LANDI RENZO – Board of Directors approves results at 31 December 2016

Results:

- **Revenues at € 184.2 million (-10.4% vs. FY15)**
- **EBITDA adjusted for non-recurring expenses at 1.5% of Revenues (2.8% in FY15)**
- **EBITDA negative at 2.9 € million (-1.3€ million in FY15)**
- **EBIT negative 18.9€ million (a reduction from a loss of 26.9€ million in FY15)**
- **Net loss for the Group at 26€ million (a reduction from a loss of 35.6€ million in FY15)**
- **Net Financial Position negative 75.7€ million (negative 59.5€ million in FY15)**

Outlook 2017 and other resolutions:

- **Nearing completion of the project "Optimization of the financial structure"**
- **Expected a light growth of the Business but with an EBTDA recovery in 2017**
- **Annual Shareholders' Meeting Called for April 28th, 2017**
- **Proposal to renew authorisation to purchase and sell treasury shares**
- **Proposal to Extend the Board Members to 9 to include Mr. C. Musi (GM and CEO Elect)**

Cavriago (Reggio Emilia), 27th March 2017

The Board of Directors of Landi Renzo (STAR: LR), chaired by Mrs Giovannina Domenichini, met today and approved the draft financial statements and consolidated financial results as at December 31, 2016, in accordance with the International Financial Reporting Standard (IFRS) as defined by the International Accounting Standard Board (IASB) as of December 31, 2015.

The Chairman and CEO Stefano Landi comments: *"2016 was another very difficult year for our Group, whose result was impacted by a series of negative external conditions, but we remain positive about the future prospects, aware of the market potential and the strength of our brands and products. 2017 will be a pivotal year for the automotive sector where it will be crucial, for the survival of the sector itself, to find solutions for sustainable mobility with low or no environmental impact. To be ready for the challenges that await us and ride the change "*- continues Landi -*" we have appointed a new General Manager who will be proposed for appointment as CEO after the next Shareholders' Meeting of 28 April. Mr Musi"* – the Chairman continues – *"is already fully operational and has started a major restructuring and relaunch plan."* - The Chairman concludes confirming as controlling shareholder - *"the commitment to support the Group in this challenging project also taking part in the plan to the strengthen the Company equity."*

The DG Cristiano Musi adds: *"We are confident about the market outlook and the role that our Group may have in this context, but as the Chairman just said, we will have to cope with important challenges and, to address them, we must be prepared to change. We must face them with humility but also with the awareness of the potential we have. In order to be ready "*- continues Musi - *" we have already started a reorganization that aims to bring closer to the market our Group and we have established a structured and comprehensive program of initiatives, covering all the companies, to improve operational efficiency and recover margins on core business. These are measures that will enable us to significantly reduce the* *breakeven point and also to free up resources to invest in the future."* The DG Musi then noted:*" This program, freeing up resources, will allow us to better exploit the opportunities that the business of the green mobility offers. In particular, we want to consolidate our role as a leader on the LPG segment and seize all growth opportunities we see in the compressed natural gas (CNG) and liquid gas (LNG), both in Europe and, above all, globally. In addition to the segment of passenger cars"* - continues Musi - *"we see significant opportunities in the segment of light commercial vehicles fed with gas and in the Medium & Heavy Duty and special vehicles fed with natural gas, biogas and LNG. We are also developing some hydrogen solutions, convinced that this technology has significant room for growth in the future."*

With regard to other areas of business Musi highlights: *"There are good growth opportunities for Safe: there are now daily programs launched worldwide for the extension of the network of natural gas refilling station and Safe is the most recognized brand in the industry. Safe also has developed important technologies for the use of bio-methane as a solution for green mobility. At the same time "- he concludes Musi -" even 18Sound, the Group company active in the production of professional speakers, has already launched a development plan with the aim to improve margins."*

