

## CONSOLIDATED BALANCE SHEET

|                                | 2016<br>EUROs        | %            | 2015<br>EUROs        | %            | 2014<br>EUROs        | %            |
|--------------------------------|----------------------|--------------|----------------------|--------------|----------------------|--------------|
| <b>ASSETS</b>                  |                      |              |                      |              |                      |              |
| Cash and banks                 | 75.925.191           | 3,8          | 19.912.210           | 1,1          | 43.293.754           | 2,4          |
| Receivables                    | 206.455.905          | 10,4         | 195.890.519          | 11,1         | 208.220.993          | 11,6         |
| Inventories                    | 588.804.431          | 29,7         | 636.419.402          | 35,9         | 604.584.237          | 33,7         |
| Marketable Securities          | 73.075.560           | 3,7          | 40.253.567           | 2,3          | 25.523.515           | 1,4          |
| <b>Current assets</b>          | <b>944.261.087</b>   | <b>47,6</b>  | <b>892.475.698</b>   | <b>50,3</b>  | <b>881.622.499</b>   | <b>49,1</b>  |
| Gross tangible fixed assets    | 1.276.119.714        |              | 1.239.334.663        |              | 1.192.415.903        |              |
| less: accumulated depreciation | -905.861.338         |              | -873.437.017         |              | -837.185.629         |              |
| Net tangible fixed assets      | 370.258.376          | 18,7         | 365.897.647          | 20,6         | 355.230.274          | 19,8         |
| Financial fixed assets         | 667.908.015          | 33,7         | 514.211.519          | 29,0         | 559.765.330          | 31,2         |
| <b>Total Assets</b>            | <b>1.982.427.478</b> | <b>100,0</b> | <b>1.772.584.864</b> | <b>100,0</b> | <b>1.796.618.103</b> | <b>100,0</b> |

|   | 2016<br>EUROs        | %            | 2015<br>EUROs        | %            | 2014<br>EUROs        | %            |
|---|----------------------|--------------|----------------------|--------------|----------------------|--------------|
| <b>LIABILITIES AND NET EQUITY</b>       |                      |              |                      |              |                      |              |
| Short-term liabilities                  | 539.202.267          | 27,2         | 487.408.307          | 27,5         | 490.595.164          | 27,3         |
| Medium term liabilities                 | 184.481.740          | 9,3          | 210.907.473          | 11,9         | 186.697.290          | 10,4         |
| Provisions                              | 62.876.103           | 3,2          | 65.603.659           | 3,7          | 59.965.487           | 3,3          |
| <b>Total liabilities and provisions</b> | <b>786.560.110</b>   | <b>39,7</b>  | <b>763.919.439</b>   | <b>43,1</b>  | <b>737.257.941</b>   | <b>41,0</b>  |
| Net equity                              | 898.867.368          | 45,3         | 711.665.425          | 40,1         | 762.360.162          | 42,4         |
| Shareholder's financing                 | 297.000.000          | 15,0         | 297.000.000          | 16,8         | 297.000.000          | 16,5         |
| <b>Total shareholder's funds</b>        | <b>1.195.867.368</b> | <b>60,3</b>  | <b>1.008.665.425</b> | <b>56,9</b>  | <b>1.059.360.162</b> | <b>59,0</b>  |
| <b>Total liabilities and Net Equity</b> | <b>1.982.427.478</b> | <b>100,0</b> | <b>1.772.584.864</b> | <b>100,0</b> | <b>1.796.618.103</b> | <b>100,0</b> |

## CONSOLIDATED PROFIT &amp; LOSS ACCOUNT

|  | 2016<br>EUROs      | %           | 2015<br>EUROs      | %            | 2014<br>EUROs       | %            |
|--|--------------------|-------------|--------------------|--------------|---------------------|--------------|
| Net sales                                | 736.395.537        | 100,0       | 826.618.283        | 100,0        | 853.504.117         | 100,0        |
| Changes in fin.products inv. & w.i.p.    | -34.596.664        | -4,7        | 518.088            | 0,1          | -16.092.653         | -1,9         |
| Other operating income                   | 7.436.270          | 1,0         | 10.468.578         | 1,3          | 3.823.804           | 0,4          |
| <b>Production value</b>                  | <b>709.235.143</b> | <b>96,3</b> | <b>837.604.949</b> | <b>101,3</b> | <b>841.235.269</b>  | <b>98,6</b>  |
| Purchases                                | -372.854.678       | -50,6       | -479.566.292       | -58,0        | -471.074.323        | -55,2        |
| Changes in inventories of raw material   | -13.134.835        | -1,8        | 14.776.360         | 1,8          | -14.343.919         | -1,7         |
| Other operating expenses                 | -128.071.455       | -17,4       | -142.233.444       | -17,2        | -133.729.309        | -15,7        |
| <b>Value added</b>                       | <b>195.174.175</b> | <b>26,5</b> | <b>230.581.573</b> | <b>27,9</b>  | <b>222.087.718</b>  | <b>26,0</b>  |
| Personnel expenses                       | -134.104.284       | -18,2       | -133.133.161       | -16,1        | -127.781.259        | -15,0        |
| <b>Gross operating margin</b>            | <b>61.069.891</b>  | <b>8,3</b>  | <b>97.448.412</b>  | <b>11,8</b>  | <b>94.306.459</b>   | <b>11,0</b>  |
| Depreciation                             | -37.835.329        | -5,1        | -40.377.953        | -4,9         | -33.393.552         | -3,9         |
| Provisions                               | -892.208           | -0,1        | -406.608           | 0,0          | -539.782            | -0,1         |
| <b>Operating profit</b>                  | <b>22.342.354</b>  | <b>3,0</b>  | <b>56.663.851</b>  | <b>6,9</b>   | <b>60.373.125</b>   | <b>7,1</b>   |
| Net Financial Items                      | 8.121.715          | 1,1         | -4.574.424         | -0,6         | -5.841.523          | -0,7         |
| Net currency differences                 | -2.215.660         | -0,3        | -11.182.201        | -1,4         | -3.616.764          | -0,4         |
| <b>Result before extraordinary items</b> | <b>28.248.409</b>  | <b>3,8</b>  | <b>40.907.226</b>  | <b>4,9</b>   | <b>50.914.837</b>   | <b>6,0</b>   |
| Extraordinary items                      | -8.958.815         | -1,2        | -75.125.967        | -9,1         | -148.923.213        | -17,4        |
| <b>Pre-tax profit</b>                    | <b>19.289.594</b>  | <b>2,6</b>  | <b>-34.218.741</b> | <b>-4,1</b>  | <b>-98.008.376</b>  | <b>-11,5</b> |
| Corporate income tax                     | -2.125.788         | -0,3        | -25.974.178        | -3,1         | -17.404.600         | -2,0         |
| <b>Group net profit</b>                  | <b>17.163.806</b>  | <b>2,3</b>  | <b>-60.192.919</b> | <b>-7,3</b>  | <b>-115.412.976</b> | <b>-13,5</b> |

