained unchanged at 49, as has the percentage of employees with university degrees (first degrees and post-graduate qualifications), which remains at over 60%.

COMPANY WORKFORCE*

	Workforce at 31/12/2015	Workforce at 31/12/2014
Senior management	10	11
Middle management	79	76
Non-managerial personnel	74	68
TOTAL	**163**	**155**

(*) Including 24 part-time employees as at December 31, 2015 (2 fewer than at December 31, 2014), and the CDP employees seconded to SIMEST.

PERSONNEL MANAGEMENT AND DEVELOPMENT

SIMEST provided a total of 313 hours of classroom training (an increase of 59% over 2014) to assist employees in their career development. These courses concerned technical and specialist topics in order to enhance the management of business projects and behavioral coursework to improve relationship skills.

As is done every year, foreign-language training was also provided, given the company's international mission, as were computer courses.
Particular emphasis was placed on training employees involved in promotional efforts throughout Italy.

6.3 CORPORATE GOVERNANCE

COMPLIANCE MODEL 231/2001

SIMEST has adopted the compliance model required under Legislative Decree 231/2001 ("Model 231"). This model identifies the areas of the company most exposed to the risk of committing any of the crimes specified under the aforementioned decree and establishes the principles, rules, and measures of the system of controls adopted to govern "relevant" operations, which is subject to subsequent updates. In 2015, given the relevance of changes in legislation and company organization, revisions were made to Model 231 affecting the General and Special sections and the Code of Conduct, and the updated version was approved by the company's Board of Directors on November 19, 2015.
The Supervisory Body is responsible for overseeing the functioning of and compliance with the Model, for updating its contents, and for assisting the competent corporate bodies in its proper, effective implementation. SIMEST's Supervisory Body consists of three members: one legal expert; one expert in business and economics; and CDP's head of Internal Auditing, all of whom were appointed in 2013 and 2014 and confirmed for 2016-2018 by the Board of Directors on December 15, 2015.
The Supervisory Body has established its own internal rules and the procedures for overseeing the Model. In 2015, Internal Auditing provided support in the ongoing, independent oversight of the regular execution of company processes and of the overall system of internal controls.
In conducting its activities, the Supervisory Body approves audit plans prepared based on an assessment of the risks of committing crimes within the scope of "relevant activities", in accordance with Legislative Decree 231/2001. The Supervisory Body held 10 meetings in 2015.

CODE OF ETHICS

In line with the Code of Ethics of Cassa Depositi e Prestiti S.p.A. (CDP) and of the companies subject to its management and coordination, the SIMEST Code of Conduct is an integral part of Model 231 and contains the general rules of conduct and the values that SIMEST promotes and safeguards in conducting the organization's activities.
The Code of Conduct guides SIMEST relationships and establishes that the principles, values, and rules defined therein are to apply both to internal SIMEST personnel (company employees, senior executives, and other parties subject to company management) and to any external parties who have relations of any kind, either directly or indirectly, with SIMEST.
SIMEST also promotes awareness of and compliance with Model 231 and the Code of Conduct by way of specific contractual clauses which include specific measures to be taken in the event of violation of the values expressed therein, and a system of internal controls has been implemented that detects, measures, and

monitors risks resulting from failure to follow the Code of Conduct.

Both the Code of Conduct and the principles of SIMEST's compliance model can be found on the company's web site.

INTERNAL COMMITTEES

On November 19, 2015, SIMEST approved the new Investment Rules, which establish the conditions and procedures for SIMEST investments and the related monitoring and control mechanisms. On November 23, 2015, in compliance with these rules, the rules governing the establishment and functioning of the Investment Committee and the Investment Monitoring Committee were also adopted.
The Investment Committee provides advisory support in the evaluation of SIMEST investments as well as both mandatory and non-binding opinions on investment transactions, on any guarantees provided, and on the pricing of transactions.
The Investment Monitoring Committee also provides advisory support and is responsible for assisting in the process of monitoring the equity investments managed by SIMEST.

RELATED PARTIES

With regard to transactions with the controlling shareholder, Cassa Depositi e Prestiti S.p.A. (the company that exercises management and control over SIMEST and the other members of the CDP Group, pursuant to Article 2428 of the Italian Civil Code, SIMEST, CDP and SACE have signed an Export Bank Convention regarding the financing of international expansion and exports of Italian businesses, with CDP providing financial support and SACE providing guarantees.

In 2015, SIMEST also made use of a line of credit issued by Intesa Sanpaolo in a pool transaction with CDP. In addition, in relations with the majority shareholder, remuneration for the five members of the SIMEST Board of Directors (€51.3 thousand) and to one member of the Supervisory Board (€16.0 thousand) were paid in 2015 for positions held by CDP senior management. In addition, the functions of Internal Auditing and Risk Management were outsourced to the parent company during the year (€285.0 thousand). In 2015, six CDP employees were seconded to SIMEST, one of whom left SIMEST during the year, resulting in five such positions in effect at year end (€422.0 thousand).

With regard to the other companies of the CDP Group, remuneration was paid to one member of SACE S.p.A. senior management who sits on the SIMEST Board of Directors (€7.2 thousand). In addition, SIMEST and Fincantieri S.p.A. are both shareholders in the foreign company Fincantieri U.S.A. Inc. (€11,395.5 thousand), and SACE S.p.A. received professional services within the scope of a contract related to the assessment of OECD environmental impact parameters for export credit support transactions (€40.0 thousand).

These transactions with related parties have all been conducted on an arm's length basis.

7. PERFORMANCE AND FINANCIAL POSITION

In the fourth quarter of 2015, SIMEST began the process of transitioning to the International Financial Reporting Standards (IFRS), in accordance with Legislative Decree 38 of January 28, 2005, beginning with the financial year ended December 31, 2015.

This process requires that the financial report for the year ended December 31, 2015 be prepared in a manner that allows for the comparability of figures for the prior year.

The following offers a discussion of the main components of the balance sheet and income statement.

7.1 BALANCE SHEET

As at December 31, 2015, total assets amounted to €505.5 million (€499.6 million at December 31, 2014), an increase of €5.9 million from the prior year.

The change in assets mainly involved the increase in receivables for equity investments, which came to €480.0 million (€474.6 million at December 31, 2014). This is the main component of assets, accounting for 95% of the total. The aggregate includes €461.6 million (€455.5 million at the end of 2014) in paid-in equity investments net of any value adjustments. The increase of €6.1 million in the total value of these shareholdings is the net effect of payments (€95.5 million), receipts (€77.6 million), and value adjustments (€11.8 million) recognized in 2015. As a result of application of the International Financial Reporting Standards (IFRS), the allocation of these amounts to "Receivables for equity investments" takes account of the nature of SIMEST's operations in assisting Italian partners for a specified period of time and the fact that these partners are required to repurchase the equity investments at the end of that period is equivalent to a loan to the partners even though related to equity investments. Receivables for equity investments also include €18.4 million (€19.1 million at the end of 2014) in respect of receivables from the various partners for the fees related to activities connected with the equity investments.

The carrying amount of receivables for equity investments differs from the total value of the related portfolio specified above because it is reduced by the amount of payments on account in respect of sales to be completed and amounts not yet paid on investments made.

Financial assets available for sale amounted to €5.2 million at December 31, 2015 (€5.3 million at December 31, 2014), which represents the interest in FINEST (which is not an associate).

Another significant item of the balance sheet is "Other assets", totaling €10.2 million (€9.6 million at December 31, 2014). This mainly includes trade receivables in respect of the agreement to manage the various public funds in the amount of €9.2 million (€8.4 million at December 31, 2014) and advances to suppliers in the amount of €0.5 million).

"Tax assets" totaled €4.6 million (€4.0 million at December 31, 2014), of which €2.7 million in deferred tax assets recognized in respect of income components that will become taxable in future periods (provisions for risks and adjustments to assets); €0.5 million for current taxes related to the application for a refund of IRAP in accordance with Article 2 of Decree Law 201/2011; and €1.4 million (€0.8 million at December 31, 2014) for payments on account of corporate income taxes in 2015.

On the other side of the balance sheet, "Borrowings" totaled €175.8 million at December 31, 2015 (€172.1

million at December 31, 2014). The item represents drawings on lines of credit granted mainly by banks that are SIMEST shareholders. Changes for activities conducted during 2015 mainly regarded flows related to outlays for and sales of equity investments and the related expansion of the portfolio, which required an increase in the use of the lines of credit.

"Provisions for risks and charges" amounted to €2.1 million (€2.2 million at December 31, 2014) and represent provisions for potential liabilities, at current values, in respect of disputes with third parties and with employees and other costs related to employees.

"Financial liabilities held for trading" amounted to €0.9 million (€1.4 million at December 31, 2014), and include the fair value measurement of two financial instruments used to hedge the interest-rate risk on debt.

The aggregate "Other liabilities" totaled €7.5 million (€5.7 million at December 31, 2014) and mainly includes trade payables in the amount of €2.0 million (€1.5 million at December 31, 2014) and amounts payable to employees and related contribution and tax liabilities in the amount of €4.0 million (€2.3 million at December 31, 2014), while "Employee termination benefits" came to €3.5 million (€3.8 million at December 31, 2014), representing amounts due to employees under specific legislation and collective bargaining agreements at December 31, 2015. The item has been recognized in accordance with IAS 19.

Shareholders' equity amounted to €315.7 million at December 31, 2015 (€314.4 million at December 31, 2014), equal to 62% of total liabilities. It comprises share capital, the share premium reserve, reserves (including the first-time adoption, or "FTA", reserve), and net profit for 2015. "Reserves" totaled €145.1 million at December 31, 2015 (€140.5 million at December 31, 2014), and represent about 46% of total equity given that, with the transition to the IFRSs, this aggregate also takes account of the change in allocation of the provisions for general risks to the FTA reserve.

7.2 INCOME STATEMENT

In terms of financial performance, in 2015 SIMEST posted a net profit of €4.3 million (€7.5 million in 2014) after provisions for taxes (both current and deferred) of €6.9 million. Various non-recurring factors affected performance for 2015, including the transition to the IFRSs. These factors included a reduction in management fees for the public funds compared with the previous year, which are recognized under "Fee and commission income", the impact of adjustments to the value of receivables, including the effects of specific and collective impairment losses recognized in accordance with the first-time application of IAS 39, and the accrual of provisions for early-retirement incentives for employees.

On the revenue side, "Income from equity investments" totaled €29.1 million, in line with the prior year (€29.2 million in 2014). It comprises fees, interest on deferred payments and default interest on receivables for equity investments. The average annual return on the equity investment portfolio came to about 6.2% (6.4% in 2014), with the stability in income resulting from an increase in the volume of lending against a decline in the average rate of return.

"Interest and similar expense" came to €2.2 million (€2.6 million in 2014) and regards interest expense on financial debt. The average cost of debt for 2015 came to around 1.9% (2.2% for 2014), which reflects, in part, the decline in market rates.

"Fee and commission income" came to €18.7 million (€20.5 million in 2014) and mainly concerns fees received for management of the Venture Capital Fund, the Law 394/81 Fund, the Law 295/73 Fund and the Start-Up Fund. The decrease in management fees on these public funds compared with the previous year was due, as mentioned earlier, to the transition to the IFRSs and the effect this had on how these fees are measured.

The "Net gain on trading activities" came to €1.9 million (€0.2 million in 2014) and is the net effect of the gains on the mark-to-market measurement of two financial instruments (€0.5 million), the expense for differences related to these instruments (€0.7 million), and gains on the assignment of receivables for equity investments (€2.1 million). Including the gains from assignments, the average return on equity investments rises to 6.6%.

As a result, "Gross income" for 2015 comes to €47.6 million (€47.4 million in 2014), remaining essentially stable, reflecting the increase in the stock of lending for equity investments, an increase in gains on the assignment of receivables compared with the previous year, an improvement in the average cost of debt and a decrease in management fees on public funds.

"Net impairment adjustments of loans" showed net impairment losses of €12.8 million (€9.0 million in 2014), reflecting the individual and collective impairment of loans to customers recognized in accordance with IAS 39. This amounts to 2.6% of the overall equity investment portfolio.

"Administrative expenses" (€21.9 million) increased from the previous year (€19.0 million), due mainly to the increase in non-recurring expenses recognized during the year related to early-retirement incentives. The increase compared with 2014 was also due to the increase in the number of employees and the costs incurred in 2015 (and not in 2014) for the management of programs for the Ministry for Economic Development, with corresponding revenue recognized under "Fee and commission income".

As a result, operating income for 2015 came to €12.9 million (€19.5 million in 2014), which was also affected by the non-recurring factors in 2015 discussed earlier.

"Net provisions for risks and charges" amounted to €1.5 million (€1.8 million in 2014) and refer to charges related to employees, while net adjustments of property, plant and equipment and intangible assets – depreciation of operating assets – came to €0.2 million (€0.3 million in 2014).
Accordingly, "Profit before tax" came to €11.1 million (€17.5 million in 2014), the reduction in which is again due to the various non-recurring factors described above.

Excluding these non-recurring factors, pro-forma operating income and net profit for 2015 would have been about €22.0 million and €13.4 million, respectively, an increase on 2014.

8. SUBSEQUENT EVENTS

No events have occurred between the balance sheet date and the date of approval of the financial statements (March 24, 2016) that would require adjustments to be made to the figures so approved.

It should be noted that the SIMEST Board of Directors, in a meeting on February 18, 2016, acting upon a recommendation of the majority shareholder, unanimously appointed Salvatore Rebecchini as a director and Chairman of the Board.

9. OUTLOOK FOR OPERATIONS

In December 2015, the parent company, Cassa Depositi e Prestiti S.p.A., approved the 2016-2020 business plan, which calls for increasing and optimizing support for international expansion and exports by creating a single, dedicated unit within SACE to handle all such activities for the Group. There will also be specific initiatives aimed at maximizing access for companies, including mid-sized firms, to the Group's offering of financial-service and insurance products.

In line with these guidelines established by the parent company, SIMEST's 2016-2020 business plan will also be finalized in 2016. This will include defining a plan for the rationalization of the Group's internationalization efforts, with SIMEST playing an active role in maintaining operations that concern equity investments and in managing funds for the State.

As regards the balance sheet, we expect an increase in receivables for equity investments and a correlated increase in borrowing. Performance in 2016 should improve with respect to 2015, due above all to the lack of the non-recurring charges that affected performance for the year under review.

10. PROPOSED ALLOCATION OF PROFIT FOR THE YEAR

We hereby submit for your review and approval the Annual Report for 2015, which includes the balance sheet, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows, and the notes to the financial statements. The financial statements are accompanied by the directors' report on operations.

Net profit for 2015, in the amount of €4,252,919, shall be allocated in accordance with the resolution of the shareholders.

It should also be noted that €212,646 must be allocated to the legal reserve in accordance with Article 2430 of the Italian Civil Code.