Coming to the outlook in 2017 the President Landi and Musi commented: *"2017 will be another year of transition, where the Group, and in particular the automotive sector, will focus on 'implementation of the recovery plan, but we still expect a slight sales growth and a recovery in margins, especially from 4Q while* "- continued - *"the fruits of the recovery work in the implementation phase will have full effect year 2018."*

Musi concludes*: "We are all aware of the responsibility we have towards all the stakeholders: the controlling shareholder, which is giving great support; the banks and bondholders, with which we are completing the operation optimization of the financial structure; the employees and the suppliers. But we are confident that the actions we are going to implement can make a real dent in our Group."*

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Consolidated Financial Results highlights

Income statement

M€	FY 2016	FY 2015	Delta M€	Delta %
Revenues	**184.2**	**205.5**	**-21.3**	**-10.4%**
EBITDA Adj.	**2.7**	**5.8**	**-3.1**	**-52.5%**
% on Revenues	*1.5%*	*2.8%*		
EBITDA	**-2.9**	**-1.3**	**-1.6**	**n.a.**
% on Revenues	*-1.6%*	*-0.6%*		
EBIT	**-18.9**	**-26.9**	**8.0**	**29.7%**
% on Revenues	*-10.3%*	*-13.1%*		
Financials	-4.2	-5.8	1.6	-27.1%
EBT	**-23.1**	**-32.7**	**9.6**	**29.2%**
Taxes	-2.9	-2.9	0.0	n.a.
Net Income	**-26.0**	**-35.6**	**9.6**	**26.9%**

Consolidated revenues totalled 184.2€ million, compared with 205.5€ million in FY15: this result was achieved in a scenario marked by challenging conditions in several markets, particularly in the American area, somehow related to the persistent low level of the oil price.

Revenues from the *Automotive* business totalled 143.3€ million (78% of total), compared to 161.7€ in FY15; revenues from the *Gas Distribution SAFE* were equal to 24.1€ million (13% of total), compared to 23,3€ million in FY15. *Other Businesses* (including *Alarms, Audio, Oil&Gas*) totalled 16.8€ million (9% of total), compared to 20.5€ million in FY15.

The reduction in revenues of the *Automotive business* is primarily a consequence of the decrease in the After Market segment and a temporary slowdown in the OEM segment in Italy and Europe, due to the switch from Euro V to Euro VI engines. The decrease of the *Other Businesses* is primarily attributable to the Oil&Gas segment sales.

The 79.1% of revenues were generated outside Italy (vs 79.7% in FY15), confirming the strong international mind-set that has always characterised the Landi Renzo Group.

The revenue contribution by geographic area is as follows: Italy 20.9% (vs 20.3% in FY15); rest of Europe 45.3% (vs 41.0% in FY15); America 16.7% (vs 21.1% in FY15); Asia and the Rest of the World 17.1% (vs 17.6% in FY15). The performance of the American area, particularly in the After Market segment, was not homogeneous, characterized by Countries performing above (e.g. Brazil) and below (e.g. US, Colombia, Bolivia and Argentina) expectations.

Adjusted EBITDA amounted to 2.7€ million (5.8€ million in FY15): the change is mainly due to a volume effect in the Automotive business, greater price pressure as well as a less favourable product mix for the After Market segment, which has higher margins, in the period.
EBITDA was negative at 2.9€ million, including non-recurring expenses -

EBIT was negative at 18.9€ million (a reduction from a loss of 26.9€ million in FY15).

A loss before taxes of 23.1€ million was recorded (compared with a loss of 32.7€ million in FY15).
A net loss of 26€ million was recorded (a loss of 35.6€ million in FY15).

Net financial position

M€	FY 2016	FY 2015
Cash and cash equivalents	**16.5**	**38.4**
Short-term debts	-41.1	-51.2
Long-term debts	-19.7	-13.4
Bond	-31.4	-33.1
Total Gross Debt	**-92.2**	**-97.7**
Net Financial Position	**-75.7**	**-59.5**

Net debt was 75.7€ million compared to 87.1€ million at Q316 and 59.5€ million at FY15.