## FINANCIAL HIGHLIGHTS

|                              | 2016<br>EUROs | 2015<br>EUROs | 2014<br>EUROs |
|------------------------------|---------------|---------------|---------------|
| NET SALES                    | 736.395.537   | 826.618.283   | 853.504.117   |
| GROSS OPERATING MARGIN       | 61.069.891    | 97.448.412    | 94.306.458    |
| OPERATING PROFIT             | 22.342.354    | 56.663.851    | 60.373.124    |
| NET RESULT                   | 17.163.806    | -60.192.919   | -115.412.976  |
| NET FINANCIAL EXPENSES       | 5.906.055     | -15.756.625   | -9.458.287    |
| TOTAL ASSETS AT 31/12        | 1.982.427.478 | 1.772.584.864 | 1.796.618.103 |
| SHAREHOLDER'S FUNDS AT 31/12 | 1.195.867.368 | 1.008.665.425 | 1.059.360.162 |
| EMPLOYEES AT 31/12 n.        | 2.412         | 2.412         | 2.406         |

## KEY FINANCIAL RATIOS

|  |     |      |      |
|--|-----|------|------|
| GROSS OPERATING MARGIN / NET SALES               | 8,3 | 11,8 | 11,0 |
| DEPRECIATION / GROSS TANGIBLE FIXED ASSETS       | 3,0 | 3,3  | 2,8  |
| LIQUIDITY RATIO                                  | 0,5 | 0,4  | 0,5  |
| CURRENT RATIO                                    | 1,8 | 1,8  | 1,8  |
| LIABILITIES AND PROVISIONS / SHAREHOLDER'S FUNDS | 0,7 | 0,8  | 0,7  |
| FIXED ASSETS COVER RATIO                         | 0,9 | 0,9  | 0,9  |

## Consolidated Financial Statements 2016





## VALBRUNA PRODUCTION AND DISTRIBUTION NETWORK



Valbruna, to support its international distribution, has established a comprehensive network of branches and warehouses in all the major countries.

## VALBRUNA PRODUCTION AND DISTRIBUTION NETWORK

|                    |  |
|--------------------|--|
| ITALY              | <b>Vicenza Plant</b><br><b>Bolzano Plant</b>                           |
| ITALIAN WAREHOUSES | Ancona, Bologna,<br>Brescia, Milano,<br>Parma, Torino, Treviso         |
| AUSTRALIA          | Valbruna Australia Ltd   |
| CANADA             | Valbruna Canada Ltd  |
| CHINA              | Valbruna Asia Ltd  |
| CZECH REPUBLIC     | Valbruna Central Europe s.r.o.   |
| DENMARK            | Inox Staal A/S   |
| FINLAND            | Valbruna Nordic OY   |
| FRANCE             | Valbruna France Sas  |
| GERMANY            | Valbruna Edelinor GmbH   |
| INDIA              | Valbruna Stainless & Nickel Alloys India Pvt. Ltd                      |
| IRELAND            | Valbruna Ireland Ltd   |
| MALAYSIA           | Valbruna Stainless Sdn   |
| MEXICO             | Valbruna Mexico SA de CV   |
| NETHERLAND         | Valbruna Nederland BV  |
| POLAND             | Valbruna Polska  |
| SOUTH AFRICA       | Valbruna Stainless South Africa Pty                                    |
| SPAIN              | Valbruna Iberica SL  |
| SWEDEN             | Valbruna Nordic AB   |
| SWITZERLAND        | Valbruna A.G.  |
| TURKEY             | Valbruna Turkey  |
| UAE                | Valbruna Gulf Fze  |
| UK                 | Valbruna U.K. Ltd  |
| USA                | Valbruna Stainless Inc.<br><b>Valbruna Slater Stainless Inc. Plant</b> |

## OTHER VALBRUNA GROUP COMPANIES

|        |  |
|--------|--|
| ITALY  | Amenduni Nicola S.p.A.<br>Ferlat Acciai S.p.A.<br>Steelcom Fittings S.r.l. |
| SPAIN  | Amenduni Iberica S.A.  |
| FRANCE | Ugvis Sas  |
| POLAND | Mikromed<br>Mikrohuta  |

Vicenza plant



Bolzano plant



Fort Wayne plant

[www.valbruna-stainless-steel.com](http://www.valbruna-stainless-steel.com)

HIGH QUALITY IS OUR STANDARD

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2016**VALBRUNA GROUP**  
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