Financial Statements

31 December 2013

I N D E X

1. DIRECTORS' REPORT ON OPERATIONS, ACCOMPANYING THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2013

Dear Shareholders,

The financial statements hereby submitted for your review and approval provide a faithful representation of the Company's current situation.

They report a net profit of Euro 9,898 thousand after depreciation and amortisation of Euro 3,709 thousand, allocations of Euro 1,365 thousand to provisions for risks and accruals to the income tax provision of Euro 3,226 thousand.

The results for the year were boosted by dividends totalling Euro 6,588 thousand from subsidiaries and associates (against Euro 6,859 thousand in 2012). These dividends were paid mainly by subsidiaries Rosetti Kazakhstan Llp (Euro 5,962 thousand), Basis Engineering Srl (Euro 540 thousand) and Rosetti Imstalcom Llp (Euro 80 thousand).

Bearing in mind the heightening economic crisis that has stricken the global economy in the last few years and which has had a particularly severe impact on Italy, we believe that the result now reported can only be considered satisfactory and reflects the dedication shown by all Company personnel who deserve our and your gratitude.

We provide below an overview of the Company's operating performance and details of foreseeable future developments.

OPERATING PERFORMANCE

The year ended 31 December 2013 was characterised by a healthy increase in value of production (Euro 337 million in 2013 against Euro 267 million in 2012), mainly in relation to the Oil & Gas Business Unit.

The higher value of production in the Oil & Gas sector was mainly due to important contracts acquired in prior years for the construction of large platforms (especially West Franklin and Elgin for Total UK, as destined for the North Sea).

The significant increase in value of production was not reflected in higher profits. This was due to market trends with increased competition and greater attention by clients to cost containment and also the time saving measures that were undertaken in order to respect the scheduled delivery dates for two important platforms.

We also note that, once more in 2013, a significant portion of our volume of business was generated by our activities outside Italy. In recent years, these activities in other countries have been decisive in helping the Company achieve positive results.

A selection of the key performance indicators is shown below:

	31.12.13	31.12.12
G.I.P. (in thousands of Euro)	337,560	267,289
(A1+A2+A3 of the income statement)		
EBITDA (in thousands of Euro)	6,791	12,909
(A+B-10-12-13 of the income statement)		
EBITDA / GIP	2.01%	4.83%
EBIT (in thousands of Euro)	1,717	6,138
(A+B of the income statement)		
EBIT / GIP	0.51%	2.30%
Gross profit (in thousands of Euro)	13,124	11,712
(item 22 of the income statement)		
Gross profit / GIP	3.89%	4.38%
Net profit (in thousands of Euro)	9,898	9,742
(item 23 of the income statement)		
Net profit / GIP	2.93%	3.64%
R.O.E. (Net profit / Opening Shareholders equity)	6.50%	6.82%

We note that in 2013, as in prior year, the fact that the timing of operating activities was different than planned meant that the Company had to extend major hedging agreements entered into after acquiring contracts in foreign currency. Consequently, it recorded significant forex gains and losses in the Income Statement (in 2013 gains of Euro 3,440 thousand and, in 2012, losses of Euro 3,746 thousand) with the result that key performance indicators were somewhat distorted. If said forex gains/losses had been recorded under value of production, both EBIT and EBITDA would have shown much smaller decreases compared to prior year.

An analysis of the various business segments in which the Company operates is provided below. Please refer to the Notes to the Financial Statements for more detailed analysis of the numbers themselves:

Oil & Gas Business Unit

With gross internal product of around Euro 279 million in 2013 (Euro 186 million in 2012), the construction of offshore platforms was

confirmed as the Company's main operating segment.
During 2013, the Company was strongly committed to work on the completion of orders acquired in previous years, most of which have to be delivered during the coming year. It also commenced work on orders acquired during the year.
Specifically, during the year, the Company completed and delivered a gas treatment module and two jackets for the recovery of the Costa Concordia cruise liner. It also completed revamping works on a platform off the Libyan coast.
During the year, the Company acquired contracts worth a total of Euro 99 million mainly regarding the production of two platforms to be installed on the Adriatic Sea and an EPMS (Engineering, Procurement, Management, Services) service contract which includes the conversion of a mobile drilling platform into an oil production platform.
However, we must note that the level of new orders was unsatisfactory and fell short of budget. This was the result of lower investment by Oil Companies as triggered by a fall in consumption levels and, above all, a large increase in production costs.
The increased in production costs for the realisation of new products drove the Oil Companies to prefer Brown Field activities in relation to existing platforms thus keeping production at a healthy level without the need for the same massive investment.
During the year, the Company was strongly committed to this type of activity as we believe it offers an interesting opportunity to diversify into a sector which offers healthy profit levels.

Shipbuilding Business Unit
Shipbuilding contributed value of production of around Euro 57 million in 2013 (Euro 81 million in 2013).
In 2013, the business unit completed work on several contracts (regarding three Supply Vessels) while work continued on the construction of a Supply Vessel and an Anchor Handling Supply Vessel, orders for which were acquired in prior years.
In 2013, we did not manage to increase our order backlog. The current period of difficulty for Italian shipping companies – for years, our best clients – due to over exposure on struggling markets (other

than the offshore industry), together with increasing difficulty in raising new finance, have led to the cancellation or postponement of their investment programs. For this reason, we have decided to invest in sales and marketing activities towards foreign shipping companies which continue to have interesting investment plans.

CAPITAL EXPENDITURE

In 2013, the Company incurred capital expenditure totalling Euro 4,382 thousand with Euro 329 thousand invested in intangible assets, Euro 3,978 thousand in tangible assets and Euro 75 thousand in equity investments.

The main investments in intangible assets regarded the purchase and implementation of software primarily intended to control and plan certain business processes and prevent the loss of archived electronic data.

Investments in tangible assets regarded all three Parent Company production sites and aimed to improve production facilities and infrastructure. They included the purchase of a second 500 tonne Terex crawler crane (a similar crane was delivered in 2012), completion of a new office building at the Piomboni Yard and a new hydraulic trailer for the San Vitale yard.

The level of capital expenditure confirms the Company's commitment to becoming ever more competitive while operating safely and respecting the environment.

EQUITY INVESTMENTS

Direct investments in subsidiaries and associated companies underwent the following changes in 2013:

- Incorporation of Rosetti UK Ltd, a company with its registered office in Aberdeen (Scotland) and subscription of 100% of share capital for a total amount of around Euro 120;
- Incorporation of Roship Ltd, a company with its registered office in Aberdeen (Scotland) and subscription of 100% of share capital for a total amount of around Euro 120;
- Incorporation of Fores Do Brasil Ltda, company with its registered office in Rio De Janeiro (Brazil) and subscription of 25% of share capital (The remaining 75% was subscribed by subsidiary Fores

Engineering) for an amount of around Euro 75 thousand;
- Partial disposal of investment in subsidiary Rosetti Kazakhstan Llp with the sale of 10% of share capital to subsidiary Fores Engineering Srl for Euro 712 thousand.

The subsidiaries continue to operate on their respective markets with results that we consider satisfactory, while also carrying out the mission assigned to them and striving to increase their level of integration with the Parent Company and with other Group companies when this is required by contracts for complex multi-purpose facilities. A detailed analysis of the income statement/financial results of the subsidiaries/associates is provided in an attachment to the Notes and in the Consolidated Financial Statements. At this point, we would recall that the subsidiaries and associated companies (both direct and indirect) have operated in the following segments:
- Fores Engineering S.r.l., Fores Engineering Algerie Eurl and Fores Engineering Kazakhstan Llp: design, construction and maintenance of automation and control systems;
- Basis Engineering S.r.l. and Tecon S.r.l.: engineering companies mainly involved in multi-disciplinary design of oil and petrochemical facilities;
- Rosetti Imstalcom Llp (in liquidation), Rosetti Doo, Lenac Rosetti Adria Doo (in liquidation), Rosetti Libya Jsc, Rosetti Egypt Sae (in liquidation), Kazakhstan Caspian Offshore Industries Llp, Rosetti Kazakhstan Llp, Unaros Fzc, Rosetti Marino Mocambique Ltd and Rosetti UK: construction of offshore and onshore oil facilities;
- Rosetti General Contracting Lda and Roship Ltd: ship rental/charter.

FINANCIAL SITUATION

For a more detailed analysis of cash flows during the year, please see the statement of cash flows included in an attachment to the financial statements.

At this point, we would highlight the fixed asset coverage ratio (amply financed through equity) and the positive net financial position.

We note that, during the year, the Company approved another loan of up to Euro 11.6 million (Euro 4.5 million disbursed at 31/12/2013) to associated company Kazakhstan Caspian Offshore Industries LLp to provide it with the financial resources needed for a second phase of investment in the construction yard in Kazakhstan. This loan is in addition to the one made in previous years which still has an outstanding balance of around Euro 21.8 million.

Some of the most important financial and equity ratios are shown below:

	31.12.13	31.12.12
Short-term NFP (in thousands of Euro)	40,249	39,124
(C.IV of Assets – D.4 current of Liabilities)		
Asset coverage margin (in thousands of Euro)	70,526	67,011
(M/L term liabilities + total equity – fixed assets)		
Asset coverage ratio	1.72	1.72
(M/L term liabilities + total equity / fixed assets)		
Financial independence index	46.43%	38.97%
(Total equity/ total assets)		
Ratio of financial income(expense) to GIP	+1.25%	+0.81%
(Items 16+17+17bis of the income statement / GIP)		

Moving onto the financial risks relating to trade receivables, we note that the Company operates primarily with longstanding clients, including leading oil companies or their subsidiaries and leading Italian shipping companies. Given the longstanding relationships with clients and their financial soundness, no specific guarantees are required for receivables from clients. Nonetheless, it should be noted that, as the Company tends to operate on a few, very large contracts, its receivables are highly concentrated on a small number of clients. Given this fact, it is common practice before acquiring an order, to conduct a thorough assessment of the financial impact of that order and a prior evaluation of the client’s financial situation and to continue to monitor outstanding receivables thoroughly during the execution of the work.

The Company does not have bank borrowing and has obtained an excellent rating from the banks with which it deals. Accordingly, there are no difficulties in raising financial resources or risks associated with interest rate fluctuation.

The Company is exposed to the exchange rate risk as a result of its operations on international markets. In order to protect itself against this risk, as in previous years, the Company has arranged exchange rate risk hedging transactions when it has acquired significant orders from clients in foreign currencies and issued significant orders to suppliers in foreign currencies. As at 31 December 2013, the Company had GBP 10,059 thousand and USD 115,772 thousand of outstanding forward sale contracts with various banks as hedges for orders received from clients plus NOK 63,256 thousand of outstanding forward purchase contracts as hedges for various purchase orders placed with suppliers. Most of the foreign exchange gains and losses recorded during the year are due to the need to extend hedging transactions after some contracts passed their scheduled completion date.

PERSONNEL

The skill and professionalism of personnel constitutes an extremely important intangible asset for the Company.

Therefore, during the year, the Company invested an amount equal to 2.40% of its personnel costs on training activities that involved many employees. This figure confirms the special attention that has always been paid to the professional development of human resources as we believe that people represent an essential resource for the continued success and development of the Company.

At 31 December 2013, the headcount stood at 432 employees (plus 4 employees currently seconded to foreign subsidiaries and associated companies), a 33 employee increase on prior year. Some 404 persons are employed at our business locations in Italy while 28 more people work at our Tunisian branch. Ten employees left the workforce during the year due to natural turnover while 50 more left after their fixed-term employment contracts expired. 85 new employees were hired and while there was a reduction of eight in the number of Italian employment contracts suspended to enable personnel to be hired by foreign subsidiaries and associated companies during temporary secondment periods.

Due to the type of business conducted, the risk of accidents, including potentially fatal accidents, is high. For this reason, the Company has always devoted particular attention to safety issues by adopting a series of internal procedures and educational measures aimed at preventing such events. All production facilities have been certified compliant with the BS-OHSAS18001 standard and we continue to promote initiatives aimed at further spreading a culture of safety among all internal and external workers who operate at our Italian and international production facilities.

OTHER INFORMATION ON OPERATIONS

As expressly required by Article 2428 of the Italian Civil Code, we report the following while referring the reader to the Notes for further information on the numbers reported:

Information on business risks

The inherent risks involved in the business activities of the Company are those typical of enterprises that operate in the plant engineering and shipbuilding segments.

The responsibilities resulting from the design and construction of our products and the risks associated with normal operating activity are dealt with in advance by devoting adequate attention to such aspects when developing processes and implementing adequate organisational procedures, as well as by acquiring adequate insurance cover on a precautionary basis.

The potential risks pertaining to financial, environmental and workplace safety issues and an analysis of the uncertainties relating to the particular economic environment have been reviewed in advance and appropriate measures adopted, as described in the "Financial situation", "Information on the environment", "Personnel" and "Business outlook" paragraphs.

Activities relating to Legislative Decree 231/11 on administrative responsibility

For 2013, the Supervisory Board has duly issued Six Monthly Reports on its activities in the first and second halves of the year. The Board of Directors has acknowledged these reports which do not contain any facts or issues worthy of note.