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Significant events occurred in 2016 and after the year close, impacting on the 2017 outlook

December 2016 - The Group has appointed **Mr. Cristiano Musi as GM and CEO Elect**.

January 2017 - The Group has launched a **new organization structure for the "Automotive Business"**, aimed at exploiting all the full potential of different segments: OEM, AM and Electronic Equipment with the aim of bringing the Group to the market, improve the ability to meet the different requirements of customers, reduce time to market, and in general, to align the efficiency level of the Automotive business to the market best practices.

February 2017 - The Group has **launched a structured and extensive program of initiatives**, involving the whole Company, **to improve the operational efficiency and recover the marginality on the core business.** An action plan has been spotted to intervene significantly on reducing the breakeven and to improve the operating leverage, with the identification of a series of interventions on the cost structure, both on fixed costs and on variable costs of the product, with the aim to align them with the international automotive best practices. The project includes a review of the production footprint and processes, sourcing & procurement strategies and supply chain at international level, as well as actions on the general cost structure. In order to start quickly the improvement plan and "EBITDA Improvement" it has been given a mandate to a leading consultancy firm, which is joining the Group in the preparation and implementation of an action plan. **Concrete benefits on the P&L are expected from the Q4 2017, with full benefits from 2018.**

March 2017 - The Group has **renegotiated the debt with banks**, with a new debt maturity that allows the Group to implement its new strategy.

Given the set of launched actions, the Group **expects moderate business growth and marginality recovery at EBITDA adj. level already in 2017**. The trend on sales and order intake in Q1 2017 confirm the FY17 outlook.

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Main 2016 results of Landi Renzo S.p.A.

Landi Renzo S.p.A. totalled 72.8€ million of revenues, down by 11.7% compared to previous year. The EBITDA was negative at 9.1€ million (negative at 10.8€ million in FY15) after non-recurring expenses of 5.6€ million. EBIT was negative 17.8€ million (negative at 21.7€ million in FY15). A Net Loss of 29.0€ million was recorded (a loss of 37.7€ million in FY15).

Net indebtedness was negative at 71.6€ million, and negative 60.3€ million at FY15.

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Financial structure optimization plan

Today, the Company and its subsidiaries AEB S.p.A., Eighteen Sound S.r.l., SAFE S.p.A., Lovato Gas S.p.A., Emmegas S.r.l. and Sound & Vision S.r.l. signed with the lending banks an optimization agreement of the Group's financial structure (the "Optimization Agreement") with the exception of a bank, engaged only for the short term, that will end its approval process in time for the publication of the draft statutory financial statement and consolidated financial statement of the Company as at 31 December 2016. The Company is not, as of today, aware of facts and events that may lead to believe that there are grounds for refusal of the successful conclusion of the authorization process and the subsequent signing of this Optimization Agreement by this last bank.

The Optimization Agreement, in line with the project to optimize the financial structure of the Group, sets the postponement of the debt maturity date of the Company and of the other signing companies of the Group in 2022, the rescheduling of repayments through the provision of instalments of increasing amount, consistent with the cash generation targets of the Business Plan, the reshaping of the financial ratio more in line with the business outlook and the Group's projected cash in. Furthermore it sets the confirmation short-term lines according to terms and ways of Optimization Agreement and in an amount that is in line with the needs sets in the Industrial Plan.

In parallel with the signing of the said Optimization Agreement, the controlling shareholders have undertaken to carry out within the effective date of the Optimization Agreement, an advance payment for a future capital increase or for a capital increase in the parent Company's share capital totalling Euro 8,866,500. As a further measure of equity strengthening, the Optimization Agreement provides that by 31 December 2018 an increase of the share capital must be executed by a total amount of EUR 15,000,000 that, as far as for the portion attributable to the controlling shareholders, will run through the conversion of the said payment for a future capital increase.