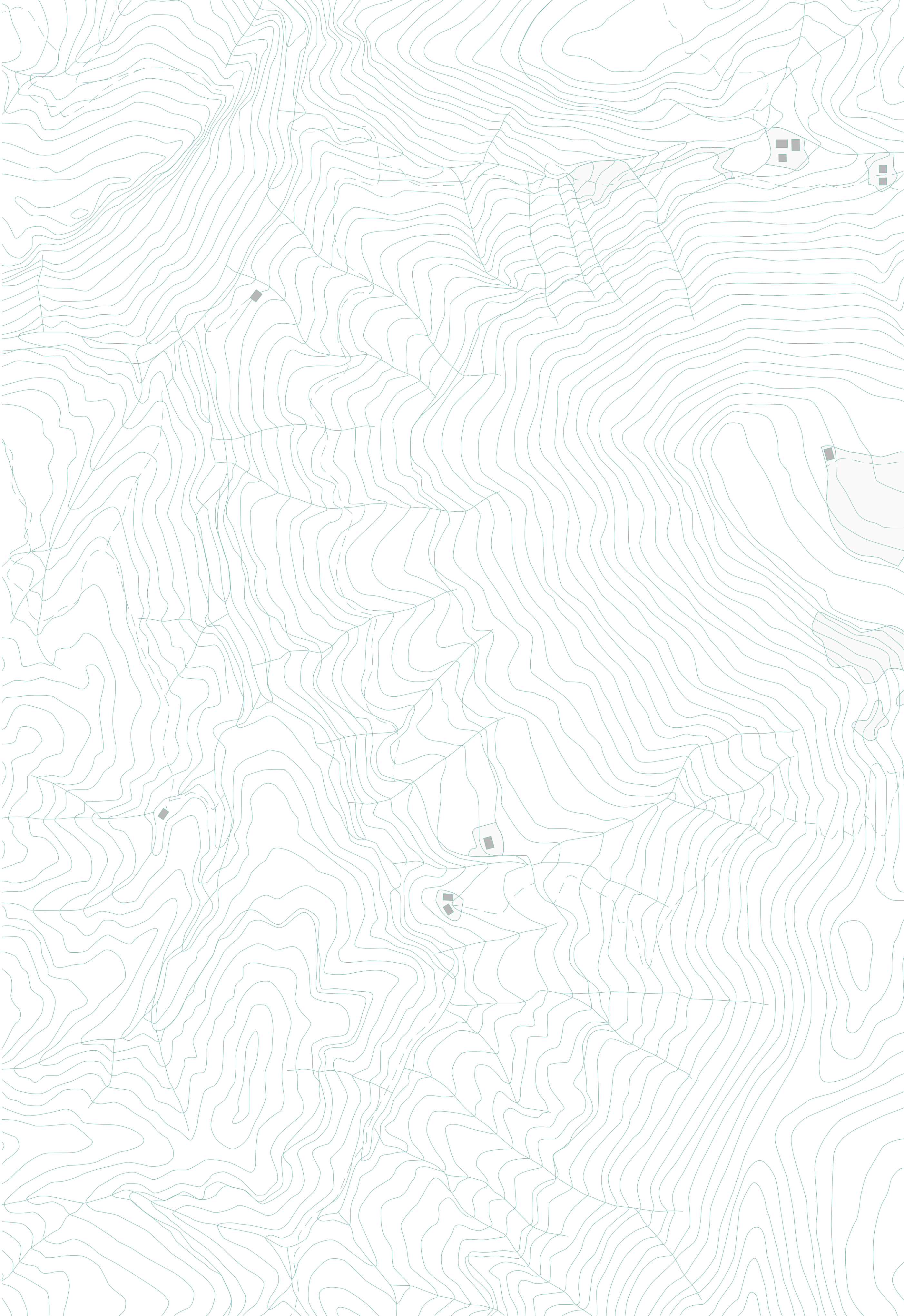
For the Board of Directors

Chairman
Salvatore Rebecchini


L.O
CARRIER CLASS

FINANCIAL STATEMENTS

AT DECEMBER 31, 2015



FORM AND CONTENT OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

The financial statements at December 31, 2015 were prepared in accordance with the regulations in force and consist of:

- Balance sheet
- Income statement
- Statement of comprehensive income
- Statement of changes in shareholders' equity
- Statement of cash flows
- Notes to the financial statements

CONTENTS OF THE NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL STATEMENTS AT DECEMBER 31, 2015

BALANCE SHEET

(in euros)

Assets	31/12/2015	31/12/2014
Cash and cash equivalents	52,033	46,191
Financial assets held for trading	439,974	1,110,473
Financial assets available for sale	5,164,569	5,314,569
Receivables for equity investments	480,034,847	474,558,035
Other financial receivables	4,659,721	4,535,896
Property, plant and equipment	174,810	145,816
Intangible assets	273,921	191,136
Tax assets	4,568,247	4,038,724
a) current	*1,857,575*	*1,269,131*
b) deferred	*2,710,672*	*2,769,593*
Other assets	10,168,957	9,621,644
TOTAL ASSETS	**505,537,079**	**499,562,484**

BALANCE SHEET

(in euros)

Liabilities and shareholders' equity	31/12/2015	31/12/2014
Borrowings	175,840,281	172,055,394
Financial liabilities held for trading	874,324	1,364,785
Other liabilities	7,467,146	5,708,932
Employee termination benefits	3,513,978	3,792,675
Provisions for risks and charges	2,137,985	2,245,144
b) other provisions	*2,137,985*	*2,245,144*
Share capital	164,646,232	164,646,232
Share premium reserve	1,735,551	1,735,551
Reserves	145,068,663	140,541,429
- of which FTA reserve	*63,526,684*	*60,233,483*
Net profit (loss) for the period (+/-)	4,252,919	7,472,342
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**505,537,079**	**499,562,484**

INCOME STATEMENT

(in euros)

	31/12/2015	31/12/2014
Income from equity investments	29,101,326	29,231,345
Interest and similar expense	(2,210,470)	(2,578,995)
Fee and commission income	18,746,093	20,485,148
Net gain (loss) on trading activities	1,866,608	168,842
Other financial income	52,401	60,976
Gross income	**47,555,958**	**47,367,316**
Net impairment adjustments of loans	(12,777,491)	(8,955,422)
Administrative expenses:	(21,914,911)	(18,981,449)
a) personnel expenses	*(15,233,116)*	*(13,128,283)*
b) other administrative expenses	*(6,681,795)*	*(5,853,166)*
Other operating (expenses) income	12,875	95,489
Operating income	**12,876,431**	**19,525,934**
Net provisions for risks and charges	(1,548,995)	(1,756,154)
Net adjustments of property, plant and equipment	(41,900)	(42,631)
Net adjustments of intangible assets	(152,048)	(275,155)
Profit (Loss) before tax	**11,133,488**	**17,451,994**
Income tax for the period	(6,880,569)	(9,979,652)
Net profit (loss) for the period	**4,252,919**	**7,472,342**

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY: CURRENT PERIOD

(in euros)

	As at 31/12/2014	Change in opening balance	As at 01/01/2015	Allocation of net profit of previous year		Change in the period									
							Equity transactions								
				Reserves	Dividends and other allocations	Change in reserves	Issue of new shares	Purchase of treasury shares	Extraordinary dividends	Change in equity instruments	Derivatives on own shares	Stock options	Comprehensive income for 2015	Shareholders' equity at 31/12/2015
Share capital:														
a) ordinary shares	164,646,232		164,646,232											164,646,232
b) preferred shares														
Share premium reserve	1,735,551		1,735,551											1,735,551
Reserves:														
a) earnings	135,776,671		135,776,671	4,306,068										140,082,739
b) other	5,164,569		5,164,569											5,164,569
Valuation reserves:														
a) available for sale														
b) cash flow hedges														
c) other reserves	(399,812)		(399,812)										221,167	(178,645)
Equity instruments														
Treasury shares														
Net profit (loss) for the period	**7,472,342**		**7,472,342**	**(4,306,068)**	**(3,166,274)**								**4,252,919**	**4,252,919**
TOTAL SHAREHOLDERS' EQUITY	**314,395,553**		**314,395,553**		**(3,166,274)**								**4,474,086**	**315,703,365**

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY: PREVIOUS PERIOD

(in euros)

	As at 31/12/2013	Change in opening balance	As at 01/01/2014	Allocation of net profit of previous year		Change in the period								Shareholders' equity at 31/12/2014
							Equity transactions							
				Reserves	Dividends and other allocations	Change in reserves	Issue of new shares	Purchase of treasury shares	Extraordinary dividends	Change in equity instruments	Derivatives on own shares	Stock options	Comprehensive income for 2014	
Share capital:														
a) ordinary shares	164,646,232		164,646,232											164,646,232
b) preferred shares														
Share premium reserve	1,735,551		1,735,551											1,735,551
Reserves:														
a) earnings	128,788,757		128,788,757	6,987,914										135,776,671
b) other	5,164,569		5,164,569											5,164,569
Valuation reserves:														
a) available for sale														
b) cash flow hedges														
c) other reserves													(399,812)	(399,812)
Equity instruments														
Treasury shares														
Net profit (loss) for the period	**13,320,461**		**13,320,461**	**(6,987,914)**	**(6,332,547)**								**7,472,342**	**7,472,342**
TOTAL SHAREHOLDERS' EQUITY	**313,655,570**		**313,655,570**		**(6,332,547)**								**7,072,530**	**314,395,553**

STATEMENT OF COMPREHENSIVE INCOME

(in euros)

	31/12/2015	31/12/2014
Net profit (loss) for the period	**4,252,919**	**7,472,342**
Other comprehensive income net of taxes not recyclable to profit or loss		
Cash flow hedges		
Financial assets available for sale		
Non-current assets held for sale		
Defined-benefit plans	221,167	(399,812)
Total other comprehensive income net of taxes	**221,167**	**(399,812)**
COMPREHENSIVE INCOME	**4,474,086**	**7,072,530**

STATEMENT OF CASH FLOWS (indirect method)

(in euros)

	31/12/2015	31/12/2014
A. OPERATING ACTIVITIES		
1. Operations	**17,352,457**	**18,423,797**
- net profit (loss) for the period (+/-)	4,252,919	7,472,342
- gain (losses) on financial assets held for trading and on financial assets/liabilities at fair value through profit or loss (-/+)	(1,420,896)	(77,907)
- net losses/recoveries on impairment (+/-)	12,777,491	8,955,422
- net adjustments of property, plant and equipment and intangible assets (+/-)	193,948	317,786
- net provisions for risks and charges and other costs/revenues (+/-)	1,548,995	1,756,154
2. Net cash flows from/used in financial assets	**(19,417,623)**	**(36,119,170)**
- receivables for equity investments	(18,216,962)	(39,014,121)
- other financial receivables	(123,825)	(320,923)
- other current assets	(1,076,836)	3,215,874
3. Net cash flows from/used in financial liabilities	**1,758,214**	**(3,705)**
- other current liabilities	1,758,214	(3,705)
Net cash flows from/used in operating activities	**(306,952)**	**(17,699,078)**
B. INVESTING ACTIVITIES		
1. Cash flows from	**-**	**-**
- sales of property, plant and equipment	-	-
- sales of intangible assets	-	-
2. Cash flows used in	**(305,819)**	**(270,815)**
- purchases of property, plant and equipment	(70,895)	(90,796)
- purchases of intangible assets	(234,924)	(180,019)
Net cash flows from/used in investment activities	**(305,819)**	**(270,815)**
C. FINANCING ACTIVITIES		
- issues/purchases of equity instruments (payment/repayment of share capital and reserves)	-	-
- dividend distribution and other allocations	(3,166,274)	(6,332,547)
NET CASH FLOWS FROM/USED IN FINANCING ACTIVITIES	**(3,166,274)**	**(6,332,547)**
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	**(3,779,045)**	**(24,302,440)**
RECONCILIATION		
Initial cash and cash equivalents/(financial payables)	(172,009,203)	(147,706,763)
Net increase/decrease in cash and cash equivalents	(3,779,045)	(24,302,440)
Final cash and cash equivalents/(financial payables)	**(175,788,248)**	**(172,009,203)**

NOTES TO THE FINANCIAL STATEMENTS

INTRODUCTION

INFORMATION ON THE COMPANY

For information on the company please refer to the report on operations.

BASIS OF PREPARATION

1. Declaration of conformity with international accounting standards

The financial statements of SIMEST have been prepared in accordance with the *International Accounting Standards* (IASs) and the *International Financial Reporting Standards* (IFRSs) endorsed by the European Commission as established by Regulation (EC) no. 1606/2002.

Starting from this year SIMEST has exercised the option to prepare its financial statements in accordance with the international accounting standards (IAS/IFRS) provided for by Legislative Decree 38 of January 28, 2005 (IAS Decree), as amended by Decree Law 91/2014 (Enhancing Competitiveness Decree), which extends the option to all companies other than those for which application of the IASs/IFRSs is mandatory or those permitted to prepare condensed financial statements pursuant to Article 2435-bis of the Italian Civil Code (Article 4(6) of Legislative Decree 38/2005).

2. Basis of preparation

SIMEST's financial statements consist of the balance sheet, the income statement, the statement of comprehensive income, the statement of changes in shareholders' equity, the statement of cash flows and the notes to the financial statements, accompanied by the report on operations prepared by the Board of Directors.
The notes to the financial statements provide all the information required by applicable regulations as well as any supplementary information judged necessary to provide a true and fair representation of the company. The financial statements have been prepared on the assumption that SIMEST will remain a going concern and that there are no doubts as to whether the company will remain in operation.
The financial statements and accompanying notes set out the figures for the present period as well as the comparative figures at December 31, 2014.
The financial statements use the euro as the reporting currency and are expressed in euros, while unless otherwise indicated the figures in the notes to the financial statements are expressed in thousands of euros.

3. New accounting standards endorsed and in force at December 31, 2015 and those not yet in force

The new international accounting standards or amendments to existing standards, along with the associated

European Commission endorsement regulations, endorsed and in force at December 31, 2015, are as follows:

- Regulation 634/2014: Interpretation IFRIC 21-Levies;
- Regulation 1361/2014: Amendments to IFRS 3-Business Combinations, IFRS 13-Fair Value Measurement and IAS 40-Investment Property.

The new international accounting standards or amendments to existing standards, along with the endorsing European Commission regulations, for which application is mandatory starting from January 1, 2016, are as follows:

- Regulation 28/2015: Amendments to IFRS 2-Share-based Payment, IFRS 3-Business Combinations, IFRS 8-Operating Segments, IAS 16-Property, Plant and Equipment, IAS 24-Related Party Disclosures, and IAS 38-Intangible Assets;
- Regulation 29/2015: Amendments to IAS 19-Employee Benefits;
- Regulation 2113/2015: Amendments to IAS 16-Property, Plant and Equipment and IAS 41-Agriculture;
- Regulation 2173/2015: Amendments to IFRS 11-Joint Arrangements;
- Regulation 2231/2015: Amendments to IAS 16-Property, Plant and Equipment and IAS 38-Intangible Assets;
- Regulation 2343/2015: Amendments to IFRS 5-Non-current Assets Held for Sale and Discontinued Operations, IFRS 7-Financial Instruments: Disclosures, IAS 19-Employee Benefits and IAS 34-Interim Financial Reporting;
- Regulation 2406/2015: Amendments to IAS 1-Presentation of Financial Statements;
- Regulation 2441/2015: Amendments to IAS 27-Separate Financial Statements.