Information on the environment

The Company constructs large metal structures whose manufacture involves limited environmental risks, mainly during the painting and sandblasting phases. Although these risks are limited, they are

thoroughly assessed and evaluated by the unit responsible.
The attention paid to environmental issues is borne out by the fact that the Parent Company has been certified compliant with international standard ISO14001 for many years.

Research and development

Research and development is carried out by the specific Business Development unit which incurred costs totalling Euro 628 thousand. These activities have involved the study of new products and new technologies, relating in particular to hydrogen production and a new project regarding a hybrid propulsion tugboat. These research activities could produce significant benefits for the Company which may enjoy the opportunity of entering new areas of the market by studying innovative processes and developing new operating methods.

Other business locations

In addition to the headquarters in Via Trieste, Ravenna (site of the Company offices and pre-fabrication workshops), the Company's activities have taken place at the following locations:

- Piomboni Yard (Marina di Ravenna): construction/assembly of structures for the Oil & Gas sector;
- San Vitale Yard (port of Ravenna): Shipbuilding activities;
- Milan Offices (premises of subsidiary Basis Engineering): engineering design of Oil & Gas sector projects;
- Tunisia Branch: revamping of a platform for a Tunisian client;
- Libya Branch: revamping of two platforms for a Libyan client.

Intra-Group relations

As you are aware, the Company heads an industrial group including many companies, some of which (Fores Engineering Srl, Basis Engineering Srl, Rosetti Doo, Rosetti UK, Rosetti General Contracting Lda, Rosetti Kazakhstan Llp, Rosetti Marino Mocambique Ltd, Rosetti Egypt Sae and Rosetti Libya Jsc) are under the direct control and coordination of the Company.
The Group companies enter into industrial, commercial and financial transactions (exchanges of services, technical, commercial and administrative assistance plus the purchase and sale of materials, the

rental of ships, short-term loans, etc.) between themselves. These transactions take place on an arm's length basis at normal market conditions.

For a more detailed analysis of the relations between Group companies at year end and, more generally, for other information on the various activities carried out by the Companies and the transactions that took place in 2013, reference should be made to the Notes and accompanying attachments and to the consolidation financial statements provided alongside these financial statements.

Treasury share transactions

There were no treasury share transactions during the year ended 31 December 2013. Therefore, the Company still holds 200,000 treasury shares or 5.0% of its share capital.

Significant events after the reporting period

There have been no events between the reporting date and the date of writing that might have a significant impact on operating performance.

BUSINESS OUTLOOK

The order backlog comprising orders acquired but not completed at 31 December 2013 stands at around Euro 258 million.

In terms of market trends and the main commercial and operational issues in the sectors in which the Company operates, we highlight the following:

Oil & Gas Business Unit

The order backlog for this business unit stands at Euro 234 million. This cannot yet be considered satisfactory even though it covers our production capacity for much of 2014. We will have to intensify our sales initiatives during the year to restore the backlog to its usual levels so that we can look forward with confidence to 2015.

Generally speaking, taking into account the existing order backlog and ongoing negotiations for work to be performed immediately, we believe that we can achieve our budget objectives in 2014, remaining

broadly in line with the results for 2013. These results show a profit albeit not at an entirely satisfactory level.
Market indices for the Upstream Oil & Gas segment are generally healthy and confirm that oil companies' investment plans are set to grow at a rate of 3% per annum on a global level. Even though much of this investment will be concentrated in geographical areas and types of plant and equipment where we do not traditionally operate, the growth prospects for our business remain positive and this is also confirmed by the number of bids that have been submitted in recent months or which are currently being put together.
We must, however, highlight a general lengthening of the decision making process for practically all Oil Companies with regard to carrying out planned investment. We believe that this situation is due to the difficult economic situation in almost all western countries, leading to reduced energy consumption, but also to the geopolitical situation in a number of important hydrocarbon producing countries/areas. These countries are undergoing a period of great instability and the climate is not right for ever more costly projects.
We believe that the strong market positioning achieved in the North Sea with major oil companies like Shell, Conoco and Total offers us interesting opportunities in that part of the world. Consequently, also for commercial purposes, we have decided to maintain our presence in Aberdeen where we have set up a base of operations for hook-up works on the West Franklin and Elgin B platforms, as produced on behalf of Total. For operational purposes, we confirm the need to maintain collaboration agreements with a local yard so that we can service the area at competitive costs which our Ravenna yard is unable to offer because of the high level of transportation and logistics costs.
There are also a real possibility that we will be able to acquire important business from traditional clients like Edison – in the Italian offshore segment – and ENI from which we are waiting to receive the documentation for competitive tenders for several platform for offshore fields in the Congo.
Furthermore, we must highlight the major effort made during the final months of last year and during the current year to internationalise the activities of the Company. Particular attention has been paid to a

number of geographical areas where we plan to establish a commercial and strategic operational presence. In particular, we are currently evaluating several opportunities to enter into joint ventures with local partners in Ghana and in West Africa, in general. Mozambique remains a country of great interest, deserving of constant monitoring until the investment plans of Eni and Anadarko materialise in the wake of major gas deposits recently discovered.
We are also looking at opportunities that seem set to materialise in the near future in Mexico as a result of recent – but long expected – legislative reform which liberalised the Oil & Gas sector clearing the way for new investment by international operators who were previously excluded.
The Company is also strongly committed to marketing activities and to entering the Onshore segment, especially in the North African market which offers the best opportunities for projects of interest to us. We believe a highly selective approach should be maintained in relation to this relatively new type of work. Such an approach should concentrate on identifying and carrying out projects whose size and characteristics do not expose us to unforeseen risks. However, despite the large number of bids and tenders which have been submitted, we are still waiting for responses for clients, precisely because of the aforementioned delayed implementation of investment programmes.

Shipbuilding Business Unit
This sector is suffering from a severe liquidity crisis which has affected the investment plans of most shipping companies. In particular, Italian shipping companies which have always been very important clients for the Company have suffered serious financial distress as a result of both a general reduction in the flow of credit from the banks and excessive investment – almost always debt financed – in sectors other than the offshore industry which did not produce adequate returns because of the negative economic situation in recent years.
In contrast, the offshore shipping market has confirmed the positive trend seen for some years now and this encourages us to look for new clients on international markets.

At the same time, we are continuing to offer the assistance required by our clients in their search for financing solutions which can support their investments.

At present, the best prospects regard the construction of support vessels for deep-water oil fields and for sub-sea activities.

In geographical terms, the markets of greatest interest for our products are the Brazilian offshore industry, the Persian Gulf and, naturally, our constant commercial presence on the North Sea which remains a particularly healthy market.

We have also planned certain investment necessary in order to bring the San Vitale production site into line with the technical characteristics of the vessels of the future. This regards, in particular, bigger ships which will require the expansion of the shipbuilding area and the installation of new equipment.

In the shipbuilding segment, too, we believe it is reasonable to expect a recovery during the current year even though the levels of activity seen in previous years might not be achieved.

It remains prudent for us to maintain a very flexible organisational structure for the time being with additional resources ready to be integrated into the production phase as necessary.

Dear Shareholders,

The activities carried out by the Company in 2013 have generated a net profit of Euro 9,898,200.64.

We propose allocating the net profit for the year to payment of a dividend of Euro 0.50 per share while taking the remainder to the extraordinary reserve.

We note that the conditions that led to the creation, in prior years, of a reserve for unrealized exchange gains in terms of Article 2426 (8-bis) of the Italian Civil Code, have partially ceased to apply. Accordingly some Euro 46,609.95 of said reserve – which currently stands at Euro 85,677.47 – has now become distributable.

Finally, we invite you to approve the financial statements, the accounting policies applied and the accompanying directors' report.

Ravenna, 31/03/2014

For the Board of Directors
The Chairman
Medardo Ranieri

2. FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2013:

- ***Balance Sheet***
- ***Income Statement***
- ***Notes***

BALANCE SHEET (Amounts in Euro)

ASSETS	*2013*	*2012*
A) SUBSCRIBED CAPITAL NOT YET PAID	**0**	**0**
B) FIXED ASSETS AND INVESTMENTS:		
I Intangible assets:		
4) concessions, licences, trademarks and similar rights	480,512	504,716
6) assets in progress and payments on account	14,431	0
7) other intangible assets	1,366,880	1,676,124
TOTAL INTANGIBLE ASSETS	1,861,823	2,180,840
II Tangible assets:		
1) land and buildings	51,154,745	52,163,286
2) plant and machinery	7,206,285	5,045,075
3) industrial and commercial equipment	455,627	555,328
4) other tangible assets	634,236	633,312
5) assets under construction and payments on a/c	1,891,695	2,025,719
TOTAL TANGIBLE ASSETS	61,342,588	60,422,720
III Financial assets:		
1) equity investments:		
a) in subsidiaries	1,471,872	1,500,418
b) in associated companies	884,262	857,867
d) in other entities	175,421	175,421
Total equity investments	2,531,555	2,533,706
2) receivables:		
b) from associated companies	26,300,000	21,800,000
d) from others	580,088	606,336
Total receivables	26,880,088	22,406,336
4) Treasury shares	5,100,000	5,100,000
TOTAL FINANCIAL ASSETS	34,511,643	30,040,042
TOTAL FIXED ASSETS AND INVESTMENTS	**97,716,054**	**92,643,602**
C) CURRENT ASSETS:		
I Inventory:		
1) Raw, ancillary and consumable materials	350,095	577,520
3) contract work in progress	85,740,254	142,856,396
5) payments on account	7,210,951	12,862,956
TOTAL INVENTORY	93,301,300	156,296,872
II Receivables:		
1) due from clients (trade)	88,401,939	66,862,218
2) due from subsidiaries	1,508,815	4,620,928
3) due from associated companies	1,792,496	7,311,098
4-bis) tax receivables	8,634,408	9,076,738
4-ter) deferred tax assets	4,096,732	4,492,644
5) other receivables:		
- due within a year	69,651	151,327
- due after more than a year	425,030	351,785
TOTAL RECEIVABLES	104,929,071	92,866,738
III Financial assets:		
6) other securities	20,658	20,658
TOTAL FINANCIAL ASSETS	20,658	20,658
IV Cash and cash equivalents:		
1) bank and post office accounts	40,226,626	39,072,320
3) cash and cash equivalents on hand	22,850	51,182
TOTAL CASH AND CASH EQUIVALENTS	40,249,476	39,123,502
TOTAL CURRENT ASSETS	**238,500,505**	**288,307,770**
D) PREPAID EXPENSES AND ACCRUED INCOME	**400,344**	**965,611**
TOTAL ASSETS	**336,616,903**	**381,916,983**

LIABILITIES AND SHAREHOLDERS' EQUITY	***2013***	***2012***
A) SHAREHOLDERS' EQUITY:		
I Share capital	4,000,000	4,000,000
III Revaluation reserves	36,968,663	36,968,663
IV Legal reserve	800,000	800,000
VI Reserve for treasury shares	5,100,000	5,100,000
VII Other reserves:		
- extraordinary reserve	97,486,349	89,829,960
- reserve under Legislative Decree 124/93	15,341	15,341
- reserve for unrealised exchange gains	85,677	470,283
- reserve for grants under Art. 55 DPR 917/86	1,926,030	1,926,030
- reserve for roundings to nearest Euro	(1)	(1)
Total other reserves	99,513,396	92,241,613
IX Net profit for the year	9,898,201	9,741,783
TOTAL SHAREHOLDERS' EQUITY	**156,280,260**	**148,852,059**
B) PROVISIONS FOR RISKS AND CHARGES:		
1) Provisions for retirement benefits and similar rights	48,000	12,000
2) Provision for taxation, including deferred tax	18,293	47,330
3) Other	9,836,843	8,564,086
TOTAL PROVISIONS FOR RISKS AND CHARGES	**9,903,136**	**8,623,416**
C) T.F.R.	**1,967,334**	**1,998,791**
D) PAYABLES:		
5) due to other lenders:		
- due within a year	88,576	85,572
- due after more than a year	91,685	180,261
6) payments on account	103,918,792	143,262,196
7) due to suppliers (trade)	42,208,631	65,365,368
9) due to subsidiaries	12,824,043	5,100,941
10) due to associated companies	818,205	295,267
11) due to parent companies	8,264	14,114
12) tax payables	2,214,111	2,831,091
13) social security payables	1,812,982	1,485,415
14) other payables	4,065,481	3,527,629
TOTAL PAYABLES	**168,050,770**	**222,147,854**
E) ACCRUED EXPENSES & DEFERRED INCOME	**415,403**	**294,863**
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	**336,616,903**	**381,916,983**

MEMORANDUM ACCOUNTS	***2013***	***2012***
1.Guarantees given:		
a) Sureties issued in favour of:		
other	127,476,759	111,887,161
Total sureties	127,476,759	111,887,161
TOTAL GUARANTEES GIVEN	**127,476,759**	**111,887,161**
3. Other commitments and risks:		
a) forward currency purchases	7,753,755	13,127,376
b) forward currency sales	98,103,562	152,386,876
c) lease commitments	470,015	1,105,989
TOTAL OTHER COMMITMENTS AND RISKS	**106,327,332**	**166,620,241**

