CLN GROUP

ANNUAL REPORT + CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2014

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Disclaimer

This Annual Report and Consolidated Financial Statements for the year ended 31 December 2014 have been translated into English solely for the convenience of the international reader. In the event of inconsistency or conflict between the terms used in the Italian version of the report and the English version, the Italian version shall prevail.

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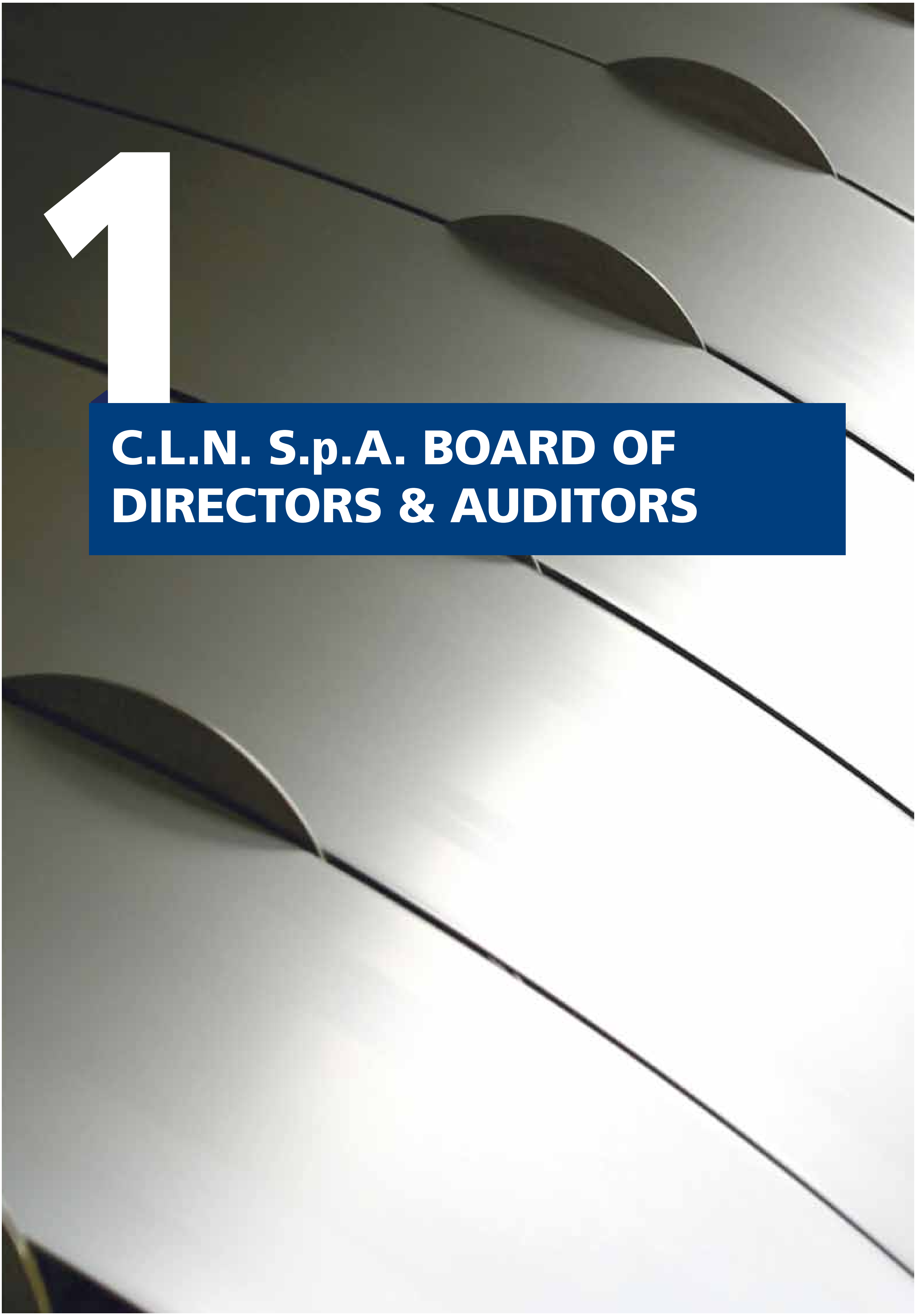
C.L.N. S.p.A. BOARD OF DIRECTORS & AUDITORS



BOARD OF DIRECTORS

Chairman

Aurora Magnetto

Managing Directors

Aurora Magnetto

Gabriele Perris Magnetto

Board Managers

Amulio Cipriani

Gianni Coda

Nishio Fumitaka

Vijay Goyal

Alain Marie Legrix de la Salle

Giulio Pampuro

Raffaella Perris Magnetto

Vincenzo Perris

Jurgen Gunter Schachler

BOARD OF AUDITORS

President

Colin Johnston

Acting Auditors

Vittorino Pizzoni

Giovanni Sala

Alternate Auditors

Alessandra Odorisio

Riccardo Ronchi

INDEPENDENT AUDITOR

PricewaterhouseCoopers S.p.A.

2 REPORT ON OPERATIONS

REPORT ON OPERATIONS

Dear Shareholders,

2014 represented for the CLN Group a time of significant changes. Relevant transactions have occurred on the business perimeter at the end of which the Group is now, even more than in the past, oriented towards the automotive market and, within it, at OEM's productions in Europe and South Africa. A new business model is being implemented, which provides the direct and exclusive management of the activities of the historical "Automotive" divisions MA and MW (to which the newly-established MFB division dedicated to fine blanking in Italy was added during the year) and the joint management with ArcelorMittal of the steel distribution business in Italy.

A key step in this regard was, in October, the definition of the binding terms for the creation of a joint venture (ArcelorMittal CLN Distribuzione Italia – "AMCLN") that stands out as the market leader in steel distribution in Italy; the agreement provides for the transfer to AMCLN of the business concerning the Italian distribution centres owned by the Group that will be managed with those held in Italy by ArcelorMittal. The transaction involves the generation of significant synergies that the Group will achieve in accordance with the stake held in the JV (51%).

Looking at the macroeconomic scenario, 2014 was characterized by different performances in the major world economies. Standing out amongst all, the robust growth of the North American economy, the basic stability of the Eurozone and the first signs of a slowdown in emerging countries and in particular in Brazil and Russia.

As a natural reflection of the macroeconomic scenario, the global automotive market has experienced an overall growth of about 3% over the previous year, mainly driven by China (+ 8%) and the US (+ 6%); a downturn instead for Brazil (-7%) and Russia (-10%).

Moving on to the results of the Group, the financial year 2014 was not significantly affected by the mentioned operations on the business perimeter given that they were only partially implemented at year end. The economic results are therefore almost entirely attributable to the existing perimeter at the end of 2013. They show an Ebitda of € 107 million and a net loss of € 54 million, of which € 34 million attributable to non-operating items (mainly restructuring costs, losses from joint/non-controlled entities, foreign exchange losses). Despite the net loss incurred at the end of the year, financial debt was lower compared to the end of 2013.

Looking to the immediate future, the projections for 2015, confirmed by the results achieved in the first quarter of the year, expect a return to a break-even result. 2015 will also be strategic for the Group since, in addition to the startup of the new JV AMCLN, it will involve investments in growth projects mainly in Germany (Daimler) and Italy (FCA) that will represent the basis for sustained development in subsequent years.