Furthermore, in 2014 the International Accounting Standards Board (IASB) issued IFRS 15-Revenue from Contracts with Customers and IFRS 9-Financial Instruments, both still in the process of obtaining the endorsement of the European Commission. With IFRS 9 the IASB has completed (with the exception of the rules on macro-hedging) the process of introducing new accounting standards for financial instruments. The new standards will enter into force starting from January 1, 2018.

4. Use of estimates and judgments

Accounting estimates

In applying the international accounting standards in the preparation of its financial statements, the company is required to formulate reasonable and realistic estimates of certain items, based upon the information known at the time the estimates are made, that affect the carrying amount of assets and liabilities and to provide disclosures on contingent assets and liabilities at the reporting date, as well as the amount of revenues and costs for the period. Any changes to the conditions upon which judgments, assumptions and estimates are based can also have an impact on the subsequent results.
The estimates made as of the reporting date relate mainly to financial derivatives (assets) connected to receivables for equity investments, the recoverable value of equity investments and current and deferred taxes.

Fair value measurement

Fair value is the amount for which an asset (or a liability) can be exchanged in an arm's length transaction between parties with a reasonable level of knowledge about market conditions and the material circumstances of the object of the exchange.

In the definition of fair value a key assumption is that an entity is fully operational and does not have an urgent need to liquidate or significantly reduce a position. Among other factors, the fair value of an instrument reflects its credit quality as it incorporates the default risk associated with counterparty or the issuer.

There are three possible ways of determining the fair value of financial instruments:

- in the case of instruments quoted on active markets, prices on financial markets are used (Level 1);
- in the case of instruments not quoted on active markets, recourse is made, where possible, to valuation techniques that use observable market parameters other than quoted prices for the instrument but connected with its fair value by non-arbitrage relationships (Level 2);

- in other cases, recourse is made to internal valuation techniques that also use as inputs parameters that are not observable on the market and thus are inevitably subjective to some degree (Level 3).

A market is considered active if prices are readily and regularly available from regulated markets, organized trading facilities, brokers, intermediaries, pricing services, etc. and if those prices can reasonably be considered to be representative of actual and regular market transactions carried out close to the valuation date.

In the case of financial instruments that are not quoted on active markets, valuation using Level 2 inputs requires the use of valuation techniques that process market parameters at different levels of complexity. For example, valuation techniques may, in addition to interpolations and extrapolations, involve the specification of stochastic processes that represent market dynamics and the use of simulations or other numerical techniques to determine the fair value of the instruments being measured.

In selecting the valuation techniques to be used in Level 2 measurements, the company takes account of the following criteria:

- simpler valuation techniques are preferred to more complex techniques, all other conditions being equal and as long as they represent all of the relevant characteristics of the product, ensuring that they are reasonably in line with the practices and results of other sector operators;
- valuation techniques are applied consistently over time to uniform categories of instruments, unless objective grounds for replacement of the technique should emerge;
- all other conditions being equal, preference is given to standard models whose mathematical structure and implementing procedures are familiar to practitioners and integrated into the company's corporate systems.

The selection of market parameters as inputs for Level 2 valuations is carried out on the basis of non-arbitrage relationships or comparative relationships that define the fair value of the financial instrument being measured as the relative fair value compared with that of financial instruments quoted on active markets.
In some cases, in determining fair value it is necessary to have recourse to valuation techniques that call for inputs that cannot be drawn directly from observable market variables, such as statistical or "expert-based" estimates by the party performing the valuation (Level 3).

Level 3 valuation techniques are also applied consistently over time to uniform categories of instruments, unless objective grounds for their replacement should emerge.
Similarly, parameters that cannot be drawn directly from observable market variables are applied consistently over time.

The information required by IFRS 13, where pertinent, is reported in tables in the notes to the financial statements.

MAIN ACCOUNTING POLICIES

The following pages provide a description of the accounting policies adopted in preparing the financial statements of SIMEST at December 31, 2015.

FINANCIAL ASSETS HELD FOR TRADING

"Financial assets held for trading" includes all financial assets, regardless of form, held for the purpose of generating profits over the short term and derivatives with a positive value, except for those held for hedging purposes.

The portfolio contains derivatives with a positive value, resulting from the separation of derivatives embedded in contracts with partner companies represented by contractual clauses that specify the redemption value of shares held by SIMEST in investee companies. These derivatives are separated from the host contract and classified in this portfolio.

Financial assets held for trading have the following characteristics:

- they are acquired for the purpose of reselling them in the near term;
- they are a part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking;
- they are derivatives (with the exception of derivatives that are designated as effective hedging instruments).

Reclassification to other categories of financial asset is not permitted except in the event of unusual circumstances that are unlikely to recur in the short term. In these cases, debt and equity securities no longer held for trading may be reclassified to other categories envisaged by IAS 39 where the requirements for such recognition have been met. The transfer value is given by the fair value at the time of the reclassification.

Financial assets are initially recognized on the settlement date for debt and equity securities and at the signing date for derivative contracts. Financial assets held for trading are initially recognized at fair value in the balance sheet, net of transaction costs or income.
Subsequent to initial recognition, financial assets held for trading are measured at fair value, with changes in value recognized in profit or loss. For financial instruments listed on active markets, the fair value is determined on the basis of the market price. In the absence of an active market, fair value is determined taking account of prices in recent transactions and the price of financial instruments with similar features as well as the results of pricing models (based mainly on objective financial variables).
Derivatives contracts are recognized under assets if their fair value is positive and under liabilities if their fair value is negative.
Financial assets held for trading are derecognized when payment is received, when the contractual rights to the cash flows expire or when a sale transfers all the risks and rewards of ownership to a third party. Conversely, when substantially all of the risks and rewards of ownership of the financial asset are retained, the asset continues to be recognized on the balance sheet even if legal title has been transferred.

The gains and losses on sale or redemption and unrealized gains and losses resulting from changes in the fair value of the trading portfolio are reported under "Net gain (loss) on trading activities". The income components are recognized based on the results of the measurement of the financial assets held for trading.

FINANCIAL ASSETS AVAILABLE FOR SALE

This category includes financial assets that are not classified as "loans and receivables", "financial assets held to maturity", "financial assets held for trading" or "financial assets at fair value through profit or loss".

Debt securities available for sale may be reclassified to "financial assets held to maturity" or to "loans and receivables" (provided that the company plans to hold them for the foreseeable future). The transfer value is given by the fair value at the time of the reclassification.

Available-for-sale financial assets are initially recognized on the settlement date for debt and equity securities and on the disbursement date in the case of loans. The financial assets are initially recognized at fair value, which generally equals the amount paid, in addition to any directly attributable transaction costs, if material and determinable.

Following initial recognition, financial assets available for sale are measured at fair value with changes in value being recognized in a special equity reserve, the effects of which for the period are recognized in the statement of comprehensive income. For debt securities the value corresponding to the amortized cost is recognized in profit or loss. Certain equity securities not listed on active markets, the fair value of which cannot be reliably determined or verified, are carried at cost and written down in the event of impairment losses. The values recognized in the equity reserve are reversed to profit or loss upon disposal of the asset or in the event of impairment. Where impairment is found, the amount of the loss is measured as the difference between the carrying amount and the fair value of the asset. Where the reasons for the impairment should cease to obtain, writebacks are recognized in profit or loss for debt securities and in equity in the case of equity instruments. The amount of the writeback shall not in any event exceed the amortized cost that the instrument would have had in the absence of the prior writedown.

The interest on debt securities recognized in this category is calculated using the effective interest rate method and is recognized through profit or loss.
Dividends on available-for-sale capital instruments are recognized through profit or loss when the right to receive payment accrues.

RECEIVABLES FOR EQUITY INVESTMENTS

The term "receivables" refers to the portfolio of financial instruments, including debt securities, not quoted on active markets, that IAS 39 refers to as "loans and receivables" and that give rise to the right to future cash flows. In SIMEST's financial statements this aggregate includes receivables from partner companies arising from investments in investee companies.
Specifically, existing transactions between SIMEST, the partner companies and investee companies represent a financial asset in the form of a linked transaction for which SIMEST has the right to receive a sum of money (determinable by contract and no less than the amount disbursed) from the partner company, thereby substantiating the relationship with the partner within the context of the linked transaction.
These transactions, regardless of their legal form, are classified as "loans and receivables", as they meet the requirements set out in IAS 39 for such classification.
Receivables are recognized upon the execution of the contract, i.e. with the acquisition of an unconditional right to payment of an agreed amount. They are initially recognized at fair value, equal to the amount disbursed, including transaction costs and fees and commissions directly attributable to the transaction. If the net amount disbursed is not equal to its fair value due to the application of an interest rate that is lower than the market rate or the rate normally applied to similar loans, the asset is initially measured by discounting the expected future cash flows using an appropriate rate.
Following initial recognition, the receivables are measured at amortized cost, which equals the amount at which a financial asset is measured at initial recognition increased or decreased by principal repayments, plus or minus value adjustments and amortization of any difference between the amount disbursed and the amount due at maturity calculated using the effective interest rate method
The receivables portfolio undergoes testing for impairment when, subsequent to initial recognition, events have occurred that could give rise to objective evidence of impairment.
Receivables for which no objective evidence of impairment has been found undergo collective impairment testing. This testing is performed on groups of positions with uniform credit risk profiles and the associated loss rates are estimated based on historic rates and other observable factors at the measurement date, making it possible to estimate the impairment for each group of receivable.
The country risk of the counterparty is taken into account in measuring receivables. Collective value adjustments are taken to profit or loss.
The key to determining the value of the future cash flows is identifying the estimated collections (expected cash flows), the related timing, and the discount rate to be applied.
Individual and collective impairment is recognized through a writedown of the carrying amount based upon the criteria indicated above. When there is no longer evidence of impairment or when a recovery occurs that exceeds the writedown originally taken, a writeback is recognized in profit or loss under net impairment adjustments of loans.

Loans are derecognized when payment is received, when contractual rights to the cash flows expire, when deemed definitively unrecoverable or when a sale transfers all the risks and rewards of ownership to a third party. Conversely, when part of the risks and rewards associated with ownership of the financial asset are retained, the asset continues to be recognized on the balance sheet even if legal title has been transferred.

PROPERTY, PLANT AND EQUIPMENT

"Property, plant and equipment" includes all non-current tangible assets used in operations. Property, plant and equipment is recognized at purchase cost including incidental expenses. The carrying amount represents the book value of the assets net of depreciation, which is calculated using the rates that are felt to reflect the remaining useful economic lives of each asset. Newly acquired assets are depreciated as from the period in which they enter service. Assets whose use or nature classifies them as capital equipment are depreciated on a straight-line basis over their remaining useful lives. Maintenance and repair costs that do not increase the utility or useful lives of assets are charged directly to profit or loss for the year.

INTANGIBLE ASSETS

"Intangible assets" are governed by IAS 38. Intangible assets are recognized at purchase or development cost including incidental expenses and are amortized over their estimated useful lives, which are reassessed at the end of each year in order to verify the appropriateness of the estimates. An intangible asset is only recognized in the balance sheet under the following conditions:

- the company can control the future economic benefits generated by the asset;
- it is probable that the expected future economic benefits that are attributable to the asset will flow to the company;
- the cost of the asset can be measured reliably.

Intangible assets are therefore derecognized when future economic benefits are no longer expected or when sold. Costs incurred for the purchase and development of software by third parties are amortized on a straight-line basis over the residual useful lives of the assets, which is no greater than three years.

FINANCIAL LIABILITIES

Financial liabilities are initially recognized at the date of signing or at the date of issue at a value equal to the fair value of the instrument. The item includes the negative value of trading derivatives. Financial liabilities are subsequently recognized at fair value, with differences recognized through profit or loss. Financial liabilities held for trading are derecognized when the contractual rights to the cash flows expire or a sale transfers all the risks and rewards of ownership to a third party.

EMPLOYEE TERMINATION BENEFITS

In accordance with IAS 19, employee termination benefits (*trattamento di fine rapporto*) are considered a post-employment benefit and refer to:

- a "defined-benefit plan" up until January 1, 2007 (date of entry into force of the reform of supplementary pension schemes introduced by Legislative Decree 252 of December 5, 2005). In this case the employee termination benefits cover the entire amount of the liabilities accrued at the end of the period, in accordance with the law (Article 2120 of the Civil Code) and applicable collective bargaining agreements. It is therefore recognized based on the present value of the obligation accruing and accrued (respectively the present value of expected future payments with respect to benefits accrued in the current year and the present value of future payments arising from benefits accrued in previous years) using the projected unit credit method. The costs of servicing the plan are recognized under "Personnel expenses", while the actuarial gains and losses are entered in the "Valuation reserves" in equity;
- a "defined-contribution plan" starting from January 1, 2007. In this case the costs of the plan are recognized in profit or loss under "Personnel expenses" without any consideration of the present value of the obligation.

PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges are only recognized to cover liabilities of a determinate nature, the existence of which is certain or probable, but whose amount or timing is uncertain at the end of the period. Therefore a provision is made under "Provisions for risks and charges" only when:

- there is a present legal or constructive obligation resulting from a past event;
- it is probable that performance of the obligation is likely to be onerous, that is, an outflow of resources embodying economic benefits will be required to settle the obligation;
- a reliable estimate can be made of the amount of the obligation.

Provisions are used only to discharge the obligations for which they were originally recognized.

INCOME TAXES

Corporate income taxes (IRES) and the regional tax on business activities (IRAP) are recognized on an accruals basis using a realistic estimate of the negative and positive tax components for the year and are calculated on the basis of the tax rates currently in force (27.5% for IRES and 5.57% for IRAP).

CASH AND CASH EQUIVALENTS

Cash and cash equivalents are carried at fair value through profit or loss. Cash refers to cash on hand and the balance on accounts held with banks returning market rates. The amount of the item is increased by the interest accrued on cash and cash equivalents, even if not yet liquidated.

INCOME FROM EQUITY INVESTMENTS AND INTEREST EXPENSE

Income from equity investments and interest expense are recognized in the income statement on a *pro rata temporis* basis for all instruments using an agreed interest rate or the effective interest rate, in the case of the application of the amortized cost.

FEES AND COMMISSIONS

Fees and commissions are recognized in the income statement on an accruals basis. This excludes fees and commissions considered when calculating amortized cost for the purpose of determining the effective interest rate, which are recognized under interest.

INFORMATION ON THE BALANCE SHEET

(in thousands of euros)

ASSETS

Receivables for equity investments: composition

	31/12/2015	31/12/2014
Receivables for equity investments	480,035	474,558
TOTAL	**480,035**	**474,558**

This item reports receivables arising in respect of equity investments.