INCOME STATEMENT (Amounts in Euro)	***2013***	***2012***
A) VALUE OF PRODUCTION:		
1) Revenues from sales and services	111,812,139	200,877,996
3) Change in contract work in progress	225,747,486	66,410,577
4) Increase in own work capitalised	18,797	86,084
5) Other revenues and income:		
a) grants towards operating expenses:	205,412	147,412
b) other:	5,358,718	1,122,341
TOTAL VALUE OF PRODUCTION	**343,142,552**	**268,644,410**
B) COST OF PRODUCTION:		
6) Raw materials, consumables and goods for resale	(95,637,661)	(96,047,725)
7) Services	(202,423,447)	(127,410,042)
8) Leases and rentals	(3,573,700)	(5,150,194)
9) Personnel costs:		
a) wages and salaries	(25,023,515)	(19,686,717)
b) social security contributions	(7,138,324)	(5,251,015)
c) TFR/Employee severance indemnity	(1,414,497)	(1,204,890)
e) other personnel costs	(498,408)	(354,450)
Total personnel costs	(34,074,744)	(26,497,072)
10) Amortisation, depreciation & writedowns:		
a) amortisation of intangible assets	(649,248)	(687,090)
b) depreciation of tangible assets	(3,059,713)	(2,966,598)
d) writedown of current receivables and cash and cash equivalents	0	(992,027)
Total amortisation, depreciation & writedowns	(3,708,961)	(4,645,715)
11) Change in inventory of raw materials, consumables and goods for resale	(227,424)	(262,081)
12) Provisions for risks	(1,364,930)	(2,125,242)
14) Sundry operating expenses	(414,259)	(367,973)
TOTAL COST OF PRODUCTION	**(341,425,126)**	**(262,506,044)**
DIFF. BETWEEN VALUE AND COST OF PRODUCTION (A+B)	**1,717,426**	**6,138,366**
C) FINANCIAL INCOME AND EXPENSES:		
15) Income from equity investments:		
a) dividends and other income from subsidiaries	7,194,202	6,723,584
b) dividends and other income from associated companies	80,340	130,000
c) dividends and other income from other companies	5,134	5,320
16) Other financial income:		
d) income other than the above:		
-interest and fees from subsidiaries	47,202	13,630
-interest and fees from associated companies	642,370	872,955
-interest and fees from others and sundry income	1,008,848	1,344,431
17) Interest and other financial expenses:		
d) other	(974,964)	(307,484)
17-bis) Exchange gains and losses	3,499,561	(4,089,990)
TOTAL FINANCIAL INCOME AND EXPENSES	**11,502,693**	**4,692,446**
D) ADJUSTMENTS TO FINANCIAL ASSETS		
18) Revaluations		
a) of equity investments	4,303	0
19) Writedowns:		
a) of equity investments	(111,816)	(50,508)
TOTAL ADJUSTMENTS TO FINANCIAL ASSETS	**(107,513)**	**(50,508)**
E) NON-RECURRING INCOME AND EXPENSES		
20) Non-recurring income:		
b) other	11,587	931,998
21) Non-recurring expenses:		
b) prior year taxation	(452)	0
c) rounding to nearest Euro	0	(2)
TOTAL NON-RECURRING INCOME, NET	11,135	931,996
PROFIT BEFORE TAXATION (A+B+C+D+E)	**13,123,741**	**11,712,300**
22) Income taxes for the year – current, deferred and deferred tax income:	(3,225,540)	(1,970,517)
23) NET PROFIT FOR THE YEAR	**9,898,201**	**9,741,783**

NOTES

PRESENTATION AND CONTENT OF THE FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Italian Civil Code and consist of the balance sheet (prepared in the format required by Articles 2424 and 2424 *bis* of the Italian Civil Code), the income statement (prepared in the format required by Articles 2425 and 2425 *bis* of the Italian Civil Code) and these notes. The notes contain the information required by Article 2427 of the Italian Civil Code, by other provisions of Legislative Decree no 127/91 and other legal provisions. Where necessary, statutory reporting requirements have been supplemented with the accounting standards recommended by the Standard-Setting Committee of Italy's National Council of Accountants, as revised by the Italian Accounting Board, and with the standards issued by the International Accounting Standards Board (IASB), insofar as they are compatible with Italian law. In addition, while not specifically required by law, full complementary information about all matters deemed necessary to give a true and fair view is also provided. In particular, a statement of cash flows has been prepared.

Information on events after the reporting date is provided in the attached Directors' Report.

ACCOUNTING POLICIES

The accounting policies adopted when preparing these financial statements are consistent with the requirements of Article 2423-*bis* of the Italian Civil Code. They are mainly contained in Article 2426 of the Italian Civil Code and are supplemented and interpreted by the accounting standards issued by Italy's National Council of Accountants, as revised by the Italian Accounting Board following the corporate law reform enacted by lawmakers through Legislative Decree No 6 of 17 January 2003, as amended. The key accounting policies adopted for the preparation of the financial statements at 31 December 2013 are set out below.

Intangible assets

Intangible assets are recognised at purchase or production cost, including related expenses but net of any grants towards capital expenditure. They are systematically amortised over their expected useful lives. Intangible assets are written down of they become impaired, irrespective of the amount of previously recorded amortisation charges.

Advertising costs and research and development costs are expensed in their entirety during the year in which they are incurred.

Tangible assets

Tangible assets are recognised at purchase or production cost, net of any grants towards capital expenditure and adjusted for certain assets in application of specific revaluation laws. Cost includes related expenses and direct and indirect costs to the extent reasonably attributable to the asset.

Tangible assets are systematically depreciated each year on a straight-line basis using rates of depreciation determined in relation to the residual useful lives of the assets. The rates applied are presented on the section of the notes containing comments on assets. Tangible assets are written down when impaired, irrespective of previously recognised depreciation charges. If the grounds for an impairment loss cease to apply in later years, the original amount is restored, as adjusted only for depreciation.

Ordinary maintenance costs are expensed in their entirety to the income statement, whereas those that involve improvements are allocated to the relevant assets and depreciated on the basis of the residual useful life of the asset in question.

Assets held under finance leases

Assets held under finance leases are accounted for in accordance with Italian GAAP which requires lease instalments to be recognised as period costs with advance payments treated as prepaid expenses and the asset recorded in the balance sheet in the year when the final purchase option is exercised. During the lease period, the final purchase option amount and the outstanding commitment for lease repayments is disclosed in the memorandum accounts.

In accordance with the requirements of Italian Accounting Standard O.I.C. no. 1, this section of the notes shows the effect of accounting for finance lease agreements in accordance with the method required by International Accounting Standards (IAS 17) which provides for:

- the recognition of an asset equal to the original amount of the assets acquired under finance lease agreements at the time of signature of such agreements;
- the recognition of the related capital element of the outstanding liability towards the leasing company;
- the allocation to the income statement, in place of lease instalments for the period, of depreciation charges and financial expenses for the period, as included in the finance lease instalments.

Equity investments and securities (classed as non-current assets)
Equity investments are measured at cost.
The carrying amount is determined on the basis of the purchase or subscription price. Cost is then written down for impairment when the investee companies incur losses and it is not expected that the income earned in the immediate future will be sufficient to offset these losses. The original amount is restored in later years if the grounds for the impairment loss cease to apply.

Inventory

<u>Raw materials</u>:
Raw materials are measured at the lower of purchase or production cost, determined using the weighted average cost method, and estimated realisable value.

<u>Contract work in progress and revenue recognition</u>:
Contract work in progress with a duration of less than one year is measured at specific construction cost (completed contract method).
Contract work in progress spanning more than one year is measured at year-end on the basis of the consideration accruing with reasonable certainty (the percentage completion method). Consideration accruing is calculated by applying the completion percentage determined using the cost-to-cost method to estimated total revenues.

This percentage is calculated as the ratio of costs incurred as at 31 December 2013 to estimated total costs.
Payments on account made by clients on a non-definitive basis while a project is ongoing, are recognised upon the completion of work as normally agreed in terms of “states of advancement” by reducing the amount of contract work in progress, whereas payments on account and milestone payments by clients are recognised under the item” Payments on account” on the liabilities side of the balance sheet. Contracts are considered completed when all costs have been incurred and the work has been accepted by the clients. Any losses on contract work in progress are provided for in their entirety during the year in which they are expected.

Receivables
Receivables are recognised at estimated realisable value. For trade receivables, estimated realisable value is obtained by subtracting the bad debt provision from their nominal amount. The bad debt provision includes accruals made for non-payment risks.

Current financial assets
Current financial assets are recognised at the lower of purchase or subscription cost, including directly attributable auxiliary expenses, and realisable amount based on market performance.
The original cost of such securities is restored when the grounds for previously recognised impairment adjustments cease to apply.

Cash and cash equivalents
Cash and cash equivalents are recognised at their nominal amount.

Prepaid expenses and accrued income, accrued expenses and deferred income
These items include portions of costs and revenues common to two or more reporting periods, in accordance with the accrual basis of accounting.

Provisions for risks and contingencies
Provisions for risks and contingencies are created to cover losses or

liabilities that are certain or probable but whose amount and due date could not be determined at year end. The amounts provided represent the best possible estimate based on the information available.
Risks for which the emergence of a liability is merely possible are disclosed in the Note on provisions without making any accrual to a provision for risks and contingencies.

Derivative financial instruments
Derivative financial instruments are employed solely for hedging purposes with the aim of managing the risks deriving from exchange rate fluctuation. They are recognised in the memorandum accounts at nominal amount upon signature of the contract.
The cost or income (calculated as the difference between the value of the instrument at the spot exchange rate when the contract is entered into and its value at the forward exchange rate) is recognised in the income statement on an accruals basis and in such a way as to offset the effects of the hedged cash flows.
If the instrument does not meet all of the requirements for hedge accounting, the profit or loss deriving from its measurement at fair value is immediately recorded in the income statement.

TFR/Employee severance indemnity provision
The employee severance indemnity provision covers the full liability accruing up to 31 December 2006 towards employees under applicable legislation, collective labour agreements and supplementary company agreements. The liability is adjusted each year in accordance with Article 2120 of the Italian Civil Code.
Under the new rules introduced by Law No 296/2006, employee severance indemnity entitlement accruing after 1 January 2007 is paid, as decided by the employee, into the treasury fund administered by state social security and pensions body INPS or into a complementary pension plan.

Payables
Payables are recognised at their nominal amount.

Risks, commitments and guarantees

Commitments and guarantees are stated at their contractual amount. Secured guarantees on assets owned by the Company are disclosed in these Notes.

Revenues and costs

Costs and revenues are recognised in accordance with the prudence and accruals concepts required by Article 2423-*bis* of the Italian Civil Code. Pursuant to Article 2425-*bis* of the Italian Civil Code, costs and revenues are stated net of returns, discounts, allowances and premiums, as well as any taxes directly related to the purchase and sale of goods and the provision of services.

Grants towards capital expenditure and operating expenses

Grants towards capital expenditure and operating expenses are recognised when they are collected.

In prior years, in order to take advantage of the suspension of taxation under tax rules in force until 31 December 1997, for the amount permitted by tax rules, part of the grants received was recorded under shareholders' equity item "other reserves".

Dividends

Dividends are recognised during the year in which distribution is approved by the company paying them.

Income taxes for the year

Income taxes are recorded on the basis of estimated taxable income in accordance with current tax rules, taking account of applicable exemptions and tax credits due. Deferred tax assets and liabilities are also recognised on temporary differences between the reported result for the year and taxable income. Deferred tax assets are recognised when it is reasonably certain that there will be sufficient future taxable income to ensure their recovery.

Translation into Euro of foreign currency items

Receivables and payables in foreign currency are originally accounted for at the exchange rates in effect when the transactions are recorded.

Exchange differences arising on the collection of receivables and settlement of payables in foreign currency are recognised in the income statement.
Receivables and payables in foreign currency for which exchange risk hedging transactions have been arranged are adjusted to the base exchange rate of the said hedging transactions.
At year-end, receivables and payables in foreign currency for which hedging transactions have not been arranged are translated on the basis of the exchange rate in force at the reporting date. Gains and losses arising from this translation are credited and debited to the income statement as financial income or expenses.
Any net gain arising after considering unrealised exchange gains and losses is allocated to a specific non-distributable reserve until it is realised.

Accounting treatment of contracts to hedge exchange risks
Forward contracts to hedge the exchange risks relating to specific contractual commitments to purchase or sell an item that will be shipped (received or despatched) on a later date are treated as follows:

- the purchase cost or sales revenue of the item is recorded at the spot exchange rate on the date of signature of the hedging contract;
- the difference between the foreign currency amount as translated at the predetermined forward rate and the foreign currency amount as translated at the spot rate at the date of the hedging contract is recorded in the income statement over the period of the hedging contract, like interest.

OTHER INFORMATION

Exceptions pursuant to Article 2423 (4) of the Italian Civil Code
No exceptions pursuant to Article 2423(4) of the Italian Civil Code were made when preparing the attached financial statements.

Comparison and presentation of figures
In the interest of greater clarity and comprehensibility, all figures in the notes and accompanying attachments are stated in thousands of

Euro.