Finally, we note that was convened for March 30, 2017 on first call and for 31 March 2017 on second call the General Meeting of Bondholders of bond known as "LANDI RENZO 6.10% 2015-2020" to deliberate some amendments to the Loan Regulation to align some provisions of the same in terms of the agreement Optimization.

In particular, as better illustrated in the documentation available on the Company's website, the proposed amendments relate to, among other things: the rescheduling of the repayment with instalments of rising amount and in line with the Optimization Agreement; the reshaping of the financial covenants in line with the expected results of the Business Plan; a temporary decrease in the interest rate from the current 6,10% to 5.50% on an annual basis for the period starting from the payment date of 30 April 2017 till the payment date that falls on 30 June 2019.

As of today, the Company is not aware of facts and events that may lead to believe that there are grounds for refusal of a favourable resolution of Bondholders.

It follows therefore that the Company does not consider that there is, as of today, facts or elements which could make critical the adoption of the going concern basis as the underlying principle of the consolidated financial statements drafting process.

In structuring and in the negotiation of the financial Optimization Agreement the Company was advised by Mediobanca - Banca di Credito Finanziario S.p.A., acting as financial advisor and Clifford Chance as legal advisor.

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Proposal to renew authorisation to purchase and sell treasury shares

The Board of Directors resolved to request authorisation from the Shareholders' Meeting to renew the programme to purchase and/or sell treasury shares after revocation of the resolution passed by the shareholders on 29 April 2016, in order to:

(a) have treasury shares to use: (i) for stock option plans for executive directors, employees, including managers and staff of the Company and its subsidiaries, (ii) for the issue of bonds convertible into shares of the Company, (iii) effectively use Company liquidity;
(b) provide a stabilising action for share trends in relation to contingent market anomalies, improving share liquidity, while complying with national and EU laws and regulations.

The main characteristics of the proposed programme are: an 18-month duration starting from the date when the Shareholders' Meeting adopts the relative resolution; a maximum number of ordinary shares of an overall nominal value, including shares held by the Company and subsidiaries, that does not exceed one fifth of the entire capital to acquire at a price which is not less or more than 20% the benchmark price registered for the share on the trading day prior to each single purchase and, in any case, at a price not higher than the highest price between the price of the last independent transaction and the offer price of highest current independent purchase in the trading venue where the purchase is made, even when the shares are traded in different trading venues. Treasury shares will be purchased in compliance with national and EU laws and regulations, according to various methods: (i) public purchase offer or exchange, (ii) on regulated markets, (iii) the purchase or sale of derivatives with the physical delivery of underlying shares, or (iv) the assignment of sales options to shareholders. Each single sale shall be for an amount that is not less or more than 20% the benchmark price registered in the session prior to the sale.

In 2016, the Parent Company did not trade either treasury shares or Parent Companies' shares and, at present, does not hold treasury shares or Parent Company's shares. Subsidiaries do not hold Parent Company's shares.

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Other resolutions of the Board of Directors

The Board of Directors also approved the 2016 *Corporate Governance and Ownership Structure Report* and the 2017 *Remuneration Report;*

The Board of Directors also approved to propose to increase the number of board members from eight to nine and to appoint a Director, the current general manager, Mr Cristiano Musi, without prejudice to compliance with the minimum requirements for the number of independent directors and with the balance between genders.

The Board resolved to call the Ordinary Meeting of Shareholders for **28 April 2017,** on single call, at **9:00**

hours, at the Company headquarters in Cavriago (Reggio Emilia), Località Corte Tegge, Via Nobel 2/4, to discuss and resolve on the following agenda:

1. 1.1 Financial Statements at 31 December 2016, Directors' Report on Operations, Report of the Board of Statutory Auditors and Report of the Independent Auditors; relative resolutions; 1.2 resolution on draft Net Profit/Loss; relative resolutions

2. Resolution on the first section of the Remuneration Report pursuant to article 123-ter, paragraph six of Italian Legislative Decree no. 58 of 24 February 1998, as amended and relative resolutions;

3. Authorisation for the purchase and sale of treasury shares, subject to withdrawal of the resolution passed by the Shareholders' Meeting of 28 April 2016, for the portion not used; relative resolutions.