THE MACROECONOMIC ENVIRONMENT

2014 was characterized by uneven and fragmented economic performance. The United States confirmed itself as the locomotive of global growth, while Europe has experienced difficulties in connecting with a concrete and lasting recovery. As for emerging markets, these have revealed the first signs of a slowdown, maintaining in any case attractive levels of growth.

In general, as published by the International Monetary Fund, in 2014 the global GDP showed an increase of 3.3%, while forecasts for 2015 indicate a growth of 3.5%.

In 2014, the Eurozone recorded a GDP growth of 0.8% with a slight further improvement expected for 2015 (estimated growth of 1.2%). Within the European context, the Italian economy ended 2014 with a GDP contraction of 0.4% with forecasts of a return to growth in 2015 (+ 0.6%).

In the rest of the world the situation varies diversified.

According to the latest estimates (January 2015) of the IMF, in 2014 the United States GDP should have increased by 2.4% and in 2015 it is expected to grow by 3.6%.

In Japan, the latest IMF estimates indicate a stagnation of GDP in 2014 (+ 0.1%) and a slight growth in 2015 of 0.6%.

With reference to the BRICS countries, 2014 showed signs of a reduction of the growth rate compared to the previous years.

Particularly in China, GDP increased by 7.4%, the lowest level in the last 24 years; in Brazil growth estimates have suffered in recent months of constant downward revisions. The IMF has predicted a substantial break-even situation in the Brazilian GDP in 2014 and 0.3% in 2015. The 2014 annual growth of India and South Africa was rather in line with the previous year at 6% and 2% with forecasts of further improvement in 2015.

Russia deserves specific notice because of the severe devaluation of the ruble and the collapse in oil prices. The GDP in 2014 was basically unchanged from the previous year with forecasted contraction of around 4% for the year 2015.

AUTOMOTIVE MARKET

The automotive market saw encouraging signs in 2014 in terms of global sales. Over the past year 85 million new cars (with an increase of 3.5% over the previous year) were sold in the world and this trend seems to be confirmed for the first months of 2015.

In Europe in 2014 (EU 27 + EFTA) the Passengers Cars ("PSC") market marked an increase in terms of registrations of 5.6% (13 million against 12.3 the previous year), giving an encouraging restart sign after a period of negative trend that began in 2007.

Signs of recovery have emerged in all of the most important countries of the continent, in particular in Germany (+ 2.9%) and in Italy (+ 4.2%); exceptionally positive instead the UK market (+ 9.3%) and Spain (+ 18.4%), while France remains substantially stable (+ 0.3%).

The increase in the market also reflects the performance of the main CLN Group customers that, over the previous year, recorded sharp increases in registrations: the Fiat Group (+ 3.5%) mainly due to the excellent performance of the Jeep brand, PSA (+ 3.7%), BMW (+ 4.9%) and Renault/Nissan (+ 13%).

As for the segment of Light Commercial Vehicles ("LCV") in Europe (EU 27 + EFTA), in the year 2014 the registrations increased by 10.7% to 1,594,960 units.

Regarding the PSC segment, all the major countries have contributed positively to growth, in particular Spain (+ 33.2%), the UK (+ 18.7%), Italy (+16.4 %), Germany (+ 7.3%) and France (+ 1.5%).

With reference to the main non-European markets in which the Group operates:

- the Turkish automotive industry fell by 13.0% in 2014, confirming its down trend in recent years;
- the Russian market recorded a decrease of 11.9%, confirming a new negative trend that also characterized last year;
- in Brazil, the market was characterized by a decrease in registrations of 10.5%;
- India (sixth market in the world for volumes) returned to growth after a small setback of 2013 (+ 4.7%);
- China maintained an important and stable trend of growth in 2014, with an increase of 12.0% over the previous year.

STEEL MARKET

In 2014 the world steel production was worth 1.637 billion tons with an increase of approximately 1.1% compared to 2013. Asian productions are of absolute importance representing approximately 68% of the total world production and China stand alone representing about 50% of it.

In Italy domestic production has decreased compared to the previous year (-1.4%) while consumption recorded a reversal trend compared to the previous two years with a growth of about 4%. Such growth is characterized by different trends between the various months of the year and majorly concerning cold instead of hot rolled products.

In Italy, despite the increase in demand, the purchase prices of coils fell on average of about 40 €/t. This drop is mainly originated by the structure of the distribution in Italy with a level of overcapacity that could reduce the operating margins.

Even in this respect, the "AMCLN" project turns out to be strategic in order to ensure adequate margins to the business through the optimization of plant locations and fixed costs.

OPERATIONS ON THE CONSOLIDATION PERIMETER

As mentioned above, during the year, the Group completed certain extraordinary operations within the consolidation perimeter with relevant impacts on the current and future economic and financial situation. In particular:

- In June, C.L.N. S.p.A. acquired from Prorena Canessa all the shares in the GRB S.r.l. and changed its name into MFB S.r.l.; afterwards this latter purchased the productive branches of San Carlo (TO) and Val Greghentino (LC) of Algat Industries S.r.l. in bankruptcy giving life to a fine blanking centre which is in fact a new line of business for the Group.

- In October 2014, the investment in MA Automotive Brasil was diluted from 60 to 45% due to a share capital increase subscribed and paid by Simest in the Brazilian company. This change determined the exit of MA Automotive Brasil from the perimeter of companies consolidated by the Group on a line by line basis.
- As previously reported, in October 2014, CLN Group defined along with its partner ArcelorMittal the binding terms for the creation of a joint venture operating in the steel service centres market in Italy. C.L.N. S.p.A. contributes its operating branch together with the investments in Prorena Canessa Srl, in Delna SpA (through the contribution of its holding company Pro-Can S.r.l.) and Tamagnone Srl. The transaction was executed on 30 March, 2015 with effectiveness from 1 April 2015.
- In December 2014, the Group obtained control over ITLA Srl fulfilling the requirements for line by line consolidation.

Given the materiality of the impacts arising from such operations, this report provides disclosures on the main elements of inconsistency (mainly at the balance sheet level), by showing the comparison with the prior year financial statements. In addition, a Re-Determined Statement is reported prepared assuming that all such transactions were effective since January 1, 2014.

OUTLOOK ON 2015 RESULTS

With reference to the new perimeter outlined through the steps described in the previous paragraph, the forecasts for 2015 show a growth in sales compared to 2014 (assuming the same perimeter) mainly driven by new orders for FCA in Italy and for Daimler in South Africa. In terms of Ebitda, the margin on sales is expected to be in line with 2014 at around 9%.

Due to the growth of profitability from operations and to a lower impact of non recurring items (mainly restructuring costs and forex), a break-even result is expected at year-end, representing a relevant improvement compared to 2014.

At the same time, despite the projected capex for growth projects in 2015, especially in Germany for the new plant in Bremen for Daimler and Italy for FCA, the financial debt is forecasted to remain stable compared to 2014, with an improved “leverage” driven by the Ebitda increase.