Preparation of consolidated financial statements

As it holds significant controlling investments, as defined by Article 2359 of the Italian Civil Code, the Company is obliged to prepare consolidated financial statements at 31 December 2013, in accordance with Legislative Decree 127/91. The Company has prepared such financial statements by the deadline required by Article 46(4) of the said Decree. They supplement these financial statements and are contained in a separate document.

COMMENTS ON THE MAIN ASSET ITEMS

NON-CURRENT ASSETS

INTANGIBLE ASSETS

Concessions, licenses, trademarks and similar rights

This item underwent the following changes during the year (in thousands of Euro):

	Balance 31/12/12	Incr.	Decr.	Balance 31/12/13
Concession of land rights	505	0	(24)	481

This item is amortised on the basis of the duration of the concession for the land rights.

Concessions of land rights consists of the consideration paid to acquire those rights, which expire in 2017, 2018 and 2050, on land adjacent to the Piomboni Yard.

Intangible assets in progress

This item underwent the following changes during the year (in thousands of Euro):

	Balance 31/12/12	Incr.	Decr.	Bal. 31/12/13
Intangible assets in progress	0	14	0	14

The increase is due to development of software intended to implement a new planning and control method which will improve the engineering process.

Other intangible assets

This item underwent the following changes during the year (in thousands of Euro):

	Balance 31/12/12	Incr.	Decr.	Balance 31/12/13
Software	229	315	(254)	290
Deferred charges	1,447	0	(370)	1,077
TOTAL	**1,676**	**315**	**(624)**	**1,367**

The increase in software is due to purchases of software licences and the purchase/implementation of software intended to control certain business processes, prevent the loss of archived electronic data, plan purchases and sub-contracting, manage documents requested by clients, contract stage of completion reports, the register of welding and, finally, support bidding/tendering activities.

Deferred charges mainly includes leasehold improvements. Decreases totalling Euro 624 thousand were due to amortisation which is calculated on a different basis for each type of capitalised cost, as follows:

- on a straight-line basis over three years for software;

-over the term of real estate lease agreements for improvements to such assets;

-over the duration of land rights for investments in that area.

TANGIBLE ASSETS

A detailed breakdown of this item, movements during the year and the depreciation rates applied are provided in an attachment to these Notes.

In 2013, ordinary depreciation charges were recognised at rates representing the useful lives of the tangible assets in question.

Some categories of tangible assets include the following revaluations applied in prior years by the Company (in thousands of Euro):

	L.576/1975	L.72/1983	L.413/1991	L.266/2005	L.2/2009
Yards and Buildings	0	0	433	0	6,641

Light constructions	0	0	0	651	254
Equipment	0	0	0	1,259	0
Land	0	0	0	0	26,871
Machinery	7	163	0	636	0
TOTAL	**7**	**163**	**433**	**2,546**	**33,766**
Depreciation in 2013	0	0	(19)	0	(551)
Accum. Deprec'n at 31/12/13	(7)	(163)	(343)	(2,546)	(4,411)
Net Book Value	**0**	**0**	**90**	**0**	**29,355**

Assets under construction and payments on account includes Euro 1,854 thousand paid in 2007 to take over a finance lease contract, acquiring the final purchase option on the asset (the lease in question regards land and industrial buildings adjacent to the San Vitale yard and the amount in question will be reclassified to increase the redemption value of the asset upon termination of the lease agreement in 2014) and Euro 37 thousand of works not yet completed at the Piomboni and S. Vitale yards (Euro 15 thousand at Piomboni Yard in relation to an alarm/evacuation system and Euro 22 thousand at S. Vitale Yard for preliminary studies into the possible extension of the pre-fabrication yard).

FINANCIAL ASSETS

Equity investments in subsidiaries and associated companies

	Balance 31/12/12	**Incr.**	**Decr.**	**Balance 31/12/13**
Fores Engineering S.r.l.	603	0	0	603
Basis Engineering S.r.l.	265	0	0	265
Rosetti General Contracting Lda	52	0	0	52

Roships Ltd	0	0	0	0
Rosetti Marino UK Ltd	0	0	0	0
Rosetti Marino Mocambique Limitada	1	0	0	1
Rosetti Doo	48	0	0	48
Rosetti Kazakhstan Llp	199	0	(20)	179
Rosetti Egypt Sae	0	5	0	5
Rosetti Libya Jsc	332	0	(13)	319
Total investments in subsidiaries	**1,500**	**5**	**(33)**	**1,472**
Kazakhstan Caspian Offshore Ind.	296	0	0	296
Rosetti Imstalcon Llp	12	0	0	12
Tecon S.r.l.	550	0	0	550
Fores do Brasil Ltda	0	75	(49)	26
Unaros Fzc	0	0	0	0
Total investments in associated companies	**858**	**75**	**(49)**	**884**

In 2013 this item was subject to the following changes compared to prior year:

- the sale to subsidiary Fores Engineering Srl of 10% of the share capital of subsidiary Rosetti Kazakhstan Llp for Euro 712 thousand i.e. the value of the portion of shareholders' equity sold;
- Subscription of 25% of the share capital of newly incorporated company Fores do Brasil Sistemas e Equipamentos Industriais Ltda for Euro 75,000, the equivalent of Brl 200 thousand (the remaining 75% of share capital was subscribed by subsidiary Fores Engineering S.r.l.);
- Incorporation of Rosetti Marino UK Ltd, a company with its registered office in Aberdeen (Scotland), and subscription of entire share capital of GBP 100;
- Incorporation of Roships Ltd, a company with its registered office in Aberdeen (Scotland), and subscription of entire share capital of GBP 100.

The subsidiaries and associated companies operate in the following sectors:

- Fores Engineering S.r.l. (which holds 100% of Fores Engineering Algèrie and 75% of Fores do Brasil Sistemas e Equipamentos Industraiais Ltd which operate in the same sector and 10% of Fores

Kazakhstan Llp): design, construction and maintenance of automation and control systems;
- Basis Engineering S.r.l., Tecon S.r.l.: multi-disciplinary design of oil and petrochemical facilities;
- Rosetti Imstalcon Llp, Rosetti Doo (which holds 50% of Lenac Rosetti Adria Doo), Rosetti Marino UK Ltd, Rosetti Marino Mocambique Limitada, Rosetti Libya Jsc, Rosetti Egypt Sae, Unaros Fzc, KCOI Llp and Rosetti Kazakhstan LLp (which, in turn, holds 40% of KCOI): construction of offshore and onshore oil facilities;
- Rosetti General Contracting Construcoes Serviços Lda and Roships Ltd: services and operating activities on international markets.

The following companies are currently dormant: Rosetti Marino Mocambique Limitada , Rosetti Libya Jsc and Unaros fzc. Meanwhile, the following companies are in liquidation: Rosetti Imstalcon Llp, Rosetti Egypt Sae and Lenac Rosetti Adria Doo.

During the year, after Rosetti Marino S.p.A. waived certain receivables, the complete writedown of the investment in Rosetti Egypt SAE recorded in prior years was partially reversed, bring the value of the investment into line with the relevant portion of equity. The carrying amount of investments in Rosetti Libya Jsc and Fores do Brasil Sistemas e Equipamentos Industriais Ltda was also brought into line with equity amount and they were written down by Euro 13 thousand and Euro 49 thousand, respectively. Note that the investment in Unaros Fzc was written down in full in prior years.

The schedule requested by Article 2427(5) of the Italian Civil Code is provided in an attachment to these Notes.

Investments in other entities

This item may be broken down as follows (in thousands of Euro):

	Balance 31/12/12	**Incr.**	**Decr.**	**Balance 31/12/13**
Sapir	3	0	0	3
CAAF Industrie	2	0	0	2
Consorzio Cura	1	0	0	1
Cassa di Risparmio di Ravenna	169	0	0	169
Total other entities	**175**	**0**	**0**	**175**

Receivables from associated companies

This item may be broken down as follows (in thousands of Euro):

	Balance 31/12/12	Incr.	Decr.	Balance 31/12/13
Kazakhstan Caspian Off. Ind.	21,800	4,500	0	26,300
Tot. receivables from associated companies	**21,800**	**4,500**	**0**	**26,300**

This receivable consists of two medium-term loans granted to associated company Kazakhstan Caspian Offshore Industries Llp to enable it to construct and expand its own yard in Kazakhstan. The first loan was disbursed in several instalments commencing in 2009 (total outstanding amount of Euro 21,800 thousand at 31/12/2013). The second loan was approved during the year for a maximum amount of Euro 11,600 thousand (a total of Euro 4,500 thousand had been disbursed at 31/12/2013). Both loans are unsecured and bear interest at a market based, arm's length rate. Based on the Company's Business Plan, no bad debts are expected in relation to these loans in light of the cash flow expected from contracts that the associated company has acquired in recent years and from contracts it will probably acquire in future.

In light of the losses reported by associated company Unaros Fzc and the trouble encountered by it in acquiring the orders needed to launch its operating activities, the loan of USD 1,300 thousand made to it was written down in full in during the previous year.

Receivables from others

This item may be broken down as follows (in thousands of Euro):

	Balance 31/12/13	Balance 31/12/12
Mart Machinery Plant	580	606

This receivable regards a loan of USD 800 thousand made to Mart Machinery Plant (a company that owns 20% of associated company Rosetti Imstalcon Llp and 50% of indirect associated company Kazakhstan Caspian Offshore Industries Llp); based on the repayment plan, the final repayment is due on 31 December 2015. The decrease compared to prior year is due to restatement of the outstanding amount at the 31 December 2013 exchange rate. The loan is unsecured and bears interest at a market based, arm's length rate. No collection issues are expected in relation to this loan.

Treasury shares

This item amounts to Euro 5,100 thousand and consists of 200,000 treasury shares purchased in prior years for Euro 25.50 per share, which is lower than the market price.

In accordance with Article 2359 *bis* of the Italian Civil Code, Shareholders' Equity includes a non-distributable "Reserve for treasury shares" of the same amount.

CURRENT ASSETS

INVENTORY

This item may be broken down as follows (in thousands of Euro):

	Balance 31/12/13	Balance 31/12/12
- Raw materials	1,050	1,628
(less) Obsolescence provision	(700)	(1,050)
	350	578
- Contract work in progress	464,324	238,577
- Payments on account	(378,584)	(95,721)
	85,740	142,856
- Advances to suppliers	7,211	12,863
Total inventory	**93,301**	**156,297**

Measurement of year-end raw materials inventory at weighted average purchase cost does not lead to any appreciable difference compared to a current cost measurement. Given the significant decrease in raw materials inventory, the obsolescence provision created in prior years to bring inventory into line with its estimated realisable amount has also been proportionately reduced by some Euro 350 thousand.

Contract work in progress entirely consists of contracts spanning more than one year (measured under the percentage completion method).

The increase compared to prior year is mainly due to the gradual completion of major contracts already in progress in prior years.

Contract work in progress includes three contracts in relation to which losses to completion of around Euro 253 thousand have been estimated and recognised.

Advances to suppliers primarily consist of sums paid to various suppliers and sub-contractors upon placement of the related orders for purchases of materials or sub-contract services.

The decrease compared to prior year is mainly due to completion of major purchase contracts in relation to which much of the advance payments made have been recovered.

RECEIVABLES

Due from clients (trade)

This item includes receivables from clients arising as a result of normal commercial transactions.

It may be broken down as follows (in thousands of Euro):

	Balance 31/12/13	Balance 31/12/12
Due from clients - Italy	32,817	18,038
Due from clients – other EU	28,888	39,211
Due from clients – non EU	26,845	12,351
Provision for bad debts	(148)	(2,738)
TOTAL	**88,402**	**66,862**

The provision for bad debts is considered adequate to cover possible losses on receivables. It has been determined on an overall basis taking account of collection risks mainly relating to certain specific factors.

The provision has been reduced by Euro 2,590 thousand as collection of certain doubtful receivables meant that it was excessive compared to the risk of default.

The increase in total trade receivables compared to prior year is due to the different timing of sales, in relation to the percentage completion of individual contracts and the acquisition of new contracts during the year. Given the nature of the Company’s business, trade receivables are highly concentrated with around 83% (92% in prior year) of the total due from the five leading clients by outstanding balance.

Receivables from subsidiaries

This item includes current receivables and was broken down as follows at the reporting date (in thousands of Euro):

	Balance 31/12/13			Balance
	Trade	**Finan.**	**Tot.**	**31/12/12**
Fores Engineering S.r.l.	67	0	67	3,550
Basis Engineering S.r.l.	56	0	56	49
Rosetti Kazakhstan Llp	26	0	26	1,021
Rosetti Egypt Sae	2	0	2	1
Rosetti d.o.o.	63	0	63	0
Rosetti Marino U.K. Ltd	1,295	0	1,295	0
TOTAL	**1,509**	**0**	**1,509**	**4,621**

All trade and financial transactions with subsidiaries take place on an arm's length basis.

During the year, the Company waived receivables of Euro 50 thousand (already provided for in full during the previous year) from Rosetti Egypt for Trade & Import and Euro 200 thousand (Euro 150 thousand provided the previous year) from Rosetti Egypt Sae and the value of the investments – subsequently written down – increased accordingly.