4. 4.1 Proposal to increase the members of the Board of Directors from eight to nine; 4.2 Appointment of a Director; 4.3 Resolution on remuneration; relative resolutions.

The notice calling the Shareholders' Meeting will be published according to applicable laws and regulations.

Paolo Cilloni, in his capacity as Financial Reporting Officer in charge of the preparation of the Company's accounting documents, declares, pursuant to Section 2 of Article 154 bis of the Italian Uniform Financial Code, that the information contained in this press release corresponds to the accounting documents, books and entries

This press release is a translation. The Italian version will prevail

Tuesday 28 March 2017, at 9 AM CET, the Group Top Management will hold a teleconference. Connection details and a presentation will be available on the Company website www.landirenzogroup.com in the Investor Relations section the same day at 8 AM CET.

Landi Renzo is a world leader in LPG and natural gas fuel systems and components for motor vehicles. The Company, based in Cavriago (Reggio Emilia) with 60 years' experience in the field, stands out for its international scope, operating in more than 50 countries, with international sales accounting for around 80% of total sales. Landi Renzo has been listed on the STAR segment of the Italian Stock Exchange since June 2007.

For further information:

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Consolidate Financial Statements

(thousands of Euro)

INCOME STATEMENT	31/12/2016	31/12/2015
Revenues (goods and services)	184,242	205,522
Other revenue and income	1,217	1,883
Cost of raw materials, consumables and goods and change in inventories	-94,236	-100,439
of which non-recurring	*-1,000*	*0*
Costs for services and use of third party assets	-51,601	-58,483
of which non-recurring	*-2,345*	*-1,296*
Personnel expenses	-36,364	-43,854
of which non-recurring	*0*	*-3,058*
Accruals, impairment losses and other operating expenses	-6,160	-5,913
of which non-recurring	*-2,300*	*-2,700*
Gross Operating Profit	**-2,902**	**-1,284**
Amortization, depreciation and impairment losses	-16,018	-25,617
of which non-recurring	*0*	*-10,178*
Net Operating Profit	**-18,920**	**-26,901**
Financial income	117	412
Financial expenses	-5,161	-4,966
Gains (losses) on exchange rate	904	-930
Gains (losses) on equity investments consolidated using the equity method	-66	-288
Profit (Loss) before tax	**-23,126**	**-32,673**
Current and deferred taxes	-2,878	-2,914
Profit (loss) of the period for the Group and minority interests, including:	**-26,004**	**-35,587**
Minority interests	-759	-299
Profit (Loss) of the period for the Group	-25,245	-35,288
Basic earnings (loss) per share (calculated on 112,500,000 shares)	-0.2244	-0.3137
Diluted earnings (loss) per share	-0.2244	-0.3137

(thousands of Euro)

ASSETS	31/12/2016	31/12/2015
Non-current assets		
Property, plant and equipment	30,500	35,364
Development expenditure	8,420	8,404
Goodwill	30,094	30,094
Other intangible assets with finite useful lives	20,359	22,696
Equity investments consolidated using the equity method	43	109
Other non-current financial assets	664	574
Deferred tax assets	6,887	7,615
Total non-current assets	**96,967**	**104,856**
Current assets		
Trade receivables	37,551	33,764
Inventories	49,872	57,528
Contract works in progress	1,281	2,904
Other receivables and current assets	10,082	16,347
Cash and cash equivalents	16,484	38,264
Total current assets	**115,270**	**148,807**
TOTAL ASSETS	**212,237**	**253,663**

(thousands of Euro)