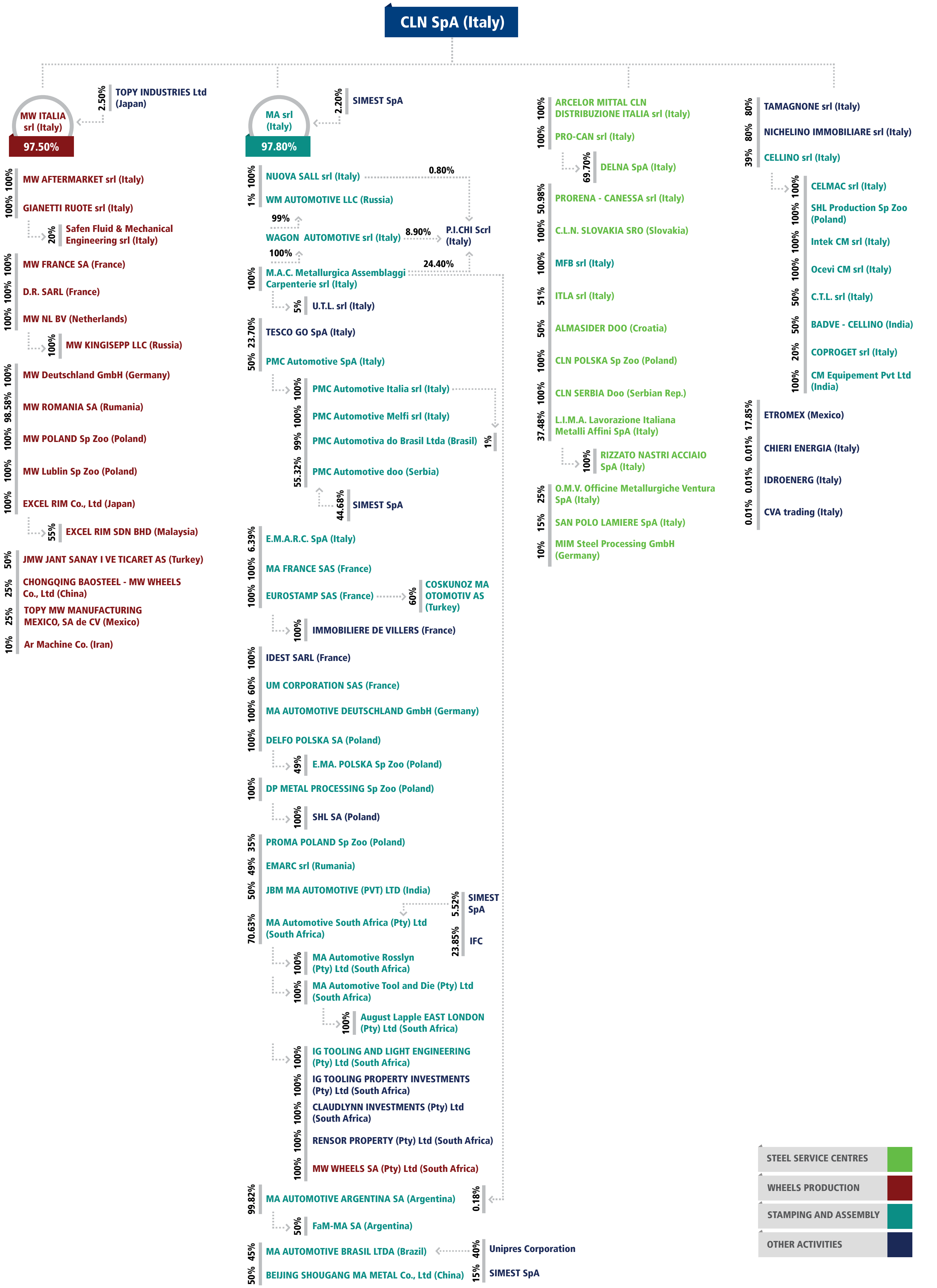
Furthermore, 2015 may represent for the Group a first consolidation of recovery and the starting point for a further growth in the medium term driven by investments made and by the newly awarded projects with start of production in 2016/2018.

In this direction, the results already achieved in the first quarter of 2015, above the budget expectations, are encouraging.

GROUP ACTIVITIES AND OPERATIONS

The CLN Group operates in four different business sectors organized into four different business units: steel service centres (SSC Division), steel wheel production for cars, motorcycles, commercial and industrial vehicles (MW/Wheels Division), production of stamped components for cars and commercial vehicles (MA/Automotive Division) and since 2014 Fine Blanking parts (MFB Division).

The following table illustrates the Group's legal structure as at 31 December 2014.


CLN SpA (Italy)
MW ITALIA srl (Italy)
97.50%
2.50% TOPY INDUSTRIES Ltd (Japan)
100% MW AFTERMARKET srl (Italy)
100% GIANETTI RUOTE srl (Italy)
20% Safen Fluid & Mechanical Engineering srl (Italy)
100% MW FRANCE SA (France)
100% D.R. SARL (France)
100% MW NL BV (Netherlands)
100% MW KINGISEPP LLC (Russia)
100% MW Deutschland GmbH (Germany)
98.58% MW ROMANIA SA (Rumania)
100% MW POLAND Sp Zoo (Poland)
100% MW Lublin Sp Zoo (Poland)
100% EXCEL RIM Co., Ltd (Japan)
55% EXCEL RIM SDN BHD (Malaysia)
50% JMW JANT SANAY I VE TICARET AS (Turkey)
25% CHONGQING BAOSTEEL - MW WHEELS Co., Ltd (China)
25% TOPY MW MANUFACTURING MEXICO, SA de CV (Mexico)
10% Ar Machine Co. (Iran)
MA srl (Italy)
97.80%
2.20% SIMEST SpA
100% NUOVA SALL srl (Italy)
0.80%
1% WM AUTOMOTIVE LLC (Russia)
99%
WAGON AUTOMOTIVE srl (Italy)
8.90%
P.I.CHI Scrl (Italy)
100%
24.40%
100% M.A.C. Metallurgica Assemblaggi Carpenterie srl (Italy)
5% U.T.L. srl (Italy)
23.70% TESCO GO SpA (Italy)
50% PMC Automotive SpA (Italy)
100% PMC Automotive Italia srl (Italy)
100% PMC Automotive Melfi srl (Italy)
99% PMC Automotiva do Brasil Ltda (Brasil)
1%
55.32% PMC Automotive doo (Serbia)
44.68% SIMEST SpA
6.39% E.M.A.R.C. SpA (Italy)
100% MA FRANCE SAS (France)
100% EUROSTAMP SAS (France)
60% COSKUNOZ MA OTOMOTIV AS (Turkey)
100% IMMOBILIERE DE VILLERS (France)
100% IDEST SARL (France)
60% UM CORPORATION SAS (France)
100% MA AUTOMOTIVE DEUTSCHLAND GmbH (Germany)
100% DELFO POLSKA SA (Poland)
49% E.MA. POLSKA Sp Zoo (Poland)
100% DP METAL PROCESSING Sp Zoo (Poland)
100% SHL SA (Poland)
35% PROMA POLAND Sp Zoo (Poland)
49% EMARC srl (Rumania)
50% JBM MA AUTOMOTIVE (PVT) LTD (India)
5.52% SIMEST SpA
70.63% MA Automotive South Africa (Pty) Ltd (South Africa)
23.85% IFC
100% MA Automotive Rosslyn (Pty) Ltd (South Africa)
100% MA Automotive Tool and Die (Pty) Ltd (South Africa)
100% August Lapple EAST LONDON (Pty) Ltd (South Africa)
100% IG TOOLING AND LIGHT ENGINEERING (Pty) Ltd (South Africa)
100% IG TOOLING PROPERTY INVESTMENTS (Pty) Ltd (South Africa)
100% CLAUDLYNN INVESTMENTS (Pty) Ltd (South Africa)
100% RENSOR PROPERTY (Pty) Ltd (South Africa)
100% MW WHEELS SA (Pty) Ltd (South Africa)
99.82% MA AUTOMOTIVE ARGENTINA SA (Argentina)
0.18%
50% FaM-MA SA (Argentina)
45% MA AUTOMOTIVE BRASIL LTDA (Brazil)
40% Unipres Corporation
50% BEIJING SHOUGANG MA METAL Co., Ltd (China)
15% SIMEST SpA
100% ARCELOR MITTAL CLN DISTRIBUZIONE ITALIA srl (Italy)
100% PRO-CAN srl (Italy)
69.70% DELNA SpA (Italy)
50.98% PRORENA - CANESSA srl (Italy)
100% C.L.N. SLOVAKIA SRO (Slovakia)
100% MFB srl (Italy)
51% ITLA srl (Italy)
50% ALMASIDER DOO (Croatia)
100% CLN POLSKA Sp Zoo (Poland)
100% CLN SERBIA Doo (Serbian Rep.)
37.48% L.I.M.A. Lavorazione Italiana Metalli Affini SpA (Italy)
100% RIZZATO NASTRI ACCIAIO SpA (Italy)
25% O.M.V. Officine Metallurgiche Ventura SpA (Italy)
15% SAN POLO LAMIERE SpA (Italy)
10% MIM Steel Processing GmbH (Germany)
80% TAMAGNONE srl (Italy)
80% NICHELINO IMMOBILIARE srl (Italy)
39% CELLINO srl (Italy)
100% CELMAC srl (Italy)
100% SHL Production Sp Zoo (Poland)
100% Intek CM srl (Italy)
100% Ocevi CM srl (Italy)
50% C.T.L. srl (Italy)
50% BADVE - CELLINO (India)
20% COPROGET srl (Italy)
100% CM Equipement Pvt Ltd (India)
17.85% ETROMEX (Mexico)
0.01% CHIERI ENERGIA (Italy)
0.01% IDROENERG (Italy)
0.01% CVA trading (Italy)
STEEL SERVICE CENTRES
WHEELS PRODUCTION
STAMPING AND ASSEMBLY
OTHER ACTIVITIES