None of the other receivables is due after more than a year. They are all recoverable and no provision for bad debts has been made.

Receivables from associated companies

This item may be broken down as follows (in thousands of Euro):

	Balance 31/12/13			Balance
	Trade	**Finan.**	**Tot.**	**31/12/12**
Unaros Fzc	28	0	28	5
Kazakhstan Caspian Off. Ind.	1,764	0	1,764	7,306
TOTAL	**1,792**	**0**	**1,792**	**7,311**

All trade and financial transactions with associated companies take place on an arm's length basis. These receivables are all recoverable so no provision for bad debts has been recorded.

Tax receivables

This item may be broken down as follows (in thousands of Euro):

	Balance 31/12/13	Balance 31/12/12
VAT receivable	2,507	2,602
Customs duty receivable	51	0
Credit for substitute tax on TFR revaluation	3	0
IRAP receivable	267	775
Foreign tax receivable	0	2
IRES receivable	5,806	5,698
TOTAL	**8,634**	**9,077**

The VAT receivable includes the annual VAT credit of Euro 535 thousand arising on ordinary commercial transactions (offset against other taxes in the first few months of 2014), the annual VAT credit of Euro 1,909 thousand accruing at 31/12/2011 and 31/12/2012 (for which a refund request has been made) and a quarterly VAT credit of Euro 63 thousand for which a refund was requested in 2007 (this last receivable was collected in the first few months of 2014).

The IRES receivable is due to the fact that income tax payments made on account in prior years exceeded the taxes actually due and to refund requests made in prior years. In more detail, the refund request relates to the following deductions:

- deduction of IRAP paid in accordance with Article 6 of Decree Law no 185 of 29 November 2008, transformed as amended by Law no 2 of 28 January 2009.
- deduction of IRAP paid on personnel and related costs in accordance with Article 2(1-iv) of Decree Law no 201 of 6 December 2011, transformed as amended by Law no 214 of 22 December 2011 and Article 4(12) of Decree Law no 16 of 2 March 2012, transformed as amended by Law no 44 of 26 April 2012.

The IRAP receivable is due to the excess payments on account made during the year compared to the tax actually due.

Deferred tax assets

Deferred tax assets have been recognised on all positive temporary differences. The theoretical tax effects on temporary differences have been calculated according to current rates. Detailed movements on this item are provided in an attachment to these Notes.

Other receivables

This item may be broken down as follows (in thousands of Euro):

	Balance 31/12/13	Balance 31/12/12
Due within a year:		
Due from employees	45	99
Insurance pay-outs receivable	1	1
Due from liquidated companies	0	18
Sundry	23	33
TOTAL	**69**	**151**
Due after more than a year:		
Guarantee deposits	425	352
TOTAL	**425**	**352**

Sundry receivables include Euro 20 thousand receivable from the Government of the Congo for amounts unduly withheld and Euro 3 thousand of subsidies receivable for energy generated by solar power plants at the head office in via Trieste and the San Vitale yard.

All of the above amounts are considered recoverable so no provision for bad debts has been recorded.

CURRENT FINANCIAL ASSETS

Other Securities

This item regards the investment made in the joint venture relating to the OMC (Offshore Mediterranean Conference) 2015.

CASH AND CASH EQUIVALENTS

Bank and post office accounts

The amount of Euro 40,227 thousand at 31 December 2013 consisted entirely of funds held in bank accounts.

More details of the change compared to prior year are provided in the attached statement of cash flows.

Cash and cash equivalents on hand

This balance consists entirely of cash on hand and amounts to Euro 23 thousand.

PREPAID EXPENSES AND ACCRUED INCOME

This item may be broken down as follows (in thousands of Euro):

	Balance 31/12/13	Balance 31/12/12
Accrued interest income	0	275
Accrued income re forward purchases/ sales of currency	86	298
Prepaid leasing costs	8	26
Prepaid rental costs	30	72
Prepaid moveable asset hire/rental costs	88	37
Other prepaid expenses	188	258
TOTAL	**400**	**966**

COMMENTS ON THE MAIN LIABILITY ITEMS

SHAREHOLDERS' EQUITY

Movements on the items included in Shareholders' equity are shown in an attachment.

The main shareholders' equity items are commented on below:

SHARE CAPITAL

At 31 December 2013, share capital was wholly subscribed and paid and consisted of 4,000,000 ordinary shares with a par value of Euro 1.00 each.

REVALUATION RESERVE

This reserve was created in 2005 after the revaluation of fixed assets and the realignment of tax values and values for statutory reporting purposes under Law 266/05. It increased by Euro 33,368 thousand in 2008 as a result of the revaluation of fixed assets under Law 2/09.

LEGAL RESERVE

This reserve consists of allocations of portions of annual earnings in prior years.

RESERVE FOR TREASURY SHARES HELD

This reserve was created in prior years in terms of Articles 2357, 2357-*bis*, 2357-*ter* and 2424 of the Italian Civil Code, using the extraordinary reserve, in relation to the purchase of 200,000 treasury shares.

OTHER RESERVES

Extraordinary reserve

This reserve increased by Euro 7,272 thousand in 2013 due to the allocation of part of the net profit for 2012 and by Euro 384 thousand following the reclassification of the reserve for unrealised exchange gains.

The reserve consists entirely of portions of annual earnings allocated in prior years.

Reserve under Legislative Decree 124/93

This reserve consists of allocations made in prior years under Legislative Decree 124/93.

Reserve for unrealised exchange gains

This reserve was created by allocating part of the net profit for prior years to cover unrealised exchange gains.

Reserve for grants under Art. 55 DPR 917/1986

This reserve includes the following grants received in prior years in relation to the shipyard (in thousands of Euro):

- Law 599/1982	110
- Law 361/1982	618
- Law 234/1989	1,198
	1,926

NET PROFIT FOR THE YEAR

This includes the net profit for the year.

PROVISIONS FOR RISKS AND CONTINGENCIES

Provisions for retirement benefits and similar rights

This item includes amounts allocated for the leaving indemnity of a

Director, as approved by the Shareholders' General Meeting.

Tax provision

This item consists entirely of provisions for deferred taxes (movements on this item are shown in a specific attachment).

Other provisions

This item is analysed as follows (in thousands of Euro):

	31/12/12	**Incr.**	**Decr.**	**31/12/13**
Prov. for contractual risks	7,439	0	0	7,439
Prov. for future risks	1,125	1,365	(92)	2,398
TOTAL OTHER	**8,564**	**1,365**	**(92)**	**9,837**

The provision for contractual risks has been created mainly to cover the risk of probable work under warranty and additional costs needed to make up delays accumulated on certain contracts in progress.

The provision for future risks has been utilised to cover costs incurred in relation to ongoing litigation as recorded under captions B7 "costs for services" (Euro 42 thousand) and B14 "sundry operating expenses" (Euro 50 thousand)

T.F.R./EMPLOYEE SEVERANCE INDEMNITY PROVISION

Movements on the provision during the year were as follows (in thousands of Euro):

Balance at 31/12/12	1,999
Amount accruing and recorded in the Income Statement	1,414
Draw-downs	(1,446)
Balance at 31/12/13	**1,967**

The TFR/employee severance indemnity provision at 31 December 2013 represents the indemnity in favour of employees up to 31 December 2006. It will be settled through payments made when employees leave the Italian companies or through advance payments made in accordance with the law. Draw-downs consist of transfers of Euro 582 thousand to complementary pension funds, the transfer of Euro 678 thousand to the INPS treasury fund, payment of indemnities and advances totalling Euro 74 thousand and payment of personal income tax and social security contributions of Euro 112 thousand on behalf of employees.

The balance at 31 December 2013 is stated net of advances of Euro 1,278 thousand paid to employees.

PAYABLES

A breakdown of payables is provided below together with movements on the various component items during the year:

Due to other lenders

This item includes a subsidised loan from the Ministry of Industry which is repayable gradually by 2015.

Payments on account

This item includes order advances and milestone payments received from clients in relation to ongoing contract work (in thousands of Euro):

	Balance 31/12/13	**Balance 31/12/12**
Advances from third party clients	103,919	143,262
TOTAL PAYMENTS ON ACCOUNT	**103,919**	**143,262**

The decrease compared to prior year reflects the dynamics regarding contracts in progress at the reporting date. For further information, see the Note on contract work in progress.

Due to suppliers (trade)

This item may be broken down as follows (in thousands of Euro):

	Balance 31/12/13	**Balance 31/12/12**
Due to suppliers - Italy	30,583	42,036
Due to suppliers – Other EU	7,166	17,554
Due to suppliers – Non EU	4,460	5,775
TOTAL	**42,209**	**65,365**

The decrease is due to the different timing of contracts compared to 2012.

Due to subsidiaries

This item includes short-term payables to the following subsidiaries (in thousands of Euro):

	Balance 31/12/13	Balance 31/12/12
Rosetti Marino Mocambique Limitada	1	1
Rosetti Libya Jsc	281	281
Fores Engineering S.r.l.	3,017	597
Rosetti Marino U.K Ltd	3,019	0
Basis Engineering S.r.l.	4,902	2,038
Rosetti Doo	1,604	2,184
TOTAL	**12,824**	**5,101**

The amounts due to Fores Engineering S.r.l., Basis Engineering S.r.l., Rosetti Marino U.K. Ltd and Rosetti Doo relate to commercial transactions taking place on an arm's length basis while the amounts due to Rosetti Marino Mocambique Limitada and Rosetti Libya Jsc regard share capital subscribed but not yet paid.

Due to associated companies

This item includes the following short-term payables (in thousands of Euro):

	Balance 31/12/13	Bal. 31/12/12
Tecon S.r.l.	818	295
TOTAL	**818**	**295**

The above payables were generated by commercial transactions which took place on an arm's length basis.

Due to parent companies

This item consists entirely of amounts due to parent company Rosfin S.p.A. in the form of fees payable following the issue of a Parent Company Guarantee.

Tax payables

This item may be broken down as follows (in thousands of Euro):

	Balance 31/12/13	Balance 31/12/12
Due to tax authorities for:		
- Personal income tax deducted at source	1,512	1,207
- Sundry taxes	31	16
- Foreign income taxes	671	1,608
TOTAL	**2,214**	**2,831**

This item mainly consists of personal income tax deducted at source from the remuneration of employees and freelance workers and tax liabilities arising on income generated by the Tunisian Branch.

Tax periods after 2008 have yet to be finalised and are still open to assessment.

Social security payables

This item includes employee and employer social security contributions payable to social security institutions.

Other payables

This item may be broken down as follows (in thousands of Euro):

	Balance 31/12/13	Balance 31/12/12
Due to employees	3,431	2,899
Due to independent contractors	22	14
Due to pension funds	270	252
Sundry payables	342	363
TOTAL	**4,065**	**3,528**

The amounts due to employees include Euro 3 thousand of performance related bonuses for 2013, Euro 2,039 thousand of remuneration payable, Euro 1,351 thousand of accrued holiday pay and Euro 38 thousand of expense claims.

ACCRUED EXPENSES AND DEFERRED INCOME

At 31 December 2013, this item may be broken down as follows (in thousands of Euro):

	Balance 31/12/13	Balance 31/12/12
Accrued interest on loans	6	9
Sundry accrued expenses	3	0
Accrued lease payments	19	19
Accrued expenses re forward sale / purchase transactions	387	267
TOTAL ACCRUED EXPENSES & DEFERRED INCOME	**415**	**295**

MEMORANDUM ACCOUNTS

GUARANTEES GIVEN

a. Sureties

This item mainly consists of sureties given by insurers and banks to the Company's clients (Euro 120,718 thousand) and to clients of Group companies (Euro 6,759 thousand) as guarantees of proper performance of works and to release amounts withheld for performance purposes.

OTHER COMMITMENTS AND RISKS:

a. Forward currency purchases

This item includes an amount of NOK 63,256 thousand as per contracts arranged with banks to hedge various purchase orders relating to shipbuilding contracts.

b. Forward currency sales

This item regards the amount of GBP 10,059 thousand and USD 115,772 thousand as per the contracts arranged with banks to hedge the contracts with Elf Exploration UK Limited and Foxtrot International Ldc.

From an operational perspective, these contracts are intended to manage the interest rate risk and satisfy the conditions laid down by the applicable accounting standards to be designated as hedges.

c. Lease commitments

This amount includes the commitment for future instalments and the final purchase option under a finance lease for land plus industrial buildings next to the San Vitale yard.

For the sake of completeness, we note that the effect of accounting for this lease under the finance lease method required by IAS no 17 would have been as follows.

	2013	2012	Diff
Value of asset	6,500	6,500	0
Accumulated depreciation	(1,683)	(1,524)	(159)
Net book value	4,817	4,976	(159)
Outstanding liability	(467)	(1,066)	599
Financial expenses for year	(40)	(80)	40
Effect on profit before tax	489	452	37
Tax effect	(153)	(142)	(11)
Effect on shareholders' equity	1,712	1,376	336

Other

The Company holds a 20% interest in Tecon S.r.l. and has granted a put option to the other quotaholders thus making a commitment to acquire the remaining quota capital. The other quotaholders may exercise this put option up until 22 November 2017.