Receivables for equity investments: composition by type

	31/12/2015			
		Impaired positions		
	Performing	Acquired	Other	Total
Due from:				
a) Governments				
b) Other public entities				
c) Other	460,404		19,631	480,035
TOTAL	**460,404**		**19,631**	**480,035**

Receivables for equity investments: by maturity

	Past due	Up to 3 months	Up to 12 months	Up to 5 years	Beyond 5 years	Total
Receivables for equity investments	10,969	8,882	58,692	306,872	101,150	486,565
less:						
Collective value adjustments	x	x	x	x	x	(6,530)
TOTAL						**480,035**

Financial assets available for sale

	31/12/2015	31/12/2014
Equity interests paid up	5,165	5,315
TOTAL	**5,165**	**5,315**

The item refers to the equity interest (not constituting an associate relationship) that SIMEST holds in FINEST S.p.A.

Financial assets available for sale: composition by type

	31/12/2015			31/12/2014		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Debt securities						
1.1 Structured securities						
1.2 Other debt securities						
2. Equity securities			**5,165**			**5,315**
2.1 At fair value						
2.2 Carried at cost			5,165			5,315
3. Units in collective investment undertakings						
4. Loans						
TOTAL	-	-	**5,165**	-	-	**5,315**

Change for the period

Financial assets available for sale	
Opening balance at 31/12/2014	**5,315**
Increases	
-	
Decreases	
- Value adjustments to equity securities	(150)
Closing balance at 31/12/2015	**5,165**

The value adjustments refer to the writeoff of the interest held by SIMEST in Stilnovo Management S.r.l.

Other financial receivables: composition

	31/12/2015	31/12/2014
Mortgage loans to employees	4,190	4,079
Personal loans to employees	470	457
TOTAL	**4,660**	**4,536**

The item refers to mortgage and personal loans disbursed to employees. The breakdown by maturity is shown below:

	Up to 3 months	Up to 12 months	Up to 5 years	More than 5 years	Total
Receivables for mortgage loans to employees	184	236	1,158	2,612	4,190
Receivables for personal loans to employees	71	109	290	-	470
TOTAL					**4,660**

Operating property, plant and equipment: composition of assets carried at cost

	31/12/2015	31/12/2014
1. OWNED ASSETS	**175**	**146**
a) land		
b) buildings		
c) movables	71	46
d) electronic plant	104	100
e) other		
2 ASSETS ACQUIRED UNDER FINANCE LEASES	-	-
a) land		
b) buildings		
c) movables		
d) electronic plant		
e) other		
TOTAL	**175**	**146**

Operating property, plant and equipment: change for the period

	Movables	Electronic plant	Total
A. Opening gross balance	**1,253**	**1,959**	**3,212**
A.1 Total net writedowns	(1,207)	(1,859)	(3,066)
A.2 Opening net balance	46	100	146
B. Increases	**39**	**32**	**71**
B.1 Purchases	39	32	71
C. Decreases	**(14)**	**(28)**	**(42)**
C.1 Sales	-	-	-
C.2 Depreciation	(14)	(28)	(42)
D. Closing net balance	**71**	**104**	**175**
D.1 Total net writedowns	(1,221)	(1,887)	(3,108)
D.2 Closing gross balance	**1,292**	**1,991**	**3,283**

Depreciation is calculated on a straight-line basis at a rate determined in relation to the use of the assets and their residual useful lives.
Purchases during the year mainly regarded IT system hardware and movables and furniture.

Intangible assets: composition

	31/12/2015	31/12/2014
Software licenses	259	177
Headquarters renovation costs	14	14
TOTAL	**273**	**191**

The item includes the costs for updating IT procedures used to manage company operations.
Software costs and the costs incurred in respect of the business development plan are amortized on a straight-line basis over three years.

Intangible assets: change for the period

A. Opening balance	**12,166**
A.1 Total net writedowns	(11,975)
A.2 Opening net balance	191
B. Increases	**234**
B.1 Purchases	234
of which business combinations	
C. Decreases	**(152)**
C.1 Sales	
of which business combinations	
C.2 Writedowns	(152)
- Amortization	(152)
- Impairment:	-
+ shareholders' equity	
+ income statement	
D. Closing net balance	**273**
D.1 Total net writedowns	(12,127)
E. Closing gross balance	**12,400**

Financial assets held for trading: composition by debtor/issuer

	31/12/2015	31/12/2014
A. On-balance-sheet assets		
1. Debt securities		
2. Equity securities		
3. Units in collective investment undertakings		
4. Loans		
TOTAL A		
B. Derivatives		
a) Banks		
- at fair value		
b) Customers	440	1,110
- at fair value	*440*	*1,110*
TOTAL B	**440**	**1,110**
TOTAL (A+B)	**440**	**1,110**

The item shows the mark-to-market valuation at December 31 of derivatives relating to put/call options on receivables for equity investments.

Financial assets held for trading: composition by type

	31/12/2015			31/12/2014		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
A. On-balance-sheet assets						
1. Debt securities						
2. Equity securities						
3. Units in collective investment undertakings						
4. Loans						
TOTAL A						
B. Derivatives						
1. Financial derivatives			440			1,110
1.1 trading						
1.2 associated with the fair value option						
1.3 other			440			1,110
2. Credit derivatives						
TOTAL B			**440**			**1,110**
TOTAL (A+B)	**-**	**-**	**440**	**-**	**-**	**1,110**

Other assets: composition

	31/12/2015	31/12/2014
Trade receivables and advances to public entities	9,231	8,428
Advances to suppliers	549	879
Advances to employees	9	3
Other trade receivables	44	44
Other tax receivables	1	1
Accrued income and prepaid expenses	335	267
TOTAL	**10,169**	**9,622**

Trade receivables and advances to public entities includes receivables for fees and commissions earned for managing the Law 295/73 Fund, the Law 394/81 Fund, the Venture Capital Fund and the Start-Up Fund.

Deferred tax assets: composition

	31/12/2015	31/12/2014
Deferred tax assets recognized in the income statement	2,711	2,770
- provisions for risks and charges	1,926	1,920
- writedowns of receivables	785	850
Deferred tax assets recognized in equity		
TOTAL	**2,711**	**2,770**

Changes in deferred tax assets

	31/12/2015
OPENING BALANCE	**2,770**
1. Increases	
1.1 Deferred tax assets recognized during the period	
1.2 New taxes or increases in tax rates	
1.3 Other increases	
1.4 Business combinations	
2. Decreases	**(59)**
2.1 Deferred tax assets derecognized during the period	**(59)**
a) reversals	
b) writedowns for supervening non-recoverability	
c) due to changes in accounting policies	
d) other	**(59)**
2.2 Reduction in tax rates	
2.3 Other decreases	
2.4 Business combinations	
CLOSING BALANCE	**2,711**

Cash and cash equivalents

	31/12/2015	31/12/2014
Bank accounts	45	36
Cash on hand	7	10
TOTAL	**52**	**46**

The item represents cash deposited in bank accounts at December 31, 2015, including interest income credited by banks, and cash on hand, in both euros and foreign currencies.

LIABILITIES

Borrowings: composition

	31/12/2015	31/12/2014
Due to banks	170,937	147,355
Due to Cassa Depositi e Prestiti	4,903	24,700
TOTAL	**175,840**	**172,055**

This item refers to current bank account overdrafts and to the utilization of credit lines for covering cash flow requirements in respect of equity investments.

Borrowings: distribution by maturity

	31/12/2015	31/12/2014
Borrowings repayable on demand	93,814	121,648
Term borrowings and borrowings repayable with notice	82,026	50,407
TOTAL	**175,840**	**172,055**

"Borrowings repayable on demand" refers to bank current account overdrafts at the end of the year. The carrying amount is equal to the nominal value and includes accrued fees.
"Term borrowings and borrowings repayable with notice" refers to the payable outstanding at the end of the year in respect of credit lines. It includes the 6-year committed credit line from the parent company in a pool with another credit institution, the operational procedure and terms and conditions of which are currently in the process of being reviewed.

Financial liabilities held for trading: composition

	31/12/2015	31/12/2014
Interest rate derivatives	874	1,365
TOTAL	**874**	**1,365**

This item refers to the period-end measurement of the fair value of two financial instruments held for trading obtained to ensure greater matching of funding and lending, taking account of the need to achieve financial balance in acquiring and disposing of equity investments.

Financial liabilities held for trading: composition by type

	31/12/2015			31/12/2014		
	Level 1	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
A. On-balance-sheet liabilities						
1. Equity securities						
2. Units in collective investment undertakings						
3. Loans						
TOTAL A						
B. Derivatives						
1. Financial derivatives		874			1,365	
1.1 trading		874			1,365	
2. Credit derivatives						
2.1 trading						
2.3 other						
TOTAL B		**874**			**1,365**	
TOTAL (A+B)	**-**	**874**	**-**	**-**	**1,365**	**-**

Other liabilities: composition

	31/12/2015	31/12/2014
Payables for amounts to be disbursed to employees	2,870	1,090
Trade payables and other items	3,467	3,442
Payables due to tax authorities	421	431
Payables due to social security institutions	709	746
TOTAL	**7,467**	**5,709**

Employee termination benefits: change for the period

	31/12/2015	31/12/2014
A. Opening balance	**3,793**	**3,413**
B. Increases	**56**	**504**
B.1 Provisions for the period	56	104
B.2 Other increases		400
C. Decreases	**335**	**124**
C.1 Benefit payments	114	76
C.2 Other decreases	221	48
D. Closing balance	**3,514**	**3,793**

Post-employment benefits are divided into two categories:

- Defined-contribution plans, in which the company pays fixed contributions into a separate entity (a fund). In this case the actuarial risk (that benefits are less than expected) and investment risk (that the assets invested are not sufficient to generate the expected benefits) are borne by the employee.

- Defined-benefit plans, in which the company is obligated to pay out agreed benefits for employees in service and those no longer in service, thereby essentially assuming the actuarial and investment risks associated with the plan.

Accounting treatment of defined-contribution plans

The plan's costs are recognized in profit or loss under "Personnel expenses", without any consideration of the present value of the obligation. From January 1, 2007 (the date of entry into force of the reforms of supplementary pension scheme introduced by Legislative Decree 252 of December 5, 2005), for companies with more than 50 employees, the portion of the employee termination benefits paid into pension funds and the INPS Treasury Fund falls under the definition of "defined-contribution plan" without requiring an actuarial valuation to be made. Conversely, the existing portion, which will continue to be held by the company until the final date of disbursement of the benefits to the employee, will continue to be treated as a "defined-benefit plan". Specifically, the recognition of interest from discounting and the distributions made will affect this portion only.

Accounting treatment of defined-benefit plans

The cost recognized with respect to a defined-benefit plan must be recalculated, based on demographic, statistical and salary movement assumptions. Specifically, the portion of the employee termination benefits that remains with the company, which falls under the definition of a defined-contribution plan, is calculated based on the present value of the obligation accruing and accrued (respectively the present value of expected future payments with respect to benefits accrued in the current year and the present value of future payments arising from benefits accrued in previous years) using the projected unit credit method. The costs of servicing the plan are recognized under "Personnel expenses", while the actuarial gains and losses are posted in the "Valuation reserves" in equity. The actuarial assessment is conducted in accordance with the revised IAS 19, as amended by the IASB on June 16, 2011 and approved with Regulation (EU) no. 475/2012 of June 5, 2012.

In accordance with this standard, the following were calculated:

- past service liability: the present value calculated based on economic and financial parameters for employee service (employee pension benefit payments) derived on the basis of past periods of service;
- service cost: the present value calculated based on demographic and financial parameters for service accrued in the current period only;
- interest cost: the cost of liabilities arising from the passage of time, which is proportional to the interest rate adopted in the valuations and to the amount of the liabilities from the previous year;
- actuarial (gains)/losses: these measure the change in the obligation during the period.

The following were the main actuarial assumptions made in calculating employee termination benefits:

Economic and financial parameters	2015	2014	2013
Annual discount rate	2.03%	1.50%	3.17%
Annual inflation rate	1.75%	1.75%	2.00%
Annual rate of increase in employee termination benefits	2.81%	2.81%	3.00%

Demographic parameters	2015
Mortality	RG48
Disability	INPS tables by age and gender
Retirement age	Meeting requirements for statutory pension insurance scheme

Movements in employee termination benefits provision

Reconciliation of liabilities from January 1, 2015 to December 31, 2015	
Past service liability at January 1, 2015	**3,792,675**
Total pension costs	56,038
Uses	(113,568)
Actuarial gains (losses)	(221,167)
Past service liability at December 31, 2015	**3,513,978**

The actuarial losses are recognized in the statement of comprehensive income without being recycled to the income statement, as an adjustment to equity. The following table sets out the analysis of the sensitivity to changes in the main actuarial assumptions used in the calculation model.

Sensitivity analysis	Annual discount rate		Annual inflation rate		Annual turnover rate	
	+0.50%	+0.50%	+0.25%	+0.25%	+1.00%	+1.00%
Past service liability	3,389,529	3,645,871	3,551,325	3,477,172	3,510,004	3,518,449

Provisions for risks and charges: composition

	31/12/2015	31/12/2014
1. Company pension plans		
2. Other provisions for risks and charges	2,138	2,245
2.1 legal disputes	20	20
2.2 personnel expenses	1,549	1,656
2.3 other	569	569
TOTAL	**2,138**	**2,245**

Provisions for risks and charges: change for the period

	31/12/2015	31/12/2014
A. Opening balance	**2,245**	**2,288**
B. Increases	1,549	1,815
B.1 Provisions for the year	1,549	1,815
B.2 Changes due to passage of time		
B.3 Changes due to changes in the discount rate		
B.4 Other increases		
C. Decreases	**1,656**	**1,858**
C.1 Use during the period	1,302	**1,798**
C.2 Changes due to changes in the discount rate		
C.3 Other decreases	**354**	60
D. Closing balance	**2,138**	**2,245**

SHAREHOLDERS' EQUITY

Share capital: composition

	31/12/2015	31/12/2014
Share capital subscribed and paid	164,646	164,646
TOTAL	**164,646**	**164,646**

At December 31, 2015, the share capital amounted to €164,646 thousand, fully subscribed and paid up, represented by 316,627,369 shares with a par value of €0.52 each.

Share capital - number of shares: change for the period

	Ordinary	Other
A. Shares at the start of the period	**316,627,369**	
- fully paid	316,627,369	
A.1 Treasury shares (-)		
A.2 Shares in circulation: opening balance	316,627,369	
B. Increases		
B.1 New issues		
B.2 Sales of treasury shares		
B.3 Other changes		
C. Decreases		
C.1 Cancellation		
C.2 Purchase of treasury shares		
C.3 Disposal of companies		
C.4 Other changes		
D. Shares in circulation: closing balance	**316,627,369**	
D.1 Treasury shares (+)	-	
D.2 Shares at the end of the year	316,627,369	
- fully paid	316,627,369	

Share premium reserve

	31/12/2015	31/12/2014
Share premium reserve	1,736	1,736
TOTAL	**1,736**	**1,736**

The share premium reserve applied to a total of 22,403,298 shares.