2014 HIGHLIGHTS

The most relevant events occurred in 2014:

APRIL

In April, the Group acquired a further tranche of shares of Delna S.p.A. (16.1%). The purchase was executed by CLN S.p.A. and Pro-Can S.r.l. in proportion to the shares previously held. The overall stake in Delna was therefore increased to 69.7%.
As already mentioned, in the same month, the company GRB S.r.l. passed entirely under the control of the C.L.N. S.p.A. changing its name to MFB Srl. The company subsequently purchased two industrial branches from Algat Industries S.r.l. dedicated to activities of fine blanking.

MAY

In May, Simest subscribed and paid in a capital increase of € 5 million in MA S.r.l. representing 2.20% of the share capital of the company.

JUNE

In June, Prorena Canessa S.r.l. acquired from third parties 52% of Metaltranciati S.r.l. quotes.
In September Prorena acquired the remaining 48% quotes from C.L.N. S.p.A.
Also in June, C.L.N. S.p.A. sold all the shares held in US Aircom US Inc.

SEPTEMBER

In September PMC Automotive S.p.A. and PMC Automotive Italy S.r.l. incorporated a newco called PMC Automotive do Brasil Ltda based in Pernambuco. The company will be the supplier for the new Brazilian plant of FCA.
On 13 September 2014, C.L.N. S.p.A. acquired from third parties the non-controlling interest (32.71%) of Pro-Can S.r.l., thus obtaining full control over the company.

OCTOBER

As earlier mentioned, in October Simest subscribed and paid in a capital increase of 15% in MA Automotive Brasil Ltda with a consequent dilution of the Group stake down to 45%.
As previously reported, on 21 October 2014 a binding agreement was signed with ArcelorMittal for the creation of a joint venture operating in the steel service centres market in Italy (AMCLN).

DECEMBER

On 11 December 2014 a newco named ArcelorMittal CLN Distribuzione Italia srl was incorporated as vehicle for the constitution of the joint venture with ArcelorMittal AMCLN executed on 30 March 2015. On 22 December 2014, a merger by incorporation of Metaltranciati S.r.l. in Prorena Canessa S.r.l. was executed.
Also on 22 December 2014, C.L.N. S.p.A. contributed the shares owned in Delna S.p.A. to Pro-Can S.r.l. concentrating in that company the entire block of shares held by the Group in Delna S.p.A.
Also during December a proportional demerger of the subsidiary Tamagnone S.r.l. in favour of Nichelino Immobiliare S.r.l. was executed.
At year end a new structure of governance for ITLA S.r.l. was defined by the shareholders of the company. As the result of that, C.L.N. S.p.A. obtained the exclusive control of the company. C.L.N. S.p.A. already heldthe 51% of the share capital.
Lastly, the 1.98% investment in CSM S.p.A. was cancelled as C.L.N. S.p.A. did not subscribe the capital increase proposed by the company.

ECONOMIC AND FINANCIAL TRENDS

CLN GROUP RECLASSIFIED INCOME STATEMENT

€/000	2014	2013	2012	2011
Sales Revenue	**1,509,544**	**1,538,623**	**1,744,322**	**1,892,373**
EBITDA	**106,874**	**115,260**	**136,066**	**160,330**
% sales revenue	7.1	7.5	7.8	8.5
EBIT	**24,921**	**34,534**	**52,668**	**73,240**
% sales revenue	1.7	2.2	3.0	3.9
Finance income/(expenses)	(36,160)	(34,847)	(36,057)	(32,892)
Foreign exchange gains/(losses)	(4,702)	(14,474)	(6,937)	7,112
Result of equity investments	(12,943)	(6,911)	(571)	(769)
Extraordinary income/(expenses)	(16,904)	(16,690)	(21,922)	(7,778)
EBT	**(45,789)**	**(38,388)**	**(12,819)**	**38,913**
% sales revenue	-3.0	-2.5	-0.7	2.1
Tax charges	(8,517)	(3,246)	(7,876)	(21,794)
EAT	**(54,305)**	**(41,634)**	**(20,695)**	**17,119**
% sales revenue	-3.6	-2.7	-1.2	0.9

CLN Group

The financial year 2014 ended with a turnover of € 1,510 million and an Ebidta of € 106.9 million. Both values are in contraction compared to the previous year. Contractions in sales and Ebitda are mainly attributable to the negative performance of the South American market partially offset by higher volumes in Europe and South Africa. In particular:

- South America (Brazil and Argentina): decrease in sales of € 62 million (of which € 9 million arising from change in scope) and a consequent reduction in Ebidta of € 11 million.
- Europe: revenue growth of € 24 million (with benefit of € 12 million arising from the new business MFB) and Ebitda increase of € 1 million.
- South Africa: sales growth of € 9 million providing approximately € 2 million of higher Ebitda.

In addition, the Group net result in 2014 was affected by the following main non-operating items:

- Results of equity investments (joint controlled and associated companies): € 13 million mainly attributable to PMC Group and MA Automotive Brasil (result of last three months of the year not consolidated line by line).
- Reorganization and restructuring costs: € 13 million incurred mainly in Argentina and Italy to facilitate the release of redundant staff.
- Forex: € 5 million primarily resulting from the significant depreciation of the Ruble against the Euro occurred in the last months of the year.

SSC Division

€/000	2014	2013	Variation
Sales Revenue	**387,672**	**397,338**	(9,666)
EBITDA	**5,856**	**7,425**	(1,569)
% sales revenue	1.5	1.9	

The steel service centres division suffered a fall compared to the previous year's turnover of approximately € 10 million, mainly due to the decline in the average selling prices previously mentioned (volumes are in fact higher than the previous year). This decline negatively affects the marginality that is in fact lower than 2013 by approximately € 2 million.