COMMENTS ON THE MAIN INCOME STATEMENT ITEMS

Income statement transactions with Group companies are described in an attachment.

VALUE OF PRODUCTION

REVENUES FROM SALES AND SERVICES

Revenues from the sale of goods and the provision of services may be broken down as follows (in thousands of Euro):

	2013	2012
Oil & Gas Business Unit	38,034	90,082
Shipbuilding Business Unit	72,355	104,185
Process Plants Business Unit	0	6,058
Sundry services	1,423	553
Total	**111,812**	**200,878**

Revenues may be broken down by geographical area as follows (in thousands of Euro):

	2013	2012
Revenues from Italian clients	60,258	114,000
Revenues from other EU clients	42,524	73,358
Revenues from non-EU clients	9,030	13,520
Total	**111,812**	**200,878**

Comments on the operating performance for the year are set out in the Directors' Report.

Given the nature of the Company's business, revenues are highly concentrated with around 93% of total revenues from sales and services generated by the five largest clients (95% in prior year).

CHANGE IN CONTRACT WORK IN PROGRESS

This item may be broken down as follows (in thousands of Euro):

Opening contract work in progress at 01.01.2013	(238,577)
Closing contract work in progress at 31.12.2013	464,324
Total	**225,747**

At 31 December 2013, contract work in progress included Euro 412,676 thousand relating to the Oil & Gas Business Unit and Euro 51,648 thousand to the Shipbuilding Business Unit.

INCREASES IN OWN WORK CAPITALISED

In 2013, the capitalised costs recorded under this item included the cost of leasehold improvements at the San Vitale Yard (Euro 4 thousand – preliminary study into the extension of the prefabrication floor), the cost of work done at the Via Trieste facility (Euro 6 thousand – new internal turnstiles at the gatehouse to control entry to the premises) and work at the Piomboni yard (Euro 9 thousand – fire prevention system at building 4, construction of new office blocks and extension of the canteen).

OTHER REVENUES AND INCOME

This item may be broken down as follows (in thousands of Euro):

	2013	2012
Grants towards operating expenses	205	148
Total "Grants towards operating expenses"	**205**	**148**
Gains on disposals of assets	26	100
Hires and rentals	67	49
Recharges of expenses to third parties	372	356
Income for seconded personnel	1,674	0
Other revenues	574	440

Reversal of excess bad debt provision	2,633	19
Out of period income	13	158
Total "other revenues"	**5,359**	**1,122**
Total "other revenues and income"	**5,564**	**1,270**

"Grants towards operating expenses" includes Euro 59 thousand of grants towards the photovoltaic solar power systems installed at the S. Vitale yard and the Via Trieste site, Euro 45 thousand of grants received from Fondimpresa in partial reimbursement of costs incurred to run two training programmes (to develop knowledge language and IT skills and provide an update on new technical and legal requirements on safety issues regarding machinery and equipment) and Euro 101 thousand of grants from Emilia Romagna Region for the Company's research and development work in recent years. Specifically, these R&D grants relate to work on the development of a cold plasma system to separate carbon from natural gas before it is utilised and new catalytic technology to produce "renewable" hydrogen from bio-derivative organic compounds..

"Income for seconded personnel" relates to employees seconded to subsidiaries Rosetti Doo and Rosetti Marino UK Ltd.

Reversal of excessive bad debt provision includes Euro 43 thousand to restate at the 31/12/2013 exchange rate the writedown of the US Dollar loan granted to associated company Unaros Fzc and a Euro 2,590 thousand reversal of excess bad debt provision to bring them into line with an updated assessment of doubtful receivables.

COST OF PRODUCTION

PURCHASES

This item may be broken down as follows (in thousands of Euro):

	2013	**2012**
Raw materials	94,060	93,448
Consumables	1,504	2,295
Other purchases	74	305
TOTAL PURCHASES	**95,638**	**96,048**

COSTS FOR SERVICES

This item may be broken down as follows (in thousands of Euro):

	2013	2012
Sub-contracting and outsourcing	165,641	102,155
Other external production costs	25,254	13,440
Repairs and maintenance	1,380	1,081
Electricity, water and heating	1,373	1,417
Sundry personnel costs	2,849	2,240
Selling costs	1,254	1,896
Statutory auditors' fees	40	42
Directors' fees	462	1,521
Audit fees	114	93
General, administrative & insurance costs	4,056	3,525
TOTAL COSTS FOR SERVICES	**202,423**	**127,410**

The increase compared to prior year is mainly due to the higher volume of production.

LEASE AND RENTAL COSTS

This item may be broken down as follows (in thousands of Euro):

	2013	2012
Maintenance of leased/rented property	1	1
Concession fees	81	80
Rental of buildings	629	647
Real estate lease instalments	565	643
Moveable property lease instalments	5	0
Hire/rental of moveable property	2,271	3,751
Software rental	22	28
TOTAL	**3,574**	**5,150**

The decrease in this item compared to prior year is due to the different distribution over the year of activities requiring the use of rented and leased assets.

PERSONNEL COSTS

The income statement contains a breakdown of these costs.

Other personnel costs includes performance related bonuses of Euro 334 thousand and contributions totalling Euro 164 thousand to the "Cometa" and "Previndai" supplementary pension funds.

The following table shows changes in the workforce by category during the year:

	31/12/12	**Increases**	**Decreases**	**31/12/13**
Executives	29	3	2	30
White collar	295	94	61	328
Blue collar	75	8	9	74
TOTAL	**399**	**105**	**72**	**432**

Note that the table excludes personnel seconded to other Group companies while it includes 28 employees who work at the Tunisian branch (1 executive, 21 white collar employees and 6 blue collar employees).

AMORTISATION, DEPRECIATION & WRITEDOWNS

The breakdown required has been provided in the Income Statement. Details of depreciation charges on tangible assets are provided in a specific attachment.

CHANGE IN INVENTORY OF RAW MATERIALS:

This item may be broken down as follows (in thousands of Euro):

Opening inventory at 01/01/13	1,628
Allocation to (Utilisation of) inventory obsolescence provision	(350)
Closing inventory at 31/12/13	(1,051)
TOTAL	**227**

PROVISION FOR RISKS

This item consists entirely of the amount allocated to bring the Provision for contractual risks into line with the best estimate of contingent risks relating to ongoing civil disputes with third parties.

SUNDRY OPERATING EXPENSES

This item may be broken down as follows (in thousands of Euro):

	2013	2012
I.M.U. – Local property tax	174	156
Losses on fixed asset disposals	1	1
Out of period expenses	5	11
Other taxes	234	200
TOTAL	**414**	**368**

FINANCIAL INCOME AND EXPENSES

INCOME FROM EQUITY INVESTMENTS

This item consists of dividends from subsidiaries Rosetti Kazakhstan Llp (Euro 5,962 thousand) and Basis Engineering (Euro 540 thousand), from liquidated company North Adriatic Offshore s.c.a.r.l. (Euro 1 thousand), from associated company Rosetti Imstalcom Llp (Euro 80 thousand) and from the investments held in Cassa di Risparmio di Ravenna (Euro 4 thousand) and Sapir (Euro 1 thousand), It also includes the gain of Euro 692 thousand realised on the sale to subsidiary Fores Engineering Srl of a 10% interest in subsidiary Rosetti Kazakhstan Llp.

OTHER FINANCIAL INCOME

This item may be broken down as follows (in thousands of Euro):

	2013	2012
Income from subsidiaries	47	14
Income from associated companies	642	873
Sundry income:		
Bank interest income	782	792
Sundry interest income	226	548
Allowances received	1	4
TOTAL	**1,698**	**2,231**

"Income from associated companies" mainly consists of interest accruing on the loan to KCOI.

INTEREST AND OTHER FINANCIAL EXPENSES

This item may be broken down as follows (in thousands of Euro):

	2013	**2012**
d) to third parties:		
Interest expenses on bank current accounts	0	2
Interest expenses on bank loans	7	9
Sundry interest expenses	968	296
TOTAL	**975**	**307**

“Sundry interest expenses” mainly comprises interest expenses on exchange risk hedging operations. The increase in this item is mainly due to new contracts entered into with a bank to hedge the risk regarding the contract with customer Foxtrot International Ldc.

FOREIGN EXCHANGE GAINS AND LOSSES

This item may be broken down as follows (in thousands of Euro):

	2013	**2012**
Foreign exchange gains	6,205	4,969
Unrealised foreign exchange gains	67	100
Foreign exchange losses	(2,745)	(9,145)
Unrealised foreign exchange losses	(27)	(14)
TOTAL	**3,500**	**(4,090)**

The significant variation in foreign exchange gains and losses is due to the need to extend hedging transactions after some contracts passed their scheduled completion date.

ADJUSTMENTS TO VALUE OF FINANCIAL ASSETS

REVALUATIONS

This item includes the partial revaluation of the investment in subsidiary Rosetti Egypt Sae. For more details, see under “Equity investments in subsidiaries and associated companies”.

WRITEDOWNS

This item includes the writedown of investments in Rosetti Libya Jsc and Fores do Brasil Sistemas e Equipamentos Industriais Ltda by Euro 13 thousand and Euro 49 thousand, respectively, in order to bring their carrying amount into line with the relevant portions of equity and a Euro 50 million writedown of the investment in Rosetti Egypt Sae which increased during the year following the waiver of a loan receivable.

NON-RECURRING INCOME AND EXPENSES

OTHER INCOME

This item entirely consists of tax adjustments relating to prior year.

INCOME TAXES FOR THE YEAR

This item may be analysed as follows (in thousands of Euro):

	2013	2012
Current taxes	2,839	2,766
Deferred taxes	(9)	(17)
Deferred tax income	396	(778)
TOTAL	**3,226**	**1,971**

The following table contains a reconciliation between the tax charge recorded in 2013 and the theoretical tax charge, determined on the basis of theoretical tax rates (in thousands of Euro):

	Taxable income	Taxation
Theoretical income taxes	13,124	4,121
Adjustments re dividends and gains on equity investments	(6,916)	(1,902)
other adjustments – increases (decreases)	(1,565)	(430)
foreign taxes		779
tax deductions		(24)
temporary differences	1,321	387
higher tax base for IRAP	7,568	295
TOTAL		**3,226**

The effective tax rate is 24.58% (16.83% in 2012) against a theoretical tax rate of 31.40%.

ATTACHMENTS

The following attachments contain supplementary information in addition to that provided in the Notes of which they are an integral part.

The said information is contained in the following attachments:

- Statement of movements on shareholders' equity;
- List of investments in subsidiaries and associated companies at 31 December 2013 in terms of Art. 2427 (5) of the Italian Civil Code;
- Statement of changes in tangible assets for the year ended 31 December 2013;
- Income statement transactions with subsidiaries, associated companies and related parties in 2013.
- Temporary differences resulting in recognition of deferred tax assets and liabilities.
- Statement of cash flows for the years ended 31 December 2012 and 2013.

ROSETTI MARINO S.p.A.
STATEMENT OF MOVEMENTS ON SHAREHOLDERS' EQUITY
(In thousands of Euro)

	Share capital	Revaluation reserve	Legal reserve	Reserve for Treasury shares	Extraord. reserve	Res. Under Leg. Dec. 124/93	Reserve for grants	Res. For unrealised exch. gains	Net profit for year	Total
BALANCE AT 31 DECEMBER 2011	**4,000**	**36,969**	**800**	**5,100**	**72,672**	**15**	**1,926**	**60**	**21,368**	**142,910**
Allocation of net profit for 2011:										
- to extraordinary reserve	0	0	0	0	17,158	0	0	0	(17,158)	0
- to reserve for unrealised exchenge gains	0	0	0	0	0	0	0	410	(410)	0
- dividends	0	0	0	0	0	0	0	0	(3,800)	(3,800)
Net profit for 2012	0	0	0	0	0	0	0	0	9,742	9,742
BALANCE AT 31 DECEMBER 2012	**4,000**	**36,969**	**800**	**5,100**	**89,830**	**15**	**1,926**	**470**	**9,742**	**148,852**
Allocation of net profit for 2012:										
- to extraordinary reserve	0	0	0	0	7,272	0	0	0	(7,272)	0
- dividends	0	0	0	0	0	0	0	0	(2,470)	(2,470)
Reclassification of reserve for exchange gains	0	0	0	0	384	0	0	(384)	0	0
Net profit for 2013	0	0	0	0	0	0	0	0	9,898	9,898
BALANCE AT 31 DECEMBER 2013	**4,000**	**36,969**	**800**	**5,100**	**97,486**	**15**	**1,926**	**86**	**9,898**	**156,280**
Possible utilisation	B;C or D	A;B;D	A;B	E	A;B;C	A;B;D	A;B;D	C;E		

If distributed to the shareholders, share capital amounting to Euro 832 thousand would be subject to taxation. .
Utilisation of the reserve for grant income for any reason other than to cover losses would render it subject to taxation.
Some Euro 47 thousand of the reseve for unrealised exchange gains has become available.