Reserves
At December 31, 2015 the company reported the following "Reserves":

Capital reserves:	**5,165**	**5,165**
Reserve pursuant to Art. 88(4) of Pres. Decree 917/86	5,165	5,165
Earnings reserves:	**139,904**	**135,376**
Legal reserve	21,575	21,366
Other reserves	54,802	53,777
First-time adoption reserve	63,527	60,233
TOTAL	**145,069**	**140,541**

The reserve pursuant to Article 88(4) of Presidential Decree 917/86 regards the capital contribution received from the Ministry for Economic Development to subscribe the equity investment in FINEST S.p.A. of Pordenone, as established by Law 19 of January 9, 1991.

INFORMATION ON THE INCOME STATEMENT

(in thousands of euros)

Income from equity investments: composition

	31/12/2015	31/12/2014
Income from equity investments	29,101	29,231
TOTAL	**29,101**	**29,231**

Income from equity investments refers to fees received for outlays in respect of equity investments (€27,946 thousand) and includes the related deferred payment interest (€739 thousand) and default interest (€416 thousand).

Interest and similar expense: composition

	31/12/2015	31/12/2014
Interest and similar expense	(2,210)	(2,579)
TOTAL	**(2,210)**	**(2,579)**

This refers to interest expense accrued on bank current account overdrafts and on credit lines used to meet cash flow requirements in respect of equity investments.

Fee and commission income: composition

	31/12/2015	31/12/2014
Fee and commission income	18,746	20,485
TOTAL	**18,746**	**20,485**

This item refers mainly to fees and commissions earned for managing the Venture Capital Fund (€4,054 thousand), the Law 394/81 Fund (€8,076 thousand) and the Law 295/73 Fund (€6,034 thousand).

Net gain (loss) on trading activities: composition

	Capital gains (A)	Trading profits (B)	Capital losses (C)	Trading losses (D)	Net gain (loss) [(A+B) - (C+D)]
1. Financial assets held for trading	**440**	**1,645**			**2,085**
1.1 Debt securities					
1.2 Equity securities					
1.3 Units in collective investment undertakings					
1.4 Loans					
1.5 Other	440	1,645			2,085
2. Financial liabilities held for trading					
2.1 Debt securities					
2.2 Payables					
2.3 Other					
3. Financial assets and liabilities: foreign exchange differences					
4. Derivatives	**490**			**708**	**(218)**
4.1 Financial derivatives:	490			708	(218)
- on debt securities and interest rates	490			708	(218)
4.2 Credit derivatives					
TOTAL	**930**	**1,645**	**-**	**708**	**1,867**

The item reports the net positive balance of gains on the assignment of receivables for investments (€2,085 thousand), gains on the mark-to-market valuation at December 31 of two financial instruments (€490 thousand) and the negative differences on these transactions.

Other financial income: composition

	31/12/2015	31/12/2014
Other financial income	52	61
TOTAL	**52**	**61**

This item mainly refers to interest income on other financial receivables for mortgage and personal loans to employees.

Net impairment adjustments of loans: composition

	31/12/2015	31/12/2014
Net impairment adjustments of loans	(12,777)	(8,955)
TOTAL	**(12,777)**	**(8,955)**

Net impairment adjustments of loans represent the individual and collective writedowns on loans in respect of equity investments as shown in the following table:

	Writedowns		Writebacks		Total at 31/12/2015
	Specific	Portfolio	Specific	Portfolio	
Receivables for equity investments	(12,468)	(837)	528		(12,777)
TOTAL	**(12,468)**	**(837)**	**528**	**-**	**(12,777)**

Administrative expenses: composition

	31/12/2015	31/12/2014
1) Personnel expenses	(15,233)	(13,128)
2) Other administrative expenses	(6,682)	(5,853)
TOTAL	**(21,915)**	**(18,981)**

Personnel expenses: composition

	31/12/2015	31/12/2014
1) Employees	**(14,421)**	**(12,567)**
a) wages and salaries	(8,498)	(8,474)
b) social security contributions	(30)	(23)
c) termination benefits	(615)	(622)
d) pensions	(2,333)	(2,389)
e) payments to external pension funds:	(324)	(272)
- defined contribution	(324)	(272)
i) other employee benefits	(2,621)	(787)
2) Other personnel	**(422)**	**(156)**
3) Board of Directors and Board of Auditors	**(390)**	**(405)**
TOTAL	**(15,233)**	**(13,128)**

Other employee benefits: composition

	31/12/2015	31/12/2014
Lunch vouchers	(271)	(262)
Insurance policies	(528)	(522)
Early retirement incentives	(1,820)	-
Other benefits	(2)	(3)
TOTAL	**(2,621)**	**(787)**

Other administrative expenses: composition

	31/12/2015	31/12/2014
Professional and financial services	(1,162)	(760)
Outsourcing to CDP	(285)	(237)
Information technology	(544)	(533)
Advertising and marketing	(206)	(335)
General services	(1,098)	(1,252)
Utilities, duties and other expenses	(2,842)	(2,650)
Other corporate bodies	(101)	(86)
Expenses incurred on behalf of the Ministry for Economic Development (Special programs)	(444)	-
TOTAL	**(6,682)**	**(5,853)**

Fees for the services provided by PricewaterhouseCoopers S.p.A. during the year are:

Administrative expenses: composition

	Provider	Fee
Auditing	PwC S.p.A.	106,318
TOTAL		**106,318**

Net provisions for provisions for risks and charges: composition

	31/12/2015	31/12/2014
Sundry personnel costs	(1,549)	(1,656)
Tax disputes	-	(100)
TOTAL	**(1,549)**	**(1,756)**

Net adjustments of property, plant and equipment: composition

	Depreciation (a)	Writedowns for impairment (b)	Writebacks (c)	Net adjustment (a + b - c)
A. Property, plant and equipment				
A.1 Owned	(42)			(42)
- Operating assets	(42)			(42)
- Investment property				
A.2 Acquired under finance leases				
- Operating assets				
- Investment property				
TOTAL	**(42)**	**-**	**-**	**(42)**

Net adjustments of intangible assets: composition

	Amortization (a)	Writedowns for impairment (b)	Writebacks (c)	Net adjustments (a + b - c)
A. Intangible assets				
A.1 Owned	(152)			(152)
- Other	(152)			(152)
A.2 Acquired under finance leases				
TOTAL	**(152)**	**-**	**-**	**(152)**

Other operating expense (income): composition

	31/12/2015	31/12/2014
Reimbursement of other expenses	13	96
TOTAL	**13**	**96**

This item mainly refers to reimbursements of expenses incurred on behalf of third parties.

Income tax expense from continuing operations: composition

	31/12/2015	31/12/2014
1. Current taxes (-)	(6,823)	(8,305)
2. Changes in current taxes from previous periods (+/-)		(2,056)
3. Reduction of current taxes for the period (+)		
4. Change in deferred tax assets (+/-)	(113)	382
5. Change in deferred tax liabilities (+/-)	55	
Income taxes for the period (-) (-1+/-2+3+/-4+/-5)	**(6,881)**	**(9,979)**

In 2015 provisions for current and deferred tax liabilities amounted to €5,435 thousand in respect of corporate income tax (IRES) and €1,446 thousand in respect of the regional business tax (IRAP).
For deferred tax items, a receivable of €2,710 thousand was recognized on the basis of the calculation of deferred tax assets and liabilities at December 31, 2015.

The following tables provide a reconciliation of the theoretical tax liability and the actual tax liability recognized.

	31/12/2015
Net profit (loss) for the period before tax	**4,253**
Theoretical IRES tax liability (27.5%)	**(1,170)**
Increases	
- Temporary differences	(2,117)
- Permanent differences	(3,324)
Decreases	
- Dividends	280
- Gains on equity investments	544
- Other decreases	352
Effective IRES tax liability	**(5,435)**

	31/12/2015
Difference between value of production and production costs	**25,659**
Theoretical IRAP tax liability (5.57%)	**(1,429)**
Increases in taxes	(117)
Decreases in taxes	100
Effective IRAP tax liability	**(1,446)**

INFORMATION ON RISKS AND RISK MANAGEMENT POLICIES

Pursuant to Article 2428 of the Italian Civil Code, with regard to the main risks and uncertainties to which the company is exposed in its equity investments, SIMEST has implemented specific policies for managing price risk, credit risk, liquidity risk and market risk.

In 2015 the credit risk management and control process was formalized with the Investment Rules (approved by the Board of Directors) and the rules of the Investment Committee and of the Investment Monitoring Committee.

The above rules incorporate specific guidelines on investments and dedicated control mechanisms for assessing creditworthiness, both *ex ante* and *ex post*, for each counterparty. The rules govern the operation of the investment and monitoring process and the roles of the units involved (Investment and Loan Assessment Department, Equity Investment Department, Legal Affairs Department, Administration & Control Department, Risk Management Unit).

The results of the analysis conducted by the various organizational units are summarized in an equity investment proposal submitted to the Investment Committee for review. If the proposal is deemed of interest – taking due account of the related financial/credit risk and the methods for managing and mitigating such risk – it is submitted to the SIMEST Board of Directors for final approval. Thereafter, the agreement with the partner is specified and executed in accordance with the guidelines and instructions of the Board.

Credit risk in equity investments is first reduced by acquiring direct commitments from the Italian partners to repurchase SIMEST's stakes in the equity investments, partly secured by corporate sureties, collateral and bank and insurance guarantees.

At December 31, 2015 the direct commitments of Italian partners to repurchase the equity investments amounted to more than €370 million (€357 million at December 31, 2014), commitments secured by bank and insurance guarantees came to €77 million (€92 million at December 31, 2014) and those backed by collateral amounted to €21 million (€16 million at December 31, 2014).

(%; € millions)

	2015		2014	
Direct commitments of Italian partners	79%	370	77%	357
Commitments guaranteed by financial institutions and insurance companies	16%	77	20%	92
Commitments secured by collateral	5%	21	3%	16
TOTAL AMOUNT PAID		**468**		**465**

Price risk and foreign exchange risk are mitigated using contractual language that normally ensures that SIMEST will recoup its investment at the price paid in euros for the acquisition.

Liquidity risk and interest rate risk are monitored constantly using an expected cash flow approach, especially for equity investments. To reduce the exposure to interest rate risk, a review of the composition of financial debt was undertaken in 2015 to bring the maturity profiles of the shareholdings more closely into line with their funding, by obtaining new medium- and long-term loans and renegotiating existing lines of credit.

During the year, SIMEST completed mapping the most significant operational risks for all areas of operations, a process that included interviews with the relevant department heads.

TRANSACTIONS WITH RELATED PARTIES

SIMEST is held 76% by Cassa Depositi e Prestiti S.p.A., a company that exercises management and coordination over SIMEST.

TRANSACTIONS WITH THE PARENT COMPANY

With regard to transactions with the controlling shareholder, Cassa Depositi e Prestiti S.p.A. and the companies of the CDP Group, pursuant to Article 2428 of the Italian Civil Code, SIMEST, CDP and SACE signed the Export Bank Convention regarding the financing of international expansion and exports of Italian businesses, with CDP providing financial support and SACE offering guarantees.

During the year, SIMEST drew upon a line of credit from Intesa Sanpaolo in a pool transaction with Cassa Depositi e Prestiti.

Furthermore, with respect to transactions with the controlling shareholder, during the year the compensation of five executives on SIMEST's Board of Directors (€51.3 thousand) and a member of the Supervisory Body (€16.0 thousand), all representing CDP, was paid, and the Internal Audit and Risk Management units were outsourced to the parent company (€285.0 thousand). In 2015 six employees of CDP were seconded to SIMEST, although at the end of the year, only five were still seconded with the company (€422.0 thousand).

TRANSACTIONS WITH OTHER RELATED PARTIES

As to the other CDP Group companies, compensation to be paid to a manager of SACE S.p.A. serving on SIMEST's Board of Directors was paid to SACE S.p.A. (€7.2 thousand). In addition, SIMEST entered into a project with Fincantieri S.p.A., taking a stake in the share capital of the joint foreign subsidiary Fincantieri U.S.A. Inc. (€11,395.5 thousand), as well as receiving professional services from SACE S.p.A. under a contract to review the environmental assessment parameters (OECD parameters) for export credit support transactions (€40.0 thousand). These transactions with related parties were entered into on an arm's length basis. No atypical or unusual transactions were conducted with related parties.

Compensation of Board of Directors and Board of Auditors

	Directors		Auditors	
	Amount due for year	**Amount paid**	**Amount due for year**	**Amount paid**
Short-term benefits	309	239	81	62
TOTAL	**309**	**239**	**81**	**62**

OTHER INFORMATION

INFORMATION ON FIRST-TIME ADOPTION OF INTERNATIONAL ACCOUNTING STANDARDS

1. Adoption of the new international accounting standards

1.1 Rules for first-time adoption and choices made by SIMEST S.p.A.
In accordance with the provisions of IFRS 1, SIMEST has drawn up an opening balance sheet applying IASs/IFRSs at January 1, 2014; this constitutes the starting point for application of the new international accounting standards.
The balance sheet shows:

- the recognition of all assets and liabilities contemplated under the IASs/IFRSs;
- the elimination of all assets and liabilities which no longer qualify for recognition in the balance sheet under the IASs/IFRSs;
- the reclassification and measurement of balance sheet items based on the IASs/IFRSs and calculation of the effects as though such standards had always been applied.

The adjustments arising from first-time adoption of IASs/IFRSs have been charged directly to a specific reserve under shareholders' equity net of the related deferred tax assets and liabilities, if any.

For the purposes of first-time adoption of IASs/IFRSs, SIMEST has not had recourse to the exemptions envisaged by IFRS 1.

1.2 Reconciliation schedules for first-time adoption of IASs/IFRSs and explanatory notes
The following tables provide reconciliations of shareholders' equity between IAS/IFRS values and those calculated using Italian GAAP at January 1, 2014, the date of transition to IAS, and at December 31, 2014, and the reconciliation of the income statement for the 2014 financial period.