Wheels Division

€/000	2014	2013	Variation
Sales Revenue	**209,928**	**234,711**	(24,783)
EBITDA	**16,934**	**12,271**	4,663
% sales revenue	8.1	5.2	

A downturn also results for revenues of the Wheels Division compared to the previous year due to the reduction in volumes of wheels sold (12.2 million compared to 13.2 sold in 2013), mainly in Romania.

On the other hand, Ebitda is higher than the previous year, mainly reflecting the solved inefficiencies generated in 2013 in France by the transfer of some productions from Italy.

Automotive Division

€/000	2014	2013	Variation
Sales Revenue	**976,192**	**978,433**	(2,241)
EBITDA	**83,941**	**95,565**	(11,624)
% sales revenue	8.6	9.8	

In 2014 the Automotive Division was affected by the aforementioned decline in the South American market (€ 62 million of lower sales and € 11 million of lower Ebitda compared to 2013 including impact from change in scope). In terms of turnover this reduction is substantially offset by the simultaneous growth in volumes in Europe and South Africa.

MFB Division

€/000	2014	2013	Variation
Sales Revenue	**12,477**	**n/a**	12,477
EBITDA	**143**	**n/a**	143
% sales revenue	0.1		

The results of the newly incorporated MFB Division refer to the period from June to December 2014 and completely represent a change in scope compared to those of 2013.

RECLASSIFIED BALANCE SHEET

€/000	31.12.2014	31.12.2013	31.12.2012	31.12.2011
Net trade receivables	149,111	133,201	193,351	239,665
(Net trade payables)	(404,711)	(382,251)	(324,091)	(294,641)
Ending inventory	251,301	304,035	331,134	291,351
Other current assets /(liabilities)	(85.506)	(96,893)	(69,670)	(39,622)
NET WORKING CAPITAL	**(89,805)**	**(41,908)**	**130,724**	**196,753**
Net Property, plant and equipment	591,146	641,608	626,534	624,450
Net Intangible assets	37,216	34,047	25,665	15,311
Investments and other fin. fix. Assets	84,863	84,816	78,676	65,250
Provisions	(54,424)	(57,595)	(55,718)	(65,173)
Deferred tax assets / (liabilities)	10,102	7,750	(981)	(5,823)
NET CAPITAL EMPLOYED	**579,097**	**668,718**	**804,900**	**830,768**
EQUITY	**274,355**	**338,683**	**382,395**	**398,569**
(Cash at bank and on hand)	(97,544)	(129,265)	(71,077)	(63,582)
(Investment securities)	(22,990)	(19,134)	(19,204)	(19,442)
(Marketable securities)	(98)	-	(5,092)	(3,965)
(Net receiv., fin. accr. and deferrals)	(48,708)	(23,374)	(11,014)	3,497
Short-term financial payables	225,389	204,501	289,728	365,933
Long-term financial payables	248,693	297,308	239,164	149,758
NET FINANCIAL DEBT	**304,742**	**330,036**	**422,505**	**432,199**
NET CAPITAL INVESTED	**579,097**	**668,718**	**804,900**	**830,768**

At December 2014, the Group’s working capital decreased by € 48 million compared to the previous year. This reduction stems, for € 24 million, from the reduced exposure on tooling projects due to the natural evolution of the order backlog occurred during the year and for € 12 million from a higher amount of outstanding trade receivables sold through factoring agreements without recourse (€ 231 million against € 219 million in 2013). The remaining element of reduction originates in actions to optimize working capital net of impacts from change in scope (€ 9 million of additional net assets).

In terms of net capital invested, the decrease compared to the previous year (€ 90 million) is due, in addition to the aforementioned reduction in working capital, to impacts from change in scope estimated in approximately € 37 million (mainly MA Automotive Brasil).

The decrease of the total equity (approximately € 65 million), mainly arose from the loss for the year (€ 54 million). Representing additional element of reduction are negative differences from the conversion in Euro of the equity of the main subsidiaries outside Europe denominated in foreign currencies (€ 5 million), dividends paid during the year to non-controlling interests of some subsidiaries (€ 4 million) and change in scope (€ 2 million).

Net Financial Debt at year end is lower than 2013 by € 25 million. Such reduction was positively impacted by change in scope (€ 20 million).

MAIN ECONOMIC AND FINANCIAL INDICATORS

The main economic indicator for the CLN Group is Ebitda while the main financial indicator is the Net Financial Debt (as above represented in the Reclassified Balance Sheet and Income Statement). Further key economic and financial indicators are reported as follows:

ROE - Return on Equity (Net Result/Shareholders' Equity)

ROE is used as a general indicator of a company's efficiency: in other words, how much profit it is able to generate given the resources provided by its shareholders.

	2014	2013
ROE	**-19.8%**	-12.3%

ROI - Return on Investment (EBIT/ Net Invested Capital)

A measure of a company's core business profitability, excluding financial and unusual items, divided by the invested capital.

	2014	2013
ROI	**4.3%**	5.2%

ROS - Return On Sales (EBIT/Sales Revenue)

A measure of the efficiency of sales to produce income.

	2014	2013
ROS	**1.7%**	2.2%

Equity/Capital Employed

This ratio expresses the weight of Equity on the Capital Employed.

	2014	2013
Equity/Capital Employed	**47%**	51%

Current ratio

A measure of the coverage of the Current Assets (trade and financial including cash at bank and on hand) over the Current Liabilities (trade and financial).

	2014	2013
Current Assets/Current Liabilities	**0.85**	0.94

In determining the Current Ratio, current assets also include the "securities" classified under "financial fixed assets", as considered liquid assets.

As at 31 December 2014, the ratio is below 1. Nevertheless, as more fully outlined in the next paragraph on the Liquidity Risk, at year-end the Group had available credit lines for € 66 million (excluding factoring invoices).

Equity/Fixed Assets Ratio

A measure of the extent to which fixed assets are financed by Equity.

	2014	2013
Equity/Fixed Assets	**38.5%**	44.5%

In determining the Equity/Fixed Assets ratio, "securities" classified under "financial fixed assets" have been excluded as considered liquid assets consistently with the approach adopted for the Current Ratio.

RE-DETERMINED STATEMENTS

The following table provides re-determined Income Statement, Net Financial Debt and Equity as at 31 December 2014, drawn up under the assumption that the aforementioned operations on the Group consolidation perimeter were fully effective at January 1, 2014.

€/000	ACCOUNTING	OUT	IN	RE-DETERMINED STATEMENTS
NET SALES	**1,509,544**	**309,505**	**53,788**	**1,253,827**
EBITDA	**106,874**	**3,489**	**6,758**	**110,144**
% on net sales	7.1			8.8
EBIT	**24,921**	**(5,375)**	**6,175**	**36,471**
% on net sales	1.7			2.9
Finance income/(expenses)	(36,160)	(5,322)	(295)	(31,132)
Foreign exchange gains/(losses)	(4,702)	(1,550)	0	(3,151)
Result of equity investments	(12,943)	0	(7,344)	(20,287)
Extraordinary income/(expenses)	(16,904)	(3,305)	(90)	(13,689)
Earnings before taxes (EBT)	**(45,789)**	**(15,553)**	**(1,554)**	**(31,789)**
% on net sales	-3.0			-2.5
Tax charges	(8,517)	(411)	(1,711)	(9,817)
EAT	**(54,305)**	**(15,964)**	**(3,265)**	**(41,606)**
Net Financial Debt	**304,742**	**35,515**		**269,227**
Equity	**274,355**	**(156)**		**274,511**

The most significant impact arising from changes of perimeter is due to the increase in Ebitda margin on sales (about 9%). The deconsolidation of the Italian steel service centres mainly contribute to such result as, for the nature of the business, the steel distribution is characterized by a lower profitability.