EQUITY AND LIABILITIES	31/12/2016	31/12/2015
Group shareholders' equity		
Share capital	11,250	11,250
Other reserves	59,400	95,428
Profit (loss) of the period	-25,245	-35,288
Total equity attributable to the shareholders of the parent	**45,405**	**71,390**
Minority interests	-323	425
TOTAL EQUITY	**45,082**	**71,815**
Non-current liabilities		
Non-current bank loans	18,687	11,935
Other non-current financial liabilities	22,812	1,468
Provisions for risks and charges	8,973	8,059
Defined benefit plans	3,124	3,313
Deferred tax liabilities	514	527
Total non-current liabilities	**54,110**	**25,302**
Current liabilities		
Bank overdrafts and short-term loans	40,662	50,797
Other current financial liabilities	10,039	33,523
Trade payables	53,090	58,351
Tax liabilities	2,604	4,990
Other current liabilities	6,650	8,885
Total current liabilities	**113,045**	**156,546**
TOTAL EQUITY AND LIABILITIES	**212,237**	**253,663**

(thousands of Euro)

STATEMENT OF CASH FLOWS	31/12/2016	31/12/2015
Cash flow from operating activities		
Profit (Loss) of the period	-26,004	-35,587
Adjustments for:		
Depreciation	8,522	8,463
Amortization of intangible assets	7,191	6,966
Imperment losses on intangible assets	305	10,178
impairment loss on trade receivables	1,985	800
Net finance costs including forex exchange	4,140	5,484
Income tax for the year	2,878	2,914
	-983	**-782**
Changes in:		
inventories	9,279	5,427
trade and other receivables	1,717	3,345
trade and other paybles	-10,900	-1,281
provisions and employee benefits	598	2,850
Cash generated from operating activities	**-289**	**9,559**
Interest paid	-4,754	-4,233
Interest received	56	314
income taxes paid	-1,117	-1,455
Net cash flow from (for) operating activities	**-6,104**	**4,185**
Cash flow from investing activities		
Proceeds from sale of property, plant and equipment	166	228
Affiliates consolidated using the equity method	66	72
Acquisition of property, plant and equipment	-4,412	-9,053
Acquisition of intangible assets	-418	-1,108
Development expenditure	-4,546	-5,362
Net cash used in investing activities	**-9,144**	**-15,223**
Cash flow from financing activities		
Net proceeds on the bond issue	0	33,098
Bond repayments	-2,040	0
Disbursements (reimbursement) of medium/long-term loans	-17,320	4,200
Change in short-term bank debts	13,837	-18,641
Net cash from (used in) financing activities	**-5,523**	**18,657**
Net increase (decrease) in cash and cash equivalents	**-20,771**	**7,619**
Cash and cash equivalents as at 1 January	38,264	31,820
Effect of exchange rate fluctuations on cash held	-1,009	-1,175
Cash and cash equivalents at the end of the period	**16,484**	**38,264**

Landi Renzo S.p.A. – Parent Company Financial Statements

(Euros)

INCOME STATEMENT	31/12/2016	31/12/2015
Revenues (goods and services)	72,818,797	82,452,280
Other revenue and income	640,308	902,104
Cost of raw materials, consumables and goods and change in inventories	-39,620,622	-44,380,128
non recurring	*-1,000,000*	
Costs for services and use of third party assets	-22,956,348	-25,902,727
non recurring	*-2,345,010*	*-1,242,222*
Personnel expenses	-16,453,241	-20,316,165
non recurring	*0*	*-1,790,265*
Accruals, impairment losses and other operating expenses	-3,571,541	-3,594,266
non recurring	*-2,300,000*	-2,700,000
Gross Operating Profit	**-9,142,647**	**-10,838,903**
Amortization, depreciation and impairment losses	-8,705,745	-10,844,667
non recurring	*0*	-2,547,561
Net Operating Profit	**-17,848,392**	**-21,683,570**
Financial income	30,897	111,071
Income from investments	1,112,693	275,000
Financial expenses	-4,041,953	-3,754,705
Expenses from investments	-9,161,915	-12,158,734
Exchange rate gains (losses)	379,366	555,035
Profit (Loss) before tax	**-29,529,304**	**-36,655,903**
Taxes	543,443	-1,046,287
Profit (loss) for the year	**-28,985,861**	**-37,702,190**