Reconciliation of shareholders' equity under IT-GAAP and IAS/IFRS at January 1, 2014 - ASSETS

(in euros)

Balance sheet

Assets	IT-GAAP reclassified at 01/01/2014	IAS adjustments	IAS/IFRS at 01/01/2014
Cash and cash equivalents	9,065		9,065
Financial assets held for trading		1,298,108	1,298,108
Financial assets available for sale	5,414,569		5,414,569
Receivables for equity investments	449,298,320	(3,291,929)	446,006,391
Other financial receivables	4,214,973		4,214,973
Property, plant and equipment	97,651		97,651
Intangible assets	286,272		286,272
Tax assets	3,652,508		3,652,508
a) current	*1,264,567*		*1,264,567*
b) deferred	*2,387,941*		*2,387,941*
Other assets	13,223,834		13,223,834
TOTAL ASSETS	**476,197,192**	**(1,993,821)**	**474,203,371**

Reconciliation of shareholders' equity under IT-GAAP and IAS/IFRS at January 1, 2014 - LIABILITIES

(in euros)

Balance sheet

Liabilities and shareholders' equity	IT-GAAP reclassified at 01/01/2014	IAS adjustments	IAS/IFRS at 01/01/2014
Borrowings			147,715,828
Financial liabilities held for trading	1,442,693		1,442,693
Other liabilities	5,712,637		5,712,637
Employee termination benefits	3,604,702	(191,248)	3,413,454
Provisions for risks and charges	64,299,245	(62,036,056)	2,263,189
b) other provisions	*64,299,245*	*(62,036,056)*	*2,263,189*
Share capital	164,646,232		164,646,232
Share premium reserve	1,735,551		1,735,551
Reserves	73,719,843	60,233,483	133,953,326
- of which FTA reserve		*60,233,483*	*60,233,483*
Net profit (loss) for the period (+/-)	13,320,461		13,320,461
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**476,197,192**	**(1,993,821)**	**474,203,371**

Reconciliation of shareholders' equity under IT-GAAP and IAS/IFRS at January 1, 2014 - ANALYSIS

Shareholders' equity in accordance with IT-GAAP at January 1, 2014	**253,422,086**
Reversal of accrual to provision for general financial risks	59,836,728
Reversal of accrual to provisions for risks pertaining to loans	2,199,328
Adjustment of loan writedowns	(3,798,830)
Discounting of employee termination benefits	191,248
Accrual adjustment of loans	506,902
Valuation of embedded derivatives	1,298,108
Shareholders' equity in accordance with IAS/IFRS at January 1, 2014	**313,655,570**

Reconciliation of shareholders' equity at December 31, 2014 - ASSETS

(in euros)

Balance sheet

	IT-GAAP reclassified at 31/12/2014	IAS adjustments	IAS/IFRS at 31/12/2014
Cash and cash equivalents	46,191		46,191
Financial assets held for trading		1,110,473	1,110,473
Financial assets available for sale	5,314,569		5,314,569
Receivables for equity investments	479,875,748	(5,317,713)	474,558,035
Other financial receivables	4,535,896		4,535,896
Property, plant and equipment	145,816		145,816
Intangible assets	191,136		191,136
Tax assets	4,038,724		4,038,724
a) current	*1,269,131*		*1,269,131*
b) deferred	*2,769,593*		*2,769,593*
Other assets	9,621,644		9,621,644
TOTAL ASSETS	**503,769,724**	**(4,207,240)**	**499,562,484**

Reconciliation of shareholders' equity at December 31, 2014 - LIABILITIES

(in euros)

Balance sheet

	IT-GAAP reclassified at 31/12/2014	IAS adjustments	IAS/IFRS at 31/12/2014
Borrowings	172,055,394		172,055,394
Financial liabilities held for trading	1,364,785		1,364,785
Other liabilities	5,708,932		5,708,932
Employee termination benefits	3,590,732	201,943	3,792,675
Provisions for risks and charges	69,781,200	(67,536,056)	2,245,144
b) other provisions	*69,781,200*	*(67,536,056)*	*2,245,144*
Share capital	164,646,232		164,646,232
Share premium reserve	1,735,551		1,735,551
Reserves	80,707,757	59,833,672	140,541,429
- of which FTA reserve		*60,233,483*	*60,233,483*
Net profit (loss) for the period (+/-)	4,179,141	3,293,201	7,472,342
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**503,769,724**	**(4,207,240)**	**499,562,484**

Reconciliation of the income statement at December 31, 2014

(in euros)

Income statement

	IT-GAAP reclassified at 31/12/2014	IAS adjustments	IAS/IFRS at 31/12/2014
Income from equity investments	29,231,345		29,231,345
Interest and similar expense	(2,578,995)		(2,578,995)
Fee and commission income	20,485,148		20,485,148
Net gain (loss) on trading activities	488,074	(319,232)	168,842
Other financial income	60,976		60,976
Gross income	**47,686,548**	**(319,232)**	**47,367,316**
Writedowns/writebacks of loans	(7,061,235)	(1,894,187)	(8,955,422)
Administrative expenses:	(18,988,069)	6,620	(18,981,449)
a) personnel expenses	(13,134,903)	6,620	(13,128,283)
b) other administrative expenses	(5,853,166)		(5,853,166)
Other operating expenses/income	95,489		95,489
Operating income (expense)	**21,732,733**	**(2,206,799)**	**19,525,934**
Net provisions for risks and charges	(7,256,154)	5,500,000	(1,756,154)
Net adjustments of property, plant and equipment	(42,631)		(42,631)
Net adjustments of intangible assets	(275,155)		(275,155)
Profit (Loss) before tax	**14,158,793**	**3,293,201**	**17,451,994**
Income tax for the period	(9,979,652)		(9,979,652)
Net profit (loss) for the period	**4,179,141**	**3,293,201**	**7,472,342**

Reconciliation of shareholders' equity at December 31, 2014 - ANALYSIS

Shareholders' equity in accordance with IT-GAAP at December 31, 2014	**251,268,680**
Reversal of accrual to provision for general financial risks	65,036,728
Reversal of accrual to provisions for risks pertaining to loans	2,499,328
Adjustment of loan writedowns	(5,693,018)
Discounting of employee termination benefits	(201,943)
Accrual adjustment of loans	375,305
Valuation of embedded derivatives	1,110,473
Shareholders' equity in accordance with IAS/IFRS at December 31, 2014	**314,395,553**

Reconciliation of profit at December 31, 2014 - ANALYSIS

Profit in accordance with IT-GAAP at December 31, 2014	**4,179,141**
Reversal of accrual to provision for general financial risks	5,500,000
Collective writedown of loans	(1,894,187)
Discounting of employee termination benefits	6,620
Valuation of embedded derivatives	(319,232)
Profit in accordance with IAS/IFRS at December 31, 2014	**7,472,342**

1.3 Notes on the reconciliation statements

Financial assets and liabilities held for trading

This portfolio includes derivatives embedded in existing contracts with partner companies represented by clauses that determine the redemption value for interests held by SIMEST in the investee companies.
These derivatives have been separated from the host contract and classified among financial assets held for trading. The measurement of derivatives had an overall effect on equity as at December 31, 2014 of €1,110 thousand of which €1,298 thousand directly recognized in an equity reserve for the first-time adoption of IASs/IFRSs.

Receivables for equity investments

This aggregate contains the receivables due from partner companies arising from investments in investee companies.
More specifically, in preparing the financial statements on the basis of the IASs/IFRSs, existing transactions between SIMEST, the partner companies and investee companies represent a linked transaction in accordance with IAS 39. This transaction is treated as a financial asset for which SIMEST has the right to receive a sum of money (determinable by contract and no less than the amount disbursed) from the partner company, thereby substantiating the relationship with the partner within the context of the linked transaction.
These transactions, regardless of their legal form, are classified as "loans and receivables", as they meet the requirements set out in IAS 39 for this classification.

To determine the estimated realizable value of outstanding exposures, individual and collective assessments are made in accordance with IAS 39. Writedowns are taken by reducing the recorded amount of the assets, applying formalized criteria and the resolutions taken by the company's administrative bodies.

The application of the principles and criteria described earlier on has resulted in the reclassification of €491,632 thousand from "Equity investments" in the Italian GAAP-based balance sheet to "Receivables for equity investments" in the IAS/IFRS balance sheet.
Individual writedowns made in the Italian GAAP-based balance sheet were also accepted as correct in determining the estimated realizable value of loans and receivables recognized in the IAS/IFRS balance sheet. By contrast, the collective writedown resulted in an €5,693 thousand increase in impairment losses, of which €5,294 thousand were recognized directly in the first-time application reserve at January 1, 2014, while €399 thousand represent the portion of the writedown referring to 2014.

Financial assets available for sale

This item includes the equity investments held in FINEST S.p.A. and Stilnovo Management S.r.l. over which SIMEST does not have control and with which it is not an associated company.

These assets are also recognized in the IAS/IFRS financial statements at cost, adjusted to reflect impairment, since the fair value measurement of these assets was not deemed relevant in this case.

Provisions

Provisions for unrecognized liabilities and contingencies and discounting of allocations
International accounting standards only allow provisions to be recognized in the financial statements for liabilities in respect of a past event where the company considers an outflow of economic resources to settle the obligation probable and the obligation can be reliably estimated. As a result, the provision for general financial risks has been eliminated since it was not compatible with the rules of the international accounting standards.

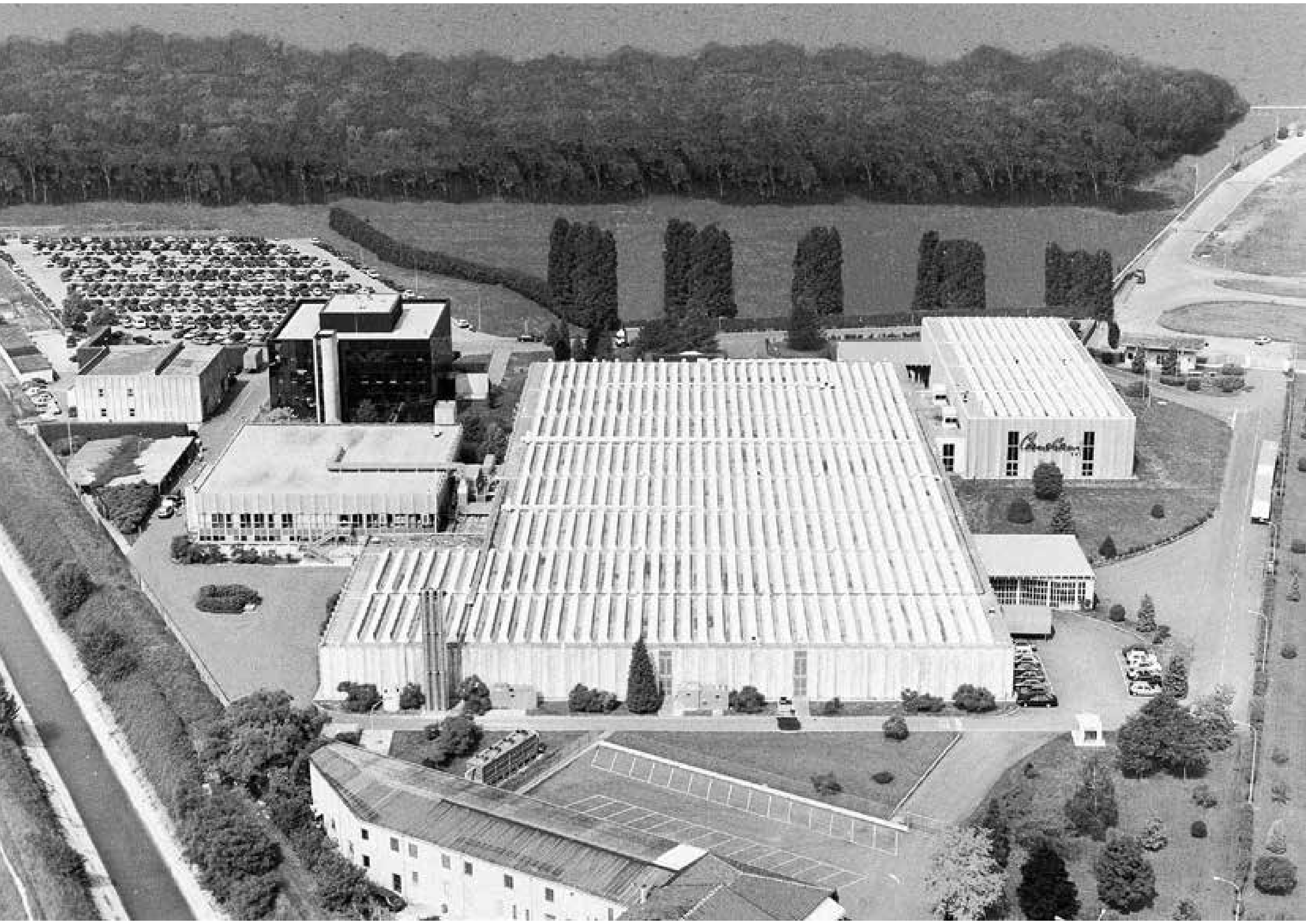
The IASs/IFRSs also require that if the present value of money is significant, the amount of the provision is represented by the present value of the outflow of resources that will be required to settle the obligation.
The provisions made by SIMEST to cover contractual commitments *vis-à-vis* staff and in connection with the other existing allocations have been maintained at the value previously recorded because the time factor was not considered in this case to be material since the outlays are expected to be made shortly.

As a result of the elimination of the provision for general financial risks, shareholders' equity at December 31, 2014 rose by €65,037 thousand, of which €59,837 thousand was recognized in the IAS/IFRS first-time adoption reserve and €5,200 thousand as a decrease in provisions for 2014.

Employee termination benefits
International accounting standards require defined-benefit pension plans to be measured based on the actuarial estimate of the amount that the company will be required to pay to the employee upon termination of the employment relationship.
At December 31, 2014, the impact on shareholders' equity of the measurements made pursuant to IAS 19 amounted to €202 thousand.

Tax effects

The impact on shareholders' equity arising from first-time adoption of the IAS/IFRS has been calculated net of the related deferred tax assets and liabilities, determined on the basis of the applicable legislation.
More specifically, since certain material assets are subject to special tax rules (such as, reduced taxation of dividends and the participation exemption), tax law provides for them to continue to be taxed under the legal framework set out in the Uniform Income Tax Code. For SIMEST, these assets are the shares held in the investee companies; they are not subject to the IAS/IFRS qualification, classification and timing rules. Therefore, with specific regard to the income on equity investments, the legal nature of these assets is therefore important for tax purposes: dividends received are subject to the tax treatment provided for under tax regulations, while writedowns of receivables from company partners are not tax deductible.



FINANCIAL HIGHLIGHTS OF THE COMPANY THAT EXERCISES MANAGEMENT AND COORDINATION

In accordance with Article 2497-bis, paragraph 4, of the Italian Civil Code, the following tables report key financial highlights from the most recent financial statements of the parent company, Cassa Depositi e Prestiti S.p.A.

For a more thorough discussion of the income statement, balance sheet and cash flow statement of Cassa Depositi e Prestiti S.p.A. at December 31, 2014, please refer to that company's financial statements, which, along with the auditor's report, are available as prescribed by law.