Legend:
A) reserve available for share capital increases
B) reserve available to cover losses
C) reserve available for distribution to Shareholders
D) reserve available for distribution to Shareholders but becoming subject to taxation upon distribution
E) reserve not available

LIST OF EQUITY INVESTMENTS IN SUBSIDIARIES AND ASSOCIATED COMPANIES
AT 31 DECEMBER 2013 (ART. 2427 (5) of Italian Civil Code)
(in thousands of Euro)

Name	*Location*	*Share capital*	*Latest FS*	*Equity*		*Total assets*	*Value of production*	*Net profit (loss)*		*Percentage interest held*		*Carrying amount (a)*	*Value per Art.2427 (b)*	*Difference (b-a)*
				Total	*pro-quota*			*Total*	*pro-quota*	*Total*	*Direct*			
Subsidiaries: (*)														
- FORES ENGINEERING Srl	Forlì	1,000	2013	11,184	11,184	34,667	35,208	1,220	1,220	100.0%	100.0%	603	11,184	10,581
- BASIS ENGINEERING Srl	Milan	500	2013	3,083	3,083	9,189	17,712	242	242	100.0%	100.0%	265	3,083	2,818
- ROSETTI Doo	Croatia	48	2013	193	193	4,811	13,105	(196)	(196)	100.0%	100.0%	48	193	145
- ROSETTI MARINO UK Ltd	Scotland	0	2013	(59)	(59)	5,998	11,686	(59)	(59)	100.0%	100.0%	0	(59)	(59)
- ROSETTI GENERAL CON. Lda (1)	Portugal	50	2013	2,842	2,785	2,969	313	19	19	100.0%	98.0%	52	2,838	2,786
- ROSETTI KAZAKHSTAN Llp (2)	Kazakhstan	198	2013	14,357	12,921	15,578	12,366	4,876	4,388	100.0%	90.0%	179	13,645	13,466
- FORES ENGINEERING ALGERIE Eurl (3)	Algeria	437	2013	1,022	0	1,541	2,402	474	0	100.0%	0.0%	0	566	566
- ROSETTI MARINO MOCAMBIQUE Ltd	Mozambique	1		1	1	1	0	0	0	96.0%	96.0%	1	1	0
- ROSETTI EGYPT Sae in liquidazione (4)	Egypt	32	2013	(166)	(100)	40	6	(43)	(26)	90.0%	60.0%	5	5	0
- ROSETTI LIBYA Jsc	Libya	622	2013	491	319	536	0	(31)	(20)	65.0%	65.0%	319	319	0
- ROSHIPS Ltd	Scotland	0	2013	0	0	0	0	0	0	100.0%	100.0%	0	0	0
												1,472	31,775	30,303
Associated companies: (*)														
- FORES DO BRASIL Ltda (5)	Brazil	300	2013	106	27	185	0	(178)	(45)	75.0%	25.0%	26	26	0
- KAZAKHSTAN CASPIAN OFFSHORE INDUSTRIES Llp (6)	Kazakhstan	1,160	2013	9,170	917	48,532	38,069	112	11	50.0%	10.0%	296	4,072	3,776
- UNAROS Fzc	UAE	32	2013	(1,954)	(977)	70	0	(76)	(38)	50.0%	50.0%	0	0	0
- ROSETTI IMSTALCON Llp in liquidazione	Kazakhstan	35	2013	281	141	281	0	(15)	(8)	50.0%	50.0%	12	140	128
- LENAC-ROSETTI ADRIA Doo in liquidazione (7)	Croatia	198	2013	169	0	171	0	(11)	0	50.0%	0.0%	0	0	0
- TECON Srl	Milan	47	2013	2,804	561	5,278	5,181	71	14	20.0%	20.0%	550	691	141
												884	4,929	4,045

(*) Balance sheet and income statement information of subsidiaries and associated companies is taken from their latest approved financial statements

1) 2 % held indirectly through Basis Engineering Srl
2)10 % held indirectly through Fores Engineering Srl
3) Investment held indirectly through Fores Engineering Srl
4) Investment held 60% directly and indirectly through Fores Engineering Srl (15%) and Rosetti General Contracting Lda (15%)
5) 50% held indirectly through Fores Engineering
6) 40% held indirectly through Rosetti Kazakhstan Llp
7) Investment held indirectly through Rosetti Doo

ROSETTI MARINO S.p.A. (ATTACHMENT 3 TO FINANCIAL STATEMENTS)
STATEMENT OF MOVEMENTS ON TANGIBLE ASSETS
FOR THE YEAR ENDED 31 DECEMBER 2013
(in thousands of Euro)

Tangible assets	Opening situation				Movements during year										Closing situation			
					Additions			Disposals			Change of category		Depreciation					
	Historical cost	Reval'ns	Accum. Dep'n	Balance 31.12.12	Purchases	Int works	Reval'ns	H/cost	Reval'ns	Acc. Dep.	HC	Acc Dep	Rate	Amount	Historical cost	Reval'ns	Accum. Dep'n	Balance 31.12.13
		(*)					(*)		(*)							(*)		
Land and buildings:																		
' -buildings	26,007	7,075	(12,751)	20,331	0	0	0	0	0	0	0	0	3%	(1,312)	26,007	7,075	(14,063)	19,019
' - land	5,647	26,871	(1,430)	31,088	0	0	0	0	0	0	0	0	0%	0	5,647	26,871	(1,430)	31,088
' - light constructions	4,146	907	(4,309)	744	21	321	0	0	0	0	171	0	10%	(210)	4,659	907	(4,519)	1,047
Plant and machinery:																		
' - general and spec. Plant	11,666	1,260	(8,443)	4,483	2,971	15	0	(22)	(1)	23	0	0	10%	(821)	14,630	1,259	(9,241)	6,648
' - water treatment plants	238	0	(192)	46	0	0	0	0	0	0			15%	(17)	238	0	(209)	29
' - machinery	5,158	919	(5,560)	517	216	0	0	(186)	(115)	301	0	0	15.5%	(204)	5,188	804	(5,463)	529
Industrial and commercial equipment	2,483	0	(1,928)	555	169	0	0	(2)	0	2	0	0	25%	(268)	2,650	0	(2,194)	456
Other tangible assets:																		
- office furniture & equipment	360	0	(206)	154	7	0	0	(6)	0	6	0	0	12%	(25)	361	0	(225)	136
- electronic office equipment	1,482	0	(1,066)	416	200	3	0	(201)	0	201	0	0	20%	(181)	1,484	0	(1,046)	438
- commercial vehicles	543	0	(487)	56	18	0	0	(10)	0	10	0	0	20%	(20)	551	0	(497)	54
- cars	15	0	(7)	8	0	0	0	0	0	0	0	0	25%	(2)	15	0	(9)	6
Assets in progress and payments on account:																		
	172	0	0	172		37	0	0	0	0	(171)	0		0	38	0	0	38
-Assets in progress	1,854	0	0	1,854	0	0	0	0	0	0	0	0		0	1,854	0	0	1,854
- Advances to suppliers																		
Total	**59,771**	**37,032**	**(36,379)**	**60,424**	**3,602**	**376**	**0**	**(427)**	**(116)**	**543**	**0**	**0**		**(3,060)**	**63,322**	**36,916**	**(38,896)**	**61,342**

(*) These columns show revaluations made under specific legislation

STATEMENT OF TRANSACTIONS WITH SUBSIDIARIES, ASSOCIATED COMPANIES
AND RELATED PARTIES IN 2013
(Amounts in thousands of Euro)

	SUBSIDIARIES						ASSOCIATED COMPANIES				
Description	Fores Engineering	Basis Eng.	Rosetti Kazakhstan	Rosetti Doo	Rosetti Egypt	Rosetti UK	KCOI	Tecon	Rosetti Imstalcon	Unaros	**Total**
- Revenues (A1)	77	77	15	0	0	0	1,254	0	0	0	1,423
- Other revenues (A5b)	51	46	0	262	0	1,416	0	0	0	0	1,775
- Raw materials (B6)	7,929	0	0	0	0	0	0	0	0	0	7,929
- Services (B7)	875	15,835	0	12,853	0	11,685	0	2,104	0	0	43,352
- Leases and rentals (B8)	0	42	0	0	0	0	0	0	0	0	42
- Income from investments (C15)	0	540	5,962	0	0	0	0	0	80	0	6,582
- Financial income (C16)	37	0	7	0	2	1	620	0	0	22	689
- Gains on disposals (E20)	692	0	0	0	0	0	0	0	0	0	692

There were no transactions with related parties other than the above transactions with subsidiaries and associated companies.

TEMPORARY DIFFERENCES RESULTING IN THE RECOGNITION OF DEFERRED TAX ASSETS AND LIABILITIES

under Article 2427 (14) of the Italian Civil Code

(Amounts in thousands of Euro)

Description of temporary differences	*Deferred Tax Assets at 31/12/12*			*Decreases*			*Increases*			*Deferred Tax Assets at 31/12/13*		
Deductible differences	**Taxable amount**	**Rate**	**Tax**	**Taxable amount**	**Rate**	**Tax**	**Taxable amount**	**Rate**	**Tax**	**Taxable amount**	**Rate**	**Tax**
Inventory obsolescence provision	1,050	27.50%	289	350	27.50%	96	0	27.50%	0	700	27.50%	193
Provision for future risks	1,125	27.50%	309	92	27.50%	25	1,365	27.50%	375	2,398	27.50%	659
Provision for contractual risks	7,439	27.50%	2,046	0	27.50%	0	0	27.50%	0	7,439	27.50%	2,046
Bad debt provision	1,185	27.50%	326	1,185	27.50%	326	0	27.50%	0	0	27.50%	0
Unrealised foreign exchange losses	14	27.50%	4	14	27.50%	4	27	27.50%	8	27	27.50%	8
Contracts in progress	685	27.50%	188	685	27.50%	188	252	27.50%	69	252	27.50%	69
Directors' fees payable	353	27.50%	97	73	27.50%	20	0	27.50%	0	280	27.50%	77
Goodwill	65	31.40%	20	23	31.40%	7	0	31.40%	0	42	31.40%	13
Amortisation of intangible assets	3,864	31.40%	1,214	578	31.40%	182	0	31.40%	0	3,286	31.40%	1,032
Total	**15,780**		**4,493**	**3,000**		**848**	**1,644**		**452**	**14,424**		**4,097**

Description of temporary differences	*Deferred Tax Assets at 31/12/12*			*Decreases*			*Increases*			*Deferred Tax Assets at 31/12/13*		
Taxable differences	**Taxable amount**	**Rate**	**Tax**	**Taxable amount**	**Rate**	**Tax**	**Taxable amount**	**Rate**	**Tax**	**Taxable amount**	**Rate**	**Tax**
Unrealised foreign exchange gains	100	27.50%	27	100	27.50%	27	66	27.50%	18	66	27.50%	18
Dividends not collected	1	27.50%	1	1	27.50%	1	0	27.50%	0	0	27.50%	0
Total	**101**		**28**	**101**		**28**	**66**		**18**	**66**		**18**

STATEMENT OF CASH FLOWS

(amounts in thousands of Euro)

	31/12/2013	31/12/2012
A. OPENING SHORT-TERM FINANCIAL POSITION	**39,123**	**33,913**
B. CASH FLOWS GENERATED (ABSORBED) BY OPERATING ACTIVITIES		
Net profit (loss) for the year	9,898	9,742
Depreciation and amortisation	3,709	3,654
Net change in provisions for risks and contingencies	1,280	2,026
Net change in TFR / Employee severance indemnity provision	(32)	(60)
Profit (Loss) from operating activities before change in working capital	**14,855**	**15,362**
(Increase) Decrease in current receivables	(16,489)	(30,060)
(Increase)Decrease in non-current receivables	(73)	(3)
(Increase) Decrease in inventory	62,995	(30,186)
Increase (Decrease) in trade payables and other payables	(54,009)	62,200
Increase (Decrease)in other working capital items	687	(14)
	7,966	**17,299**
C. CASH FLOWS GENERATED (ABSORBED) BY INVESTING ACTIVITIES		
Net change in non-current assets:		
- intangible	(330)	(249)
- tangible	(3,980)	(5,859)
- financial	(4,472)	185
	(8,782)	**(5,923)**
D. CASH FLOWS GENERATED (ABSORBED) BY FINANCING ACTIVITIES		
Dividends	(2,470)	(3,800)
(increase) decrease in loans to subsidiaries	4,500	(2,280)
Other changes in medium/long-term debt	(88)	(86)
	1,942	**(6,166)**
E. CASH FLOWS FOR THE YEAR (B+C+D)	**1,126**	**5,210**
F. CLOSING SHORT-TERM NET FINANCIAL POSITION	**40,249**	**39,123**

3. BOARD OF STATUTORY AUDITORS' REPORT
ON THE FINANCIAL STATEMENTS
AS AT 31/12/2013

“To the Shareholders’ General Meeting of Rosetti Marino Spa

During the year ended 31/12/13, our work was performed in accordance with the Code of Conduct for Statutory Auditors as recommended by the Italian Accounting Profession (“*Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili*”).