The loss for the year is almost entirely due to cost elements outside the operating and the financial operations (losses from equity investments in joint and non-controlled entities, restructuring charges and forex) whose total burden corresponds to € 37 million.

Furthermore, a more balanced financial structure arises from the re-determined statements thanks to a better leverage between Net Financial Debt and the annual Ebitda (2.4 compared to 2.9).

We remind that Club Deal loan agreement of € 235 million subscribed by the Group in August 2012, includes as at 31 December 2014 financial covenants calculated on the Re-Determined statements that have been met.

MAIN RISKS AND UNCERTAINTIES

FINANCIAL RISKS

The CLN Group is exposed to some financial risks arising from normal operational activities, which are constantly monitored in an effort to mitigate possible negative effects. These include:

- credit risks, both in relation to day-to-day commercial business with customers and funding provided to companies within the Group;
- liquidity risks, related in particular to the availability of financial resources and access to the credit market;
- currency risks, (mainly related to exchange and interest rates) as the Group operates internationally in various currency areas and is potentially exposed to fluctuations in exchange rates and relative interest rates.

Credit Risks

The theoretical maximum risk of insolvency for receivables and other financial assets as at 31 December 2014 is represented by their year-end book value.

The CLN Group adopts creditworthiness policies designed towards monitoring the solvency of its customers, and enters into factoring transactions (sales of trade receivables) without re-course, thereby transferring the relative risk.

Receivables are subject to specific accruals to the bad debt provision if there is an effective risk of collection (total or partial). Based on past experience, provisions are sometimes prudentially accrued also to cover the generic insolvency risk.

Liquidity Risk

The principal factors influencing the liquidity of the CLN Group include the resources generated by or absorbed in operations, and the resources deployed in servicing debt and those invested toward strategy and production development. The levels of cash flows (actual and forecasted), credit lines and liquidity of the Group are constantly monitored by the Group through treasury reports. In particular, at year end liquidity (including the securities) amounted to € 120 million and the available financial credit lines amounted to € 66 million, whilst the lines available for invoice discounting with recourse amounted to € 138 million.

Currency Risks

The CLN Group is subject to foreign currency risk due to exchange rate fluctuations affecting international transaction costs, revenues and funding, including the conversion of the financial statements of consolidated companies located outside the Euro Zone.

These fluctuations can affect the Group's net profit (loss) and equity.

In 2014, the principal exchange rates to which the CLN Group was exposed were the following:

- EUR/Zloty
- EUR/Rublo
- EUR/Pesos Argentino

- EUR/Real
- EUR/Leu
- EUR/Rand

Interest Rate Risks

The CLN Group regularly performs factoring transactions (sales of trade receivables) with or without recourse and uses other forms of funding, whether short-term (hot money, and advances on import/export) or medium to long-term usually at variable rates of interest. Therefore changes in market interest rates can affect the level of net financial charges.

The Group in order to hedge such a risk has subscribed interest rate swap contracts in connection with the most important medium long term loan agreements.

BUSINESS RISKS

The CLN Group is exposed to some risks of the sectors in which it operates including:

Risks associated with steel prices

The steel prices are sharply affected by "global" market dynamics (carbon and iron costs and steel demand from emerging markets, particularly Asia). In the Wheels and Automotive Divisions, price variations in raw materials are normally directly transferred to final customers. The SSC Division is instead particularly influenced by local market situations; in particular, a sudden and significant rise in raw material (coils) prices may expose the SSC Division to the risk of not being able to recover such costs from final customers. Over the last three years, the market in which the SSC Division operates has been (and will be) structurally characterized by a volatile price market with rapid and violent repeated oscillations throughout the year. These microcycles lead to increased speculation in purchase decision-taking (formation of demand), whether in terms of distribution or final users, active primarily in the "general industry" segment, and hence increase the risk associated with our business activities.

Automotive Market Trend Risks

Group performance is significantly affected by the automotive market and in particular those in Europe, South America and South Africa. These markets are highly competitive in terms of product quality, innovation and, especially in recent years, price. Furthermore, due to the shrinking demand for new cars, major carmakers worldwide are struggling with production overcapacity. It is well known that the car industry suffers far more than other market segments from risk factors and market uncertainties such as GDP upturns or downturns, corporate and/or consumer confidence and consumer credit interest rates, all of which constantly affect the demand for durable goods. The Automotive market is also notoriously cyclic, though it is always difficult to predict extent and duration. The current economic weakness of the countries in the Euro zone, including Italy, is generating uncertainties regarding the possible evolution of business activities in general, not only in the car industry. Though many governments, the EU, monetary authorities and private corporations have endeavoured to provide financial support to EU member in difficulty and helped to offset default by a number of European countries, reserves regarding the burden of debt carried by certain Euro zone countries and their capacity to honour future financial commitments are obtained.

Furthermore, global uncertainties regarding European finances have resulted in worsening interest rates on loans to businesses and general shrinking of available credit.

Developments in this direction could have a negative impact on the Group's activities and operations.

The CLN Group endeavours to take measures, where possible, to offset these risks by broadening its customer base and heightening geographical diversification. Business initiatives set forth by carmakers are closely followed and the range of products and processes within the Group are in constant evolution. So, past initiatives, undertaken by the Group in South Africa, India, Russia and more recently in Serbia, Turkey and China, should have been framed.

Risks associated with sales in international markets

A significant portion of the Group's production activities are conducted and located outside of Italy and the Group expects that revenues from sales outside Italy will account for a continually increasing portion of its total revenues in the foreseeable future. All of this exposes the Group to risks inherent to operating globally, including those related to exposure to local economic and political conditions, import and/or export restrictions, and multiple tax regimes.

Risks associated with market footprint in emerging economies

The Group operates across a broad spectrum of emerging economies, whether directly (Argentina, South Africa and Russia) or through Joint Venture agreements or other cooperation agreements (Brazil, Turkey, India, Serbia and China). The Group's exposure to the economic trends in these countries has heightened in recent years. Unfavourable economic or political developments in any one of these areas (which may vary from country to country) could have a material adverse effect on the Group's activities and future prospects, as well as its earnings and financial position.

Many of our main OEM customers have established globalization policies in the past and intend to continue in the future aimed at reaching emerging markets. In each case, our Group has followed our customers' initiatives. Our customers' capacity to reach their objectives and their level of success is a prime factor influencing the profitability of our subsequent initiatives.

Risks associated with Joint Venture Agreements

The Group currently pursues a policy designed toward seeking out alliance and Joint Venture opportunities aimed at achieving objectives including vertical integration, customer loyalty and business expansion, capital deployment optimization and risk mitigation, particularly when entering emerging economies. Joint Venture agreements are often effected through majority, par-venture and even minority acquisitions.

Multiple factors affect the outcome of Joint Venture agreements such as relationships with respective partners, a shared vision of future strategies to be pursued, technical and/or financial difficulties and possible problems with local laws and regulations.