Balance sheet

(in euros)

Assets	31/12/2014	31/12/2013
10. Cash and cash equivalents	3,431	3,530
20. Financial assets held for trading	298,681,592	472,679,479
40. Financial assets available for sale	6,907,788,220	4,939,291,611
50. Financial assets held to maturity	21,339,001,554	18,327,082,721
60. Due from banks	26,507,878,599	14,851,354,609
- of which segregated assets	*315,157,507*	-
70. Loans to customers	263,886,601,722	242,136,225,003
80. Hedging derivatives	683,756,741	325,064,442
100. Equity investments	29,037,562,809	31,769,037,804
110. Property, plant and equipment	231,831,135	217,930,399
120. Intangible assets	5,653,001	6,252,398
130. Tax assets	914,169,425	1,233,688,891
a) current	688,383,445	1,065,965,451
b) deferred	225,785,980	167,723,440
- of which pursuant to Law 214/2011	-	-
150. Other assets	391,703,034	406,692,190
TOTAL ASSETS	**350,204,631,263**	**314,685,303,077**

Balance sheet

(in euros)

Liabilities and shareholders' equity	31/12/2014	31/12/2013
10. Due to banks	13,291,240,650	24,008,645,722
20. Due to customers	302,765,016,422	261,520,355,925
30. Securities issued	9,989,572,140	6,907,470,302
40. Financial liabilities held for trading	290,043,654	444,815,354
60. Hedging derivatives	2,305,630,570	1,449,143,501
70. Adjustment of financial liabilities hedged generically (+/-)	47,921,746	52,258,202
80. Tax liabilities	393,987,555	669,026,281
a) current	228,138,672	565,597,478
b) deferred	165,848,883	103,428,803
100. Other liabilities	1,548,383,498	1,479,946,192
110. Employee termination benefits	887,491	756,139
120. Provisions for risks and charges	18,526,685	14,928,023
b) other provisions	18,526,685	14,928,023
130. Valuation reserves	1,073,171,925	975,182,823
160. Reserves	12,867,358,117	11,371,230,455
180. Share capital	3,500,000,000	3,500,000,000
190. Treasury shares (-)	(57,220,116)	(57,220,116)
200. Net profit (loss) for the period (+/-)	2,170,110,926	2,348,764,274
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**350,204,631,263**	**314,685,303,077**

Income statement

(in euros)

	31/12/2014	31/12/2013
10. Interest and similar income	6,924,344,105	8,734,350,209
20. Interest and similar expense	(5,762,905,636)	(6,194,954,542)
30. Net interest income	**1,161,438,469**	**2,539,395,667**
40. Fee and commission income	52,431,196	40,300,483
50. Fee and commission expense	(1,643,658,781)	(1,623,148,314)
60. Net fee and commission income	**(1,591,227,585)**	**(1,582,847,831)**
70. Dividends and similar income	1,846,798,798	3,088,977,849
80. Net gain (loss) on trading activities	13,164,361	76,056,378
90. Net gain (loss) on hedging activities	(44,393,865)	(14,833,356)
100. Net gain (loss) on the disposal or repurchase of:	339,792,976	15,736,734
a) loans	57,922,885	9,219,840
b) financial assets available for sale	281,870,091	6,477,522
c) financial assets held to maturity	-	39,372
d) financial liabilities	-	-
120. Gross income	**1,725,573,154**	**4,122,485,441**
130. Net losses/recoveries on impairment of:	(130,744,682)	(45,290,748)
a) loans	(113,031,124)	(42,802,267)
d) other financial transactions	(17,713,558)	(2,488,481)
140. Net income (loss) from financial operations	**1,594,828,472**	**4,077,194,693**
150. Administrative expenses:	(128,240,736)	(119,717,268)
a) personnel expenses	(65,479,924)	(62,335,374)
b) other administrative expenses	(62,760,812)	(57,381,894)
160. Net provisions for provisions for risks and charges	(1,628,032)	(395,528)
170. Net adjustments of property, plant and equipment	(4,822,935)	(5,147,912)
180. Net adjustments of intangible assets	(2,242,113)	(2,345,796)
190. Other operating expenses/income	4,164,148	4,758,168
200. Operating expenses	**(132,769,668)**	**(122,848,336)**
210. Profit (Loss) from equity investments	938,066,437	(1,008,947,000)
240. Gains (Losses) from disposal of investments	(5,217)	91
250. Profit (Loss) before tax on continuing operations	**2,400,120,024**	**2,945,399,448**
260. Income tax expense from continuing operations	(230,009,098)	(596,635,174)
270. Profit (Loss) after tax from continuing operations	**2,170,110,926**	**2,348,764,274**
290. Net profit (loss) for the period	**2,170,110,926**	**2,348,764,274**

Statement of changes in shareholders' equity: current year

(in euros)

	As at 31/12/2013	Change in opening balance	As at 1/1/2014	Allocation of net profit of previous year		Change in the period								Shareholders' equity at 31/12/2014
							Equity transactions							
				Reserves	Dividends and other allocations	Change in reserves	Issue of new shares	Purchase of treasury shares	Extraordinary dividends	Change in equity instruments	Derivatives on own shares	Stock options	Comprehensive income for 2014	
Share capital: a) ordinary shares	3,500,000,000		3,500,000,000											3,500,000,000
b) preferred shares	-		-											-
Share premium reserve														
Reserves:														
a) earnings	11,371,230,455		11,371,230,455	1,496,127,662										12,867,358,117
b) other														
Valuation reserves:														
a) available for sale	788,179,460		788,179,460										86,312,872	874,492,332
b) cash flow hedges	19,431,361		19,431,361										11,676,230	31,107,591
c) other reserves														
- revaluation of property	167,572,002		167,572,002											167,572,002
Equity instruments														
Treasury shares	(57,220,116)		(57,220,116)											(57,220,116)
Net profit (loss) for the period	2,348,764,274		2,348,764,274	(1,496,127,662)	(852,636,612)								2,170,110,926	2,170,110,926
SHAREHOLDERS' EQUITY	**18,137,957,436**		**18,137,957,436**	**-**	**(852,636,612)**	**-**		**-**					**2,268,100,028**	**19,553,420,852**

Statement of comprehensive income

(in euros)

	31/12/2014	31/12/2013
10. Net profit (loss) for the period	2,170,110,926	2,348,764,274
Other comprehensive income net of taxes recyclable to profit or loss		
90. Cash flow hedges	11,676,230	(1,380,880)
100. Financial assets available for sale	86,312,872	11,145,386
130. Total other comprehensive income net of taxes	**97,989,102**	**9,764,506**
140. Comprehensive income (items 10+130)	**2,268,100,028**	**2,358,528,780**

Statement of cash flows (indirect method)

(in euros)

	31/12/2014	31/12/2013
A. OPERATING ACTIVITIES		
1. Operations	**5,466,218,766**	**6,556,718,122**
- net profit (loss) for the period (+/-)	2,170,110,926	2,348,764,274
- gain (losses) on financial assets held for trading and on financial assets/ liabilities at fair value through profit or loss (-/+)	(13,854,897)	(61,608,965)
- gain (losses) on hedging activities (-/+)	(16,215,828)	9,085,774
- net losses/recoveries on impairment (+/-)	131,452,791	45,290,748
- net adjustments of property, plant and equipment and intangible assets (+/-)	7,065,048	7,493,709
- net provisions for risks and charges and other costs/revenues (+/-)	11,014,868	9,965,112
- taxes and duties to be settled (+/-)	230,009,098	596,635,174
- net adjustment of disposal groups held for sale net of tax effects (+/-)	-	-
- net adjustments of equity investments (+/-)	148,520,468	1,008,947,000
- other adjustments (+/-)	2,798,116,292	2,592,145,296
2. Net cash flows from/used in financial assets	**(21,228,388,260)**	**(8,252,843,730)**
- financial assets held for trading	187,852,784	229,410,265
- financial assets at fair value through profit or loss	-	-
- financial assets available for sale	(1,641,091,987)	78,249,706
- due from banks: repayable on demand	-	-
- due from banks: other	(11,755,990,288)	(1,347,809,928)
- loans to customers	(8,255,737,138)	(6,360,054,751)
- other assets	236,578,369	(852,639,022)
3. Net cash flows from/used in financial liabilities	**29,656,011,695**	**5,145,738,562**
- due to banks: repayable on demand		-
- due to banks: other	(10,548,512,701)	(10,076,287,893)
- due to customers	38,226,338,562	16,500,048,145
- securities issued	2,661,322,998	284,771,714
- financial liabilities held for trading	(154,771,699)	(32,272,324)
- financial liabilities at fair value through profit or loss	-	-
- other liabilities	(528,365,465)	(1,530,521,079)
Net cash flows from/used in operating activities	**13,893,842,201**	**3,449,612,954**
B. INVESTING ACTIVITIES		
1. Cash flows from	**25,717,180,187**	**11,106,483,000**
- sales of equity investments	2,815,240,512	-
- dividends received on equity investments	-	-
- sales of financial assets held to maturity	22,901,939,675	11,106,483,000
- sales of property, plant and equipment	-	-
2. Cash flows used in	**(26,138,847,549)**	**(15,095,313,300)**
- purchases of equity investments	(221,921,860)	(2,519,511,610)
- purchases of financial assets held to maturity	(25,893,699,984)	(12,561,075,775)
- purchases of property, plant and equipment	(21,582,988)	(13,270,664)
- purchases of intangible assets	(1,642,717)	(1,455,251)
Net cash flows from/used in investment activities	**(421,667,362)**	**(3,988,830,300)**

(follow)

C. FINANCING ACTIVITIES		
- issues/purchases of treasury shares	-	(57,220,116)
- dividend distribution and allocations	(852,636,612)	(998,636,033)
Net cash flows from/used in financing activities	**(852,636,612)**	**(1,055,856,149)**
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	**12,619,538,227**	**(1,595,073,495)**

RECONCILIATION

(*)		
Cash and cash equivalents at beginning of the period	136,134,607,662	137,729,681,156
Net increase/decrease in cash and cash equivalents	12,619,538,227	(1,595,073,495)
Cash and cash equivalents: net foreign exchange differences	-	-
Cash and cash equivalents at end of period	148,754,145,889	136,134,607,662

* The cash and cash equivalents reported in the cash flow statement comprise the balance of item 10 "Cash and cash equivalents" of the balance sheet, the balance on the current account held with the Central State Treasury reported under item 70 "Loans to customers" and the positive balance on bank accounts reported under item 60 "Due from banks" net of current accounts with a negative balance reported under item 10 "Due to banks" of liabilities.

For the Board of Directors

Chairman
Salvatore Rebecchini

Annex: Equity investments in companies acquired in 2015

New equity investments in foreign companies acquired in 2015

Company	Italian partner	Country	Sector	SIMEST % holding	SIMEST holding (at € cost)
M&G Logistics & Engineering Co.	M&G Finanziaria S.r.l.	U.S.A.	Chemicals/ Pharmaceuticals	37.7	10,843,147
Pmc Automotiva Do Brasil	Pmc Automotive S.p.A.	Brazil	Engineering	34.1	5,000,000
Adventus Do Brasil	Adventus International S.r.l.	Brazil	Building/ Construction	26.6	4,000,000
Marais Technologies Sas	Tesmec S.p.A.	France	Engineering	34.0	3,999,999
Isopan Rus	Isopan S.p.A.	Russia	Building/ Construction	22.1	2,742,000
Tiberina Automotive Mg - Componentes Metálicos Para Indústria Automotiva Ltda.	Tiberina Holding S.r.l.	Brazil	Engineering	25.6	2,500,000
Geo Investment Holding Inc.	Exergy S.p.A.	U.S.A.	Energy	49.0	2,470,211
Enerray Global Solar Opportunities Inc.	Enerray S.p.A.	U.S.A.	Energy	49.0	2,290,559
Changlin Deutz-Fahr Machinery Co. Ltd.	Same Deutz - Fahr Italia S.p.A.	China	Engineering	1.9	1,500,000
Serioplast Russia	Serioplast S.p.A.	Russia	Rubber/Plastics	33.9	1,360,000
Ooo Old Mill	Old Mill Holding S.p.A.	Russia	Rubber/Plastics	33.0	1,238,000
Gsi Brasil Fabricação De Artefactos Plásticos Ltda.	Global System International S.p.A.	Brazil	Engineering	24.0	750,000
Operadora Erogi Sa	Small Building S.r.l.	Mexico	Tourism/ Hotels	30.4	611,735
Bdf Industries North America	Bdf Industries S.p.A.	U.S.A.	Engineering	48.4	517,552
P & T Design D.O.O.	Delta S.r.l./Plados S.p.A.	Serbia	Wood/Furniture	20.0	387,000
Zhejiang Elleci New Material Co. Ltd.	Elleci S.p.A.	China	Wood/Furniture	20.9	305,000
Arkos S.p.A. 1 Llc	R.I. S.p.A.	Kosovo	Building/ Construction	21.4	220,000
Mangini South America Participações e Investimentos Ltda.	Mangini S.r.l.	Brazil	Wood/Furniture	27.1	199,828
Cmk Ooo	Cellino S.r.l.	Russia	Engineering	12.5	177,867
L'Immagine Ritrovata Asia Ltd.	L'Immagine Ritrovata S.r.l.	China	Services	24.5	125,634
Fuda Marble P.L.C.	Fuda Antonio S.r.l.	Ethiopia	Building/ Construction	20.5	125,000
Abramo Do Brasil Ltda.	Abramo Holding S.p.A.	Brazil	Services	10.2	100,000
Tecno System India Pvt Ltd.	Tecno System S.p.A.	India	Electronics/IT	2.7	62,681
TOTAL NEW EQUITY INVESTMENTS IN FOREIGN COMPANIES			**23**		**41,526,213**

Capital increases/expansions in foreign companies in which it already held a stake in 2015

Company	Italian partner	Country	Sector	SIMEST % holding	SIMEST holding (at € cost)
Tiberina Automotive Pe Componentes Metálicos Para Indústria Automotiva Ltda.	Tiberina Holding S.r.l.	Brazil	Engineering	19.4	2,500,000
Inglass Usa Inc.	Inglass S.p.A.	U.S.A.	Engineering	26.1	1,554,811
Inglass Usa Inc.	Inglass S.p.A.	U.S.A.	Engineering	15.6	1,350,799
Inglass Usa Inc.	Inglass S.p.A.	U.S.A.	Engineering	5.5	551,106
Pmp Drive Systems India Pvt Ltd.	Pmp Industries S.p.A.	India	Engineering	9.5	500,000
Siti B&T Ceramic Technology Ltd.	Siti - B&T Group S.p.A.	China	Engineering	2.6	165,942
Abramo Do Brasil Ltda.	Abramo Holding S.p.A.	Brazil	Services	14.9	120,000
Gustora Foods Pvt Ltd.	Rustichella D'Abruzzo S.p.A.	India	Agriculture/Food products	6.0	60,770
Total capital increases/expansions in foreign companies			**8**		**6,803,428**
Total acquisitions in foreign companies in 2015			**31**		**48,329,641**

New equity investments in companies in Italy acquired in 2015

Company	Italian partner	Country	Sector	SIMEST % holding	SIMEST holding (at € cost)
Proma S.p.A.	Finpo S.r.l.	Italy	Engineering	6.4	11,000,000
Maglital S.r.l.	Finac S.r.l.	Italy	Textiles/Clothing	26.1	7,000,000
Tmt - Emozioni S.r.l.	Terra Moretti S.p.A.	Italy	Agriculture/Food products	19.6	6,000,000
Gruppo Psc S.p.A.	Newco (Psc Family Holding)	Italy	Engineering	5.7	6,000,000
Vismara S.p.A.	Agri-Food Investment S.A.	Italy	Agriculture/Food products	13.5	5,000,000
Mgm Mondo Del Vino S.r.l.	Mondodelvino S.p.A.	Italy	Agriculture/Food products	26.5	5,000,000
Pelliconi Asia Pacific S.r.l.	Pelliconi & C. S.p.A.	Italy	Engineering	49.0	4,900,000
Termigas S.p.A.	Misma Partecipazioni S.p.A.	Italy	Engineering	25.9	2,500,000
Distilleria Canellese C. Bocchino & C. S.r.l.	Vinca SS; Vipi SS	Italy	Agriculture/Food products	32.1	800,000
Total new equity investments in Italy			**9**		**48,200,000**

Capital increases/expansions in Italian companies in which it already held a stake in 2015

Company	Italian partner	Country	Sector	SIMEST % holding	SIMEST holding (at € cost)
Ducati Energia S.p.A.	G.M.G. Group S.r.l.	Italy	Engineering	3.6	2,000,000
Total capital increases/expansions in Italy			**1**		**2,000,000**
Total acquisitions in Italy in 2015			**10**		**50,200,000**
TOTAL ACQUISITIONS			**41**		**98,529,641**

REPORT OF THE BOARD OF AUDITORS

REPORT OF THE BOARD OF AUDITORS

FINANCIAL STATEMENTS FOR THE YEAR ENDING DECEMBER 31, 2015

Shareholders,
This report was approved by the entire Board in time for filing at the company's registered office 15 days prior to the date of first calling of the Shareholders' Meeting to approve the financial statements.