Specifically:
We checked observance of the law and the articles of association and compliance with principles of proper business management.
We attended one Shareholders’ General Meeting, five Meetings of the Board of Directors and three Executive Committee Meetings which were held in accordance with the articles of association and legal rules governing their functioning and can provide reasonable assurance that the resolutions approved were in accordance with the law and the articles of association, were not clearly imprudent or risky, did not involve a conflict of interests and were not such as to threaten the integrity of the Company’s assets.
During the meetings held, the Directors provided us with information on the general operating performance and on the business outlook as well as details of the most significant transactions – in terms of size or characteristics – carried out by the Company and its subsidiaries. We can be reasonably certain that the operations and transactions carried out were in accordance with the law and the articles of association, were not clearly imprudent or risky, did not involve a conflict of interests and were not such as to threaten the integrity of the Company’s assets.
We had two meetings with the external auditors and no significant data and information requiring disclosure in this Report came to our attention.
We gathered information on and checked the adequacy of the organisational structure, also be gathering information from persons in charge of the various functions. We have no comments to make in this regard.

We verified the adequacy of the administrative and accounting system with regard to its reliability in reporting accurately on operating

activities. Based on the work done, by obtaining information from the divisional heads and the external auditors and reviewing Company documents, we have no comments to make in this regard.
No reports in terms of Article 2408 of the Italian Civil Code were received.
During the year, the Board of Statutory Auditors did not issue any opinions provided for by law.
During our supervisory work, as described above, we did not identify any other significant events requiring to be mentioned in this Report.
We have reviewed the financial statements for the year ended 31/12/13 and report the following.
As we were not required to perform detailed checks on the financial statements, we have confirmed only its conformity with legal requirements on its general form and structure. We have no comments to make in this regard.
As far as we are aware, when preparing the financial statements, the Directors did not deviate from statutory reporting requirements in terms of Article 2423(4) of the Italian Civil Code.
We have checked that the financial statements reflect the facts and information that have come to our attention in the course of our work and have no matters to report in this regard.

In consideration of the above and based on work done by external auditors Deloitte & Touche S.p.A., the results of which are contained in a report that accompanies these financial statements, we recommend approval of the financial statements for the year ended 31 December 2013, as prepared by the Directors."
Ravenna, 9 April 2014

The Board of Statutory Auditors

4. EXTERNAL AUDITORS' REPORT

Deloitte & Touche S.p.A.
Piazza Malpighi, 4/2
40123 Bologna
Italia

Tel: +39 051 65811
Fax: +39 051 230874
www.deloitte.it

AUDITORS' REPORT PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010 AND ALTERNATIVE CAPITAL MARKET REGULATION

(Translation from the Original Issued in Italian)

To the Shareholders of
ROSETTI MARINO S.p.A.

1. We have audited the financial statements of Rosetti Marino S.p.A. (hereby also "the Company") as of December 31, 2013. These financial statements prepared in accordance with the Italian law governing financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with Auditing Standards issued by the Italian Accounting Profession (CNDCEC) and recommended by Consob, the Italian Commission for listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

   The audit of the financial statements as of December 31, 2013 has been performed in accordance with the legal requirements in force during that period.

   For the opinion on the prior year's financial statements, the balances of which are presented for comparative purposes as required by law, reference should be made to our audit report issued on April 8, 2013.

3. In our opinion, the financial statements give a true and fair view of the financial position of Rosetti Marino S.p.A. as of December 31, 2013, and of the results of its operations for the year then ended in accordance with the Italian law governing financial statements.

4. The Directors of Rosetti Marino S.p.A. are responsible for the preparation of the Report on Operations in accordance with the applicable law. Our responsibility is to express an opinion on the consistency of the Report on Operations with the financial statements, as required by law. For this purpose, we have performed the procedures required under Auditing Standard n. 001 issued by the Italian Accounting Profession (CNDCEC). In our opinion the Report on Operations is consistent with the financial statements of Rosetti Marino S.p.A. as of December 31, 2013.

DELOITTE & TOUCHE S.p.A.

Signed by
Valeria Brambilla
Partner

Bologna, Italy
April 2, 2014

Translation from the Original Issued in Italy, from the Italian into English language solely for the convenience of international readers.

5. MINUTES OF SHAREHOLDERS' GENERAL MEETING HELD TO APPROVE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2013

The Shareholders' General Meeting of Rosetti Marino S.p.A. – registered office in Via Trieste, 230, Ravenna, Ravenna Register of Companies, Tax Number and VAT Number 00082100397 and wholly paid Share Capital of € 4,000,000 – met at the Company's registered office at 1030 hours on 5 May 2014 (this was the second date for which the meeting was convened as no meeting was held on the first date convened of 0700 hours on 29 April 2014).
The General Meeting was convened for this day (second date convened), at the designated time and place, through an announcement published in the Official Gazette of the Italian Republic – part two no 42 of 8/04/2014 and through announcements published on 10/04/2014 in the AIM Italy – Alternative Capital Market section of the web site of Borsa Italiana www.borsaitaliana.it and in the Investor Relations Section of company web site www.rosetti.it in order to discuss and decide upon the following

Order of Business

1. Review and approval of the Statutory Financial Statements for the year ended 31/12/2013, accompanied by the Directors' Report, the Board of Statutory Auditors' Report and the External Auditors' Report. Related and resulting resolutions.

2. Omissis.

3. Omissis.

<u>The following were present</u>

- the Board of Directors as follows
    - Medardo Ranieri – Chairman;
    - Daniele Rossi – Chief Executive Officer;
    - Stefano Silvestroni – Managing Director;
    - Giampiero Arcozzi – Managing Director;
    - Luca Barchiesi – Managing Director;
    - Giorgio Zuffa – Director;
- the Board of Statutory Auditors as follows
    - Gian Luigi Facchini – Chairman;
    - Renzo Galeotti – Statutory Auditor.

Preliminary matters

In accordance with Article 14 of the Articles of Association, Chairman of the Board of Directors Medardo Ranieri chaired the General Meeting.

The Chairman confirmed that the General Meeting was properly constituted to decide upon the matters included in the Order of Business as the following six Shareholders, owners of a total of 3,997,850 shares equal to 99.95% of the Share Capital, were present, either in person or by proxy:

- **ROSFIN S.p.A.,** owner of **2,221,500** (two million, two hundred and twenty-one thousand, five hundred) shares, equal to 55.54 % of Share Capital, represented in accordance with the Articles of Association by its Deputy Chairman and Legal Representative Gianfranco Magnani;

- **SAIPEM S.A.,** owner of **800,000** (eight hundred thousand) shares, equal to 20% of Share Capital, represented by Francesco Pellei, on the basis of a proxy filed with the Company and issued by Legal Representative Fabio Pallavicini on 22/04/2014;

- **COSMI HOLDING S.p.A.,** owner of **700,000** (seven hundred thousand) shares, equal to 17.5 % of Share Capital; represented by Giuliano Resca, on the basis of a proxy filed with the Company and issued by Legal Representative Sonia Resca on 29/04/2014;

- **ROSETTI MARINO S.p.A.,** owner of **200,000** (two hundred thousand) shares, equal to 5% of Share Capital, in relation to which, given their status as treasury shares held by the Company, the Chairman duly notes that voting rights are suspended in terms of Article 2357-ter (2) of the Italian Civil Code and that, under the same provision, any earnings rights relating to these shares shall be allocated on a proportionate basis to the other shares; in compliance with the Articles of Association, the Company was represented by its Chairman and Legal Representative Medardo Ranieri;

-

- **ARGENTARIO S.p.A.,** owner of **50,000** (fifty thousand) shares, equal to 1.25 % of Share Capital; represented by Roberto Budassi, on the basis of a proxy filed with the Company and issued by Legal Representative Antonio Patuelli on 29/04/2014;

- **MEDARDO RANIERI,** owner of **26,350** (twenty-six thousand, three hundred and fifty) shares, equal to 0.65 % of Share Capital.

The Chairman declared the meeting open and recalled that:

- the current Share Capital of Rosetti Marino S.p.A. is wholly paid and amounts to € 4,000,000.00, comprising 4,000,000 shares with a nominal value of € 1.00 each;

- since 06/12/2012, the Company has been listed on the AIM Italy – Alternative Capital Market managed by Borsa Italiana and, therefore, in compliance with the applicable Rules, on 10/04/2014, a notice calling the General Meeting was published on the Borsa Italiana web site in the specific section on the AIM Italy – Alternative Capital Market and on the Company's own web site;

- checks on compliance with deadlines laid down by law and by the Articles of Association for legitimation of exercise of rights relating to the shares have been performed;

- voting is public and it is proposed that votes should be expressed by a show of hands.

As proposed by the Chairman, the General Meeting nominated Stefano Silvestroni to act as Secretary and he accepted.

The Meeting then moved on to deal with the Order of Business.

1) Review and approval of the Statutory Financial Statements for the year ended 31/12/2013, accompanied by the Directors' Report, the Board of Statutory Auditors' Report and the External Auditors' Report. Related and resulting resolutions.

With regard to the first matter on the Order of Business, the Chairman recalls that:

- in accordance with the law, copies of the Financial Statements were made available at the Company's Registered Office in the 15 days prior to the General Meeting;
- the Shareholders present today have been issued with a file called "ROSETTI MARINO – Statutory Financial Statements as at 31 December 2013" containing:
  - Directors' Report on Operations;
  - Board of Statutory Auditors' Report;
  - The Financial Statements;
  - Notes to the Financial Statements;
  - Attachments to the Financial Statements;
  - External Auditors' Report;

- since 11/04/2014, the Financial Statements have also been available by internet, having been published on the web sites of Borsa Italiana and the Company itself;

- the file containing the Consolidated Financial Statements for 2013, as approved by the Board of Directors on 31/03/2014 and containing the "Directors' Report on operations accompanying the Consolidated Financial Statements as at 31 December 2013", the "Consolidated Financial Statements as at 31 December 2013" and the "External Auditors' Report on the Consolidated Financial Statements" has been made available on the internet sites of Borsa Italiana and the Company itself with a printed copy having been issued to all those taking part in today's General Meeting.

At the invitation of the Chairman, Chief Executive Officer Daniele Rossi read out the Directors' Report on Operations while Director and CFO Luca Barchiesi read out the Balance Sheet, the Income Statement and the Report of External Auditors Deloitte & Touche on the Financial Statements.

At the request of one Shareholder and with the approval of the General Meeting, the Notes to the Financial Statements were not read out.

The Chairman recalled the following highlights from the Financial Statements, as expressed in Euro:

BALANCE SHEET

Assets	336,616,903
Liabilities	180,336,643
Share capital + reserves	146,382,059
Net profit for the year	9,898,201

INCOME STATEMENT

Value of Production	343,142,552
Costs and Taxes	333,244,351
Net profit for the year	9,898,201

The Chairman then read the resolution proposed by the Board of Directors for approval of the Financial Statements and allocation of the net profit for the year of € 9,898,200.64 as follows:

- € 7,998,200.64 to Extraordinary Reserve;
- € 1,900,000.00 as Remuneration of Share Capital, in the form of a dividend of 0.50 € for each of the 3,800,000 shares with dividend rights with a validity date of 12 May 2014 and a payment date of 15 May 2014.

At the invitation of the Chairman of the Board of Directors, the Chairman of the Board of Statutory Auditors addressed the meeting and read out the Statutory Auditors' Report in terms of Article 2429 of the Italian Civil Code.

The Chairman declared open the discussion of the first matter on the Order of Business.

Roberto Budassi addressed the meeting as representative of shareholders Argentario SpA and Rosfin and expressed his satisfaction with the results achieved by the Company in 2013.

Giuliano Resca then addressed the meeting as representative of Cosmi Holding SpA. He complimented the Company for the results achieved in 2013 and thanked the Directors and all employees of the Company and the Group as a whole.

At the end of the discussion, the Chairman thanked those present and before proceeding with a vote referred, in particular, to:

- the Board of Statutory Auditors' Report and the conclusions contained therein;
- the External Auditors' Report on the Financial Statements.

The Chairman then put to a vote approval of the Statutory Financial Statements of Rosetti Marino S.p.A. as at 31 December 2013, accompanied by the Directors' Report on Operations and the Board of Statutory Auditors' Report, together with the proposed allocation of the net profit for the year; he invited the General Meeting to vote by a show of hands.

Five shareholders with voting rights– owners of a total of 3,797,850 shares, equal to 94.95% of Share Capital – were present either in person or by proxy.

Having completed the voting process, the Chairman declared that the Ordinary General Meeting of the Company, with the unanimous support of all Shareholders entitled to vote

RESOLVED

1.a) to approve the Statutory Financial Statements as at 31 December 2013 with the proposed allocation of the net profit for the year and distribution of a dividend of €0.50 per each of the 3,800,000 shares with dividend rights – validity date 12/05/2014 and payment date from 15/05/2014.

The meeting then moved on to deal with the next matter on the Order of Business.

2) Omissis.

3) Omissis.

Before concluding the General Meeting, it was acknowledged that all those present declared that they had received a copy of the folder containing the Consolidated Financial Statements of the Group as at 31/12/2013, as accompanied by the relevant documents and approved by the Board of Directors of Rosetti Marino S.p.A. on 31/03/2014.

As there was no other business, the Chairman declared the General Meeting over at 1130 hours.

THE SECRETARY	THE CHAIRMAN
Stefano Silvestroni	Medardo Ranieri