(Euros)

ASSETS	31/12/2016	31/12/2015
Non-current assets		
Property, plant and equipment	18,992,782	22,065,561
Development expenditure	5,822,036	6,170,928
Goodwill Other intangible assets with finite useful lives	657,850	963,084
Investments in subsidiaries	102,383,265	103,076,335
Equity investments in associated companies and joint ventures	214,958	280,794
Other non-current financial assets	340,274	6,128,235
Other non-currant assets	1,066	71,292
Deferred tax assets	8,102,793	8,143,970
Total non-current assets	**136,515,024**	**146,900,199**
Current assets		
Trade receivables	10,360,249	7,408,585
Receivables form susbsidiaries	7,274,896	9,612,948
Inventories	14,412,905	18,923,621
Other receivables and current assets	2,091,214	4,049,868
Cash and cash equivalents	4,185,332	14,668,191
Total current assets	**38,324,596**	**54,663,213**
TOTAL ASSETS	**174,839,620**	**201,563,412**

(Euros)

EQUITY AND LIABILITIES	31/12/2016	31/12/2015
Equity		
Share capital	11,250,000	11,250,000
Other reserves	61,857,026	99,616,303
Profit (loss) of the period	-28,985,861	-37,702,190
TOTAL EQUITY	**44,121,165**	**73,164,114**
Non-current liabilities		
Bank loans	13,653,090	6,820,149
Other non-current financial liabilities	25,861,927	1,467,786
Provisions for risks and charges	6,313,602	5,076,042
Defined benefit plans	1,471,069	1,685,242
Total non-current liabilities	**47,299,688**	**15,049,219**
Current liabilities		
Bank overdrafts and short-term loans	26,572,038	39,331,906
Other current financial liabilities	10,033,054	33,517,342
Trade payables	23,631,251	25,506,986
Payables to subsidiaries	19,951,986	10,566,579
Tax liabilities	829,577	924,080
Other current liabilities	2,400,861	3,503,186
Total current liabilities	**83,418,767**	**113,350,079**
TOTAL EQUITY AND LIABILITIES	**174,839,620**	**201,563,412**

(thousands of Euro)

STATEMENT OF CASH FLOWS	31/12/2016	31/12/2015
Cash flow from operating activities		
Profit (Loss) of the period	-28,986	-37,702
Adjustments for:		
Depreciation	4,810	4,361
Amortization of intangible assets	3,896	5,975
Imperment losses on intangible assets	777	124
impairment loss on trade receivables	3,632	3,089
Net finance costs including forex exchange	8,049	11,884
Income tax for the year	543	-1,046
	-7,279	**-13,316**
Changes in:		
inventories	4,511	3,023
trade and other receivables	6,431	8,136
trade and other paybles	3,302	-2,883
provisions and employee benefits	966	2,819
Cash generated from operating activities	**7,931**	**-2,221**
Interest paid	-3,448	-3,300
Interest received	13	49
Net cash flow from (for) operating activities	**4,496**	**-5,471**
Cash flow from investing activities		
Dividend Cash	1,113	275
Proceeds from sale of property, plant and equipment	154	625
Increase in capital of subsidiaries company		-305
Acquisition of property, plant and equipment	-1,891	-5,854
Acquisition of intangible assets	-223	33
Development expenditure	-3,018	-3,844
Net cash used in investing activities	**-3,865**	**-9,070**
Cash flow from financing activities		
Net proceeds on the bond issue	0	33,098
Bond repayments	-2,040	0
Disbursements (reimbursement) of medium/long-term loans	-17,201	453
Change in short-term bank debts	8,127	-16,121
Net cash from (used in) financing activities	**-11,114**	**17,430**
Net increase (decrease) in cash and cash equivalents	**-10,483**	**2,889**
Cash and cash equivalents as at 1 January	14,668	11,779
Cash and cash equivalents at the end of the period	**4,185**	**14,668**