The Board of Directors provided us with the following documents, approved on March 24, 2016, for the year ending December 31, 2015:

- draft financial statements with accompanying notes;
- report on operations.

During the financial year ending December 31, 2015, we carried out our statutory supervisory activity in accordance with the standards recommended by the National Council of the Italian accounting profession.

We preface our remarks as follows:

A. the Board of Auditors sitting at the date of this report was appointed by the Ordinary Shareholders' Meeting of August 6, 2015 and is composed of Daniele Discepolo (Chairman), Laura Guazzoni (standing auditor) and Carlo Hassan (standing auditor). Therefore, a portion of the monitoring activities for 2015 were performed by the previous Board of Auditors;
B. SIMEST is a joint-stock company (*società per azioni*) having Cassa Depositi e Prestiti S.p.A. as its controlling shareholder and has been subject to the management and coordination of CDP since September 25, 2013;
C. starting from this year SIMEST has exercised the option to prepare its financial statements in accordance with the international accounting standards (IAS/IFRS) provided for by Legislative Decree 38 of January 28, 2005 (IAS Decree), as amended by Decree Law 91/2014 (Enhancing Competitiveness Decree), which extended the option to all companies other than those for which application of the IASs/IFRSs is mandatory or those permitted to prepare condensed financial statements pursuant to Article 2435-bis of the Italian Civil Code (Article 4(6) of Legislative Decree 38/2005). Accordingly, the financial statements have been prepared in accordance with the International Accounting Standards (IAS) and the International Financial Reporting Standards (IFRS) endorsed by the European Commission as established by Regulation (EC) no. 1606/2002;
D. for the purposes of comparison with the previous financial year, the figures for 2014 have been restated and adjusted to bring them in line with the IASs/IFRSs;
E. the balancing of the existing accounts, the determination of the exact balances and the related accuracy of registration in the accounts, the adjustment of the 2014 financial statements in line with the IFRSs, and the 2015 financial statements have been audited by PricewaterhouseCoopers S.p.A. (PwC), in the performance of its statutory auditing activities;
F. the financial statements for 2015 report net income of €4,253 thousand and equity of €315,703 thousand.

The Board of Auditors reports, with regard to the issues within the scope of our responsibilities, that:

- we participated in the Shareholders' Meetings, all of the meetings of the Board of Directors held to date, and received periodic information from the directors on the activities carried out, expected future developments, as well as on the most significant operations in terms of size and/or features conducted by SIMEST;
- we believe that the actions resolved by the Shareholders' Meeting and the Board of Directors comply with the law and the bylaws and were not manifestly imprudent or otherwise prejudicial to the integrity of the company's assets;
- the transactions engaged in also comply with the law and the bylaws and do not potentially conflict with the resolutions of the shareholders or are prejudicial to the integrity of the company's assets;
- we examined and monitored the organizational structure of the company and the administrative and accounting system, as well as the reliability of the latter in correctly representing operational events, by obtaining information from individual department heads and PwC, the independent auditors responsible for the statutory audit, and by examining corporate documentation;
- we held meetings with the independent auditor, PwC, during which we exchanged information;
- we received no complaints pursuant to Articles 2408 and 2409(7) of the Italian Civil Code;
- during the year we issued favorable opinions, as provided for by law, concerning the calculation of the compensation for directors assigned special duties;
- we monitored the work of the Supervisory Body by virtue of the company's adoption of the compliance model envisaged under Legislative Decree 231/2001 and no reports were received concerning the model that would require special mention in this report. Furthermore, SIMEST's finance operations are subject to the oversight of the State Audit Court pursuant to Article 12 of Law 259/1958.

In addition, the Board of Auditors reports that:

1. we have examined the draft financial statements for the year ended December 31, 2015, provided to us by the time limit established in Article 2429 of the Italian Civil Code;
2. as this body is not responsible for performing the statutory audit of the financial statements, we monitored the general approach to their preparation and their general compliance with the provisions of law concerning their layout and structure;
3. as to the information obtained from the directors and through meetings with the independent auditors responsible for the statutory audit, we found no atypical and/or unusual transactions carried out during 2015. Transactions with related parties carried out with the controlling shareholder, Cassa Depositi e Prestiti S.p.A., and the members of the CDP Group appear to have been carried out in the interests of the company and on market terms;
4. we have ascertained that the financial statements correspond to the information at our disposal, following the performance of our duties, and we have no special comments in this regard;
5. we have examined the format of the draft financial statements, their general compliance with the provisions of law concerning their layout and structure and have no particular observations in that regard;
6. we have also verified compliance with the provisions of law governing the preparation of the report on operations and have no comments that would require special mention here;
7. the independent auditor, PwC, in its report on the financial statements dated April 12, 2016 pursuant to Article 14 of Legislative Decree 39 of January 27, 2010, did not have any particular observations or issue an adverse opinion, while making a request for further information in the "Other information" section of the 2015 financial statements concerning the adoption of IASs-IFRSs. PwC also certified that the report on operations is consistent with the company's financial statements. Pursuant to Article 17, paragraph 9(a) of Legislative Decree 39/2010, it also confirmed to us that it found no conflicts with Article 10 of that decree;
8. in the course of its audit of the 2015 financial statements, PwC performed additional extraordinary work related to the first-time adoption of the IASs/IFRSs, as provided in its contract for the conduct of the statutory audit for the years 2015-2017 referred to in paragraph 4.3(b), requesting additional compensation, for the 2015 financial statements only, of €30,000;

9. to the best of our knowledge, in preparing the financial statements the Board of Directors did not avail itself of the exemption permitted under Article 2423(4) of the Italian Civil Code;
10. in 2015, there were a total of 14 meetings of the Board of Directors and 3 Shareholders' Meetings, all of which were attended by the Board of Auditors. The Board of Auditors held 9 meetings, to which the judge designated by the State Audit Court was always invited.

In view of the foregoing and taking account of the findings of the external auditors responsible for the statutory audit, which are contained in their report accompanying the financial statements issued on April 12, 2016, we recommend that you approve the financial statements for the year ended December 31, 2015 and concur with the allocation of net profit proposed in the report on operations, specifically €212,646 to the legal reserve as provided for by Article 2430 of the Italian Civil Code and €4,252,919 as profit for the year to be distributed as resolved by the Shareholders' Meeting.

Rome, April 12, 2016

THE BOARD OF AUDITORS

Daniele Discepolo
Chairman

Laura Guazzoni
Standing auditor

Carlo Hassan
Standing auditor

REPORT OF THE AUDIT FIRM

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RELAZIONE DELLA SOCIETÀ DI REVISIONE INDIPENDENTE AI SENSI DELL'ARTICOLO 14 DEL DLGS 27 GENNAIO 2010, N° 39

Agli Azionisti della
Società Italiana per le Imprese all'Estero - SIMEST SpA

Relazione sul bilancio d'esercizio

Abbiamo svolto la revisione contabile dell'allegato bilancio d'esercizio della Società Italiana per le Imprese all'Estero - SIMEST SpA, costituito dallo stato patrimoniale al 31 dicembre 2015, dal conto economico, dal prospetto della redditività complessiva, dal prospetto delle variazioni del patrimonio netto, dal rendiconto finanziario per l'esercizio chiuso a tale data, da una sintesi dei principi contabili significativi e dalle altre note esplicative.

Responsabilità degli amministratori per il bilancio d'esercizio

Gli amministratori sono responsabili per la redazione del bilancio d'esercizio che fornisca una rappresentazione veritiera e corretta in conformità agli International Financial Reporting Standards adottati dall'Unione Europea.

Responsabilità della società di revisione

È nostra la responsabilità di esprimere un giudizio sul bilancio d'esercizio sulla base della revisione contabile. Abbiamo svolto la revisione contabile in conformità ai Principi di revisione internazionali (ISA Italia) elaborati ai sensi dell'articolo 11, comma 3, del DLgs 39/10. Tali principi richiedono il rispetto di principi etici, nonché la pianificazione e lo svolgimento della revisione contabile al fine di acquisire una ragionevole sicurezza che il bilancio d'esercizio non contenga errori significativi.

La revisione contabile comporta lo svolgimento di procedure volte ad acquisire elementi probativi a supporto degli importi e delle informazioni contenuti nel bilancio d'esercizio. Le procedure scelte dipendono dal giudizio professionale del revisore, inclusa la valutazione dei rischi di errori significativi nel bilancio d'esercizio dovuti a frodi o a comportamenti o eventi non intenzionali. Nell'effettuare tali valutazioni del rischio, il revisore considera il controllo interno relativo alla redazione del bilancio d'esercizio dell'impresa che fornisca una rappresentazione veritiera e corretta al fine di definire procedure di revisione appropriate alle circostanze, e non per esprimere un giudizio sull'efficacia del controllo interno dell'impresa. La revisione contabile comprende altresì la valutazione dell'appropriatezza dei principi contabili adottati, della ragionevolezza delle stime contabili effettuate dagli amministratori, nonché la valutazione della presentazione del bilancio d'esercizio nel suo complesso.

Riteniamo di aver acquisito elementi probativi sufficienti ed appropriati su cui basare il nostro giudizio.

PricewaterhouseCoopers SpA

Sede legale e amministrativa: Milano 20149 Via Monte Rosa 91 Tel. 0277851 Fax 027785240 Cap. Soc. Euro 6.890.000,00 i.v., C.F. e P.IVA e Reg. Imp. Milano 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 0712132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 0805640211 - **Bologna** 40126 Via Angelo Finelli 8 Tel. 0516186211 - **Brescia** 25123 Via Borgo Pietro Wuhrer 23 Tel. 0303697501 - **Catania** 95129 Corso Italia 302 Tel. 0957532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 0552482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 01029041 - **Napoli** 80121 Via dei Mille 16 Tel. 08136181 - **Padova** 35138 Via Vicenza 4 Tel. 049873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 0854545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06570251 - **Torino** 10122 Corso Palestro 10 Tel. 011556771 - **Trento** 38122 Via Grazioli 73 Tel. 0461237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 0403480781 - **Udine** 33100 Via Poscolle 43 Tel. 043225789 - **Verona** 37135 Via Francia 21/C Tel. 0458263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444393311

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Giudizio

A nostro giudizio, il bilancio d'esercizio fornisce una rappresentazione veritiera e corretta della situazione patrimoniale e finanziaria della Società Italiana per le Imprese all'Estero - SIMEST SpA al 31 dicembre 2015 e del risultato economico e dei flussi di cassa per l'esercizio chiuso a tale data, in conformità agli International Financial Reporting Standards adottati dall'Unione Europea.

Richiamo di informativa

Senza modificare il nostro giudizio, richiamiamo l'attenzione sulla sezione "Altre informazioni" del bilancio d'esercizio al 31 dicembre 2015, paragrafo "Note esplicative alla transizione ai principi contabili internazionali" che descrive gli effetti della adozione dei principi contabili internazionali sui saldi al 1 gennaio 2014 (data di transizione) e sui saldi al 31 dicembre 2014. Le modalità di determinazione di tali effetti e la relativa informativa presentata nella sezione "Altre informazioni", sono state da noi esaminate ai fini dell'espressione del giudizio sul bilancio d'esercizio chiuso al 31 dicembre 2015.

Relazione su altre disposizioni di legge e regolamentari

Giudizio sulla coerenza della relazione sulla gestione con il bilancio d'esercizio

Abbiamo svolto le procedure indicate nel principio di revisione (SA Italia) n° 720B al fine di esprimere, come richiesto dalle norme di legge, un giudizio sulla coerenza della relazione sulla gestione, la cui responsabilità compete agli amministratori della Società Italiana per le Imprese all'Estero - SIMEST SpA, con il bilancio d'esercizio della Società Italiana per le Imprese all'Estero - SIMEST SpA al 31 dicembre 2015. A nostro giudizio la relazione sulla gestione è coerente con il bilancio d'esercizio della Società Italiana per le Imprese all'Estero - SIMEST SpA al 31 dicembre 2015.

Roma, 12 aprile 2016

PricewaterhouseCoopers SpA

Gian Paolo Di Lorenzo
(Revisore legale)


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APPROVAL OF THE FINANCIAL STATEMENTS AT DECEMBER 31, 2015

On April 28, 2016 the Ordinary Shareholders' Meeting, representing 95.27% of the share capital, unanimously approved the financial statements for the year ended December 31, 2015 and the allocation of net profit for the year of €4,252,919 as follows:

• 5% or €212,646 to the legal reserve;
• €3,166,274 to the shareholders in the amount of 1.0 eurocent per share;
• the remainder of €873,999 to the extraordinary reserve.

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Eightmile
North Pole
Prairie
Lone
Mountain
Cedar
Mountain
Fish
Lake
Ramsey
Rathdrum
Bald
Rathdrum
Creek
Sheridan
RATHDRUM
North Fork
Hayden
Creek
Hayden Lake
P R A I R I E
Canfield
Butte
Creek
Falls
SPOKANE
RIVER
FT. SHERMAN BRANCH
Fort Sherman
Creek
North Cape
Bennett Bay
Nigger
Head
Blue
Creek
Wolf Lodge
Creek
Wolf Lodge
Sage
Creek
Lewellen