As previously reported, in addition to the existing main alliances with Unipres in France and

Brazil, Coskunoz and Jantsa in Turkey, JBM in India, since April 1, 2015 the Italian steel service centres have been jointly managed with ArcelorMittal inside the new JV AMCLN.

Competition Risks

The automotive supply market of both wheels and moulded components is highly competitive. The CLN Group is obliged to compete with numerous other suppliers of wheels and components of various entities. Some of these hold a more dominant position in certain areas than ours while others are having to undergo drastic restructuring and reorganization. New suppliers are also appearing from emerging markets that could further increase levels of competition.

Risks regarding OEM Outsourcing Policies

The automotive components supply market, regarding both wheels and steel stamped parts, is strongly affected by OEM outsourcing policies. Multiple factors influence decisions including: internal production capacity, perception of strategic relevance of certain components, financial resources, production costs, quality, delivery times and expertise. These choices/strategies adopted by OEMs determine the size of current/potential markets for all those operating in the automotive components sector.

ENVIRONMENTAL AND SAFETY REVIEW

The Group conducts its business in compliance with current regulations regarding the protection of the environment with respect to the areas of origin. In particular, it is emphasized that the work carried out, both for the treated materials and for energy consumption and waste, can be considered environmentally friendly.

Considering the REACH Regulation, based on the European Regulation EC No. 1907/2006 (introduction of a system of registration, evaluation and authorization of chemicals circulating on the territory of the European Union), the Group has continued - even in year 2014 - to monitor the evolution of the legislation. In particular, it has continued to monitor the Candidate List (list issued by ECHA about banned substances) in order that the substances contained in the list are not presented neither in the products manufactured nor in those purchased by Group companies.

As for the aspects of Health and Safety at Work during 2014, work and training related to the Safety Project launched in 2009 continued, with the extension of the same to other companies of the Group recently acquired (both controlled and subsidiaries) in order to create a homogeneity of objectives and methodology on the health and safety topic at work to improve the performance of each division of the Group.

The mentioned project has the primary purpose to:

- Ensure the protection of health and the prevention of risks in accordance with local regulations.
- Identify appropriate measures of prevention and protection in order to minimize the accident events.
- Provide company management with an efficient and effective management system that enables a permanent activity of identification and management of emerging problems and the orderly flow of information to support decision-making and operational responsibilities properly.
- Increase the involvement, motivation and staff awareness.
- Increase efficiency and performance to continuous improvement.
- Contribute to improve levels of health and safety at work.
- Improve their internal and external image, so as to have a higher reliability towards customers, suppliers and institutions/authorities.
- Progressively reduce the costs of health and safety at work.

In addition, the safety policy adopted and disclosed among the CLN Group companies states that the protection of occupational health and safety (including the Industrial Security) must be considered a priority and a clear responsibility of the entire corporate hierarchy and an ongoing commitment to apply in all activities. The objective of the CLN Group aims at reducing and preventing accidents and occupational diseases.

These principles are put into effect through the identification of annual targets of reduction - constant and gradual - of accidents and related indexes of less than 30% over the previous year up to the ultimate goal of zero accidents.

In this regard, we point out that in 2014 the Frequency Index of certain plants in the Group decreased compared to the previous year, while in others, especially the Italian ones, have established the goal of zero accidents.

The commitment of the CLN Group Management to achieve and maintain results also involves continuous improvement and continuous identification of new instruments to be adopted and applied.

With a view to continuous improvement, we point out that in 2014 the parent company (C.L.N. S.p.A.) - certified OSHAS 18001 - passed the surveillance audit of the Certifier DEKRA.

The consolidation of the good results in this field should not represent a point of arrival but of departure. In fact, it will be necessary to continue to work on the behavioural aspect that is now the most significant added value in addressing the issue safety and health in the various plants. In fact, the involvement of employees and, in particular, safety officers (link between the company management and workers), is the direct channel so that safety does not remain an abstract issue but becomes something real, concrete and tangible, also and especially on behalf of employees. Only in this way, the latter will be able to believe in this project and become a fundamental and essential part of it to reduce the risk to zero accidents.

The Group conducts internal research and development activities on products, processes and

RESEARCH AND DEVELOPMENT ACTIVITIES

production methods. In particular, these activities cover the following main areas.

- The selection of materials: study of solutions to optimize weights and performance of products and reduce costs.
- Optimization of production processes: research for new production techniques aimed at improving production performance in terms of efficiency, workload and safety.
- Definition of new product concepts: solutions aimed at specific applications for style or type of product (e.g. multi-material/component solutions for electric vehicles).
- Identification of new simulation procedures: analysis aimed at improving the efficiency and accuracy of the simulation process / product testing.
- Identification of new product approval procedures: activities aimed at defining new specifications and test methods to counter shared with customers to validate the absolute reliability of the products.

In connection with these activities, the Group has also initiated collaborative projects and partnership with suppliers, customers, universities and research centres aimed at creating synergies and new growth opportunities.

Costs arising from R&D activities are capitalized as intangible fixed assets if the requirements of recoverability required by the accounting principles are met.

RELATED PARTIES TRANSACTIONS

Transactions between Group companies are conducted at fair value based on market conditions. Transactions between C.L.N. S.p.A. and its Subsidiaries and Associates, and between its Subsidiaries and Associates themselves, are primarily commercial and financial in nature.

The following table shows commercial and financial transactions entered into with and between the Group and non-consolidated subsidiaries, associated and jointly controlled companies:

€/000	Trade Receivables	Trade Payables	Financial Receivables	Financial Payables	Operating revenues	Operating expenses	Financial revenues	Financial expenses
ALMASIDER	747	-	-	-	232	-	-	-
TAMAGNONE (formerly AVISCALI)	1,674	925	1,370	-	30	1,180	110	-
CLN SERBIA	838	53	900	-	589	285	-	-
EMA POLONIA	-	-	-	-	1	-	-	-
EMARC	546	7	-	-	1,075	8	-	-
GR. CELLINO	1,918	2,032	-	4,315	7,726	4,918	-	285
GR. PMC	9,139	2,105	14,554	-	11,969	3,173	635	-
JBM - MA Ltd	2,370	-	7,272	-	35	-	606	-
JV MW/JANTSA	591	7,147	-	-	470	1	-	-
LIMA	225	11	-	-	-	-	-	-
METALTRANCIATI	-	-	-	-	309	-	-	-
PRORENA CANESSA	9,298	3,381	-	-	25,524	2,762	-	-
OMV	164	-	-	-	492	-	-	-
WM LLC RUSSIA	682	-	-	-	305	-	-	2
CTL	447	4	-	-	1,181	-	-	-
EMARC ROMANIA	323	-	-	-	-	-	-	-
MAB	-	-	27,315	-	-	-	-	-
RIZZATO	142	-	-	-	-	-	-	-
SHOUGANG MA METAL CO	4	-	-	-	2	-	-	-
CMP	28	38	-	-	28	31	-	-
CLAUDLYNN INVESTMENTS	-	26	-	-	-	-	-	-
IG TOOLING PROPERTY INVESTMENTS	-	304	-	1	-	-	-	-
RENSOR PROPERTY	-	132	-	-	-	-	-	-
CSM	-	-	-	-	-	3	-	-
PROMA POLAND	-	-	-	-	2	-	-	-
TOTAL	**29,136**	**16,165**	**51,412**	**4,315**	**49,970**	**12,360**	**1,351**	**287**

At 31 December 2014 the Group held joint controlled investments in PMC Automotive, MA-JBM, Prorena Canessa, Almasider Doo and MW/Jantsa.

Aside from the jointly controlled investees referred to above, the CLN Group has no power to control the strategic, financial and operating decisions of an investee, particularly in terms of relationships with customers, suppliers, employees and lending institutions.

Assuming a wider definition of related parties, also the purchases of steel from companies belonging to ArcelorMittal and Marubeni Itochu, as Group shareholders, could fall inside the relationships with related parties.

Such transactions, although material, are not disclosed as conducted at market values and conditions.

SUBSEQUENT EVENTS

The most important subsequent events are summarized as follows:

- On January 15, 2015 MA S.r.l. sold its 35% stake in Proma Poland Sp Zoo achieving a capital gain of € 580 thousand.
- As preliminary step for the contributions into the JV AMCLN, on 25 February 2015, C.L.N. S.p.A. purchased the remaining shares (49%) of Prorena Canessa S.r.l. and carried out the spin-off of the real estate branch of the company in favour of the newco Immobiliare Grassobbio.
- In the same date, C.L.N. S.p.A. also acquired from third parties an additional 2% ITLA shares.
- On March 30, 2015 the AMCLN project was finally executed. On that date a capital increase was subscribed in the joint venture through the contribution in kind of the businesses of the two partners CLN and ArcelorMittal. The amount subscribed by CLN, € 30.6 million, refers to the operational branch of C.L.N. S.p.A. including the production facilities and controlling investments in Prorena Canessa S.r.l, Delna S.p.A. (through the contribution of its holding company Pro-Can S.r.l.) and Tamagnone S.r.l. The effectiveness of the contribution started on April 1, 2015.

OUTLOOK ON 2015

As mentioned above the first quarter of 2015 showed signs of recovery compared to 2014. In particular, regarding the European Passengers Cars market (EU 27 + EFTA), in the first quarter of 2015, registrations were up 8.5% compared to the same period last year, surpassing the 3.5 million units.

Referring to major markets, good performance is recorded in Germany (+ 6.4%), France (+ 6.9%), Italy (+ 13.5%) and the UK (+ 6.8%). Excellent performances were also recorded in Spain (+ 32.2%).

All major CLN Group customers in Europe recorded an increase in registrations higher than the market average in the first quarter of 2015, and in particular: FCA (+ 11.6%) due to the effect of new models Jeep Renegade and 500X, BMW (11.6%), Daimler (+ 16.8%), Renault (+ 10.2%) and VW (+ 9.4%). The only exception is PSA whose increase compared to 2014 is 3.5%.

The same trend has the segment of Light Commercial Vehicles (LCV) that in Europe (EU + EFTA), in the first quarter 2015, registered an encouraging performance. Registrations were up overall by 13.5%, mainly in Spain (+ 44.5%), the UK (+ 22.3%), Italy (+ 6.1%) and Germany (+ 10.5%). It is to point out that in this segment France maintained a breakeven compared to the same period last year.

Lastly, concerning the steel market, the forecasts of the main trade associations, such as Eurofer (for producers) and Eurometal (for distribution), highlight that consumption in the EU-27 area is gradually improving compared to 2014.

The positive signals of the reference markets are reflected in the results achieved by the Group in the first quarter of the year, up from the previous year and above the estimates included in the budget. Such elements lead to an optimistic view of the evolution of the results for the remaining part of the year.

May 7, 2015

Board of Directors

The Chairman

Aurora Magnetto

3
CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€/000 **ASSETS**		**31/12/2014**	31/12/2013
DUE FROM SHAREHOLDERS FOR CAPITAL NOT PAID IN			
NON-CURRENT ASSETS			
I	**Intangible assets**		
	Start-up costs	2,004	
	Research, development and advertising costs	1,924	987
	Patents and intellectual property rights	4,703	2,818
	Concessions, licenses, trademarks and similar rights	2,117	4,868
	Goodwill	50	103
	Intangibles under development and advances	3,550	3,329
	Other	9,053	8,562
	Consolidation differences	13,815	13,381
	Total intangible assets	**37,216**	**34,047**
II	**Property, plant and equipment**		
	Land and buildings	221,388	223,017
	Plant and machinery	314,774	311,963
	Production and commercial equipment	13,730	12,478
	Other assets	3,335	2,892
	Assets in construction and advances	37,919	91,257
	Total property, plant and equipment	**591,146**	**641,608**
III	**Non-current financial assets**		
	Investments:		
	subsidiaries	3,791	1,280
	associates	72,769	76,139
	parent companies		
	other companies	8,302	7,397
	Total investments	**84,863**	**84,816**
	Receivables:		
	due from subsidiaries		
	due from associates		
	due from parent companies		
	due from other companies	281	255
	Total receivables	**281**	**255**
	Other securities	22,990	19,134
	Treasury shares		
	Total non-current financial assets	**108,134**	**104,205**
Total non-current assets		**736,497**	**779,860**
CURRENT ASSETS			
I	**Inventories**		
	Raw materials, supplies and consumables	112,141	110,380
	Work in progress and semi-finished goods	30,185	25,312
	Contract work in progress	54,466	115,541

€/000 **ASSETS** (continued)	**31/12/2014**	31/12/2013
Finished goods and goods for resale	54,250	51,125
Advances	259	1,677
Total inventories	**251,301**	**304,035**
II **Receivables**		
Trade receivables		
due within 12 months	145,006	131,343
due after 12 months	4,104	1,858
Due from subsidiaries		
due within 12 months	5,464	6,781
due after 12 months	-	-
Due from associates		
due within 12 months	74,063	27,954
due after 12 months	-	6,060
Due from parent companies		
due within 12 months	-	-
due after 12 months	-	-
Tax receivables		
due within 12 months	21,802	22,481
due after 12 months	721	923
Deferred tax assets		
due within 12 months	12,888	12,866
due after 12 months	36,023	37,593
Due from other companies		
due within 12 months	1,021	522
due after 12 months	-	-
Other receivables		
due within 12 months	28,467	56,743
due after 12 months	1,273	3,835
Total receivables	**330,832**	**308,960**
III **Current financial assets**		
Investments	-	-
Marketable securities	98	
Treasury shares	-	-
Total current financial assets	**98**	**-**
IV **Cash at bank and on hand**		
Bank and post-office deposits	66,215	104,725
Cash and valuables on hand	31,329	24,540
Total cash at bank and on hand	**97,544**	**129,265**
Total current assets	**679,776**	**742,260**
PREPAID EXPENSES AND ACCRUED INCOME		
Prepaid expenses and accrued income	2,642	2,180
Total prepaid expenses and accrued income	**2,642**	**2,180**
TOTAL ASSETS	**1,418,914**	**1,524,301**

€/000 **SHAREHOLDERS' EQUITY AND LIABILITIES**		**31/12/2014**	31/12/2013
SHAREHOLDERS' EQUITY			
I	Share capital	235,000	235,000
II	Share premium reserve	-	-
III	Revaluation reserves	15,305	13,463
IV	Legal reserve	4,364	4,364
V	Reserve for treasury shares	-	-
VI	Statutory reserve	-	-
VII	Other reserves		
	- Capital account reserve	100,000	100,000
	- Consolidation reserve	8,177	8,177
	- Cumulative translation reserve	(47,135)	(42,396)
VIII	Retained earnings (accumulated deficit)	(45,106)	4,457
IX	Net income (loss) for the year	(52,173)	(41,867)
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP		**218,433**	**281,198**
	Non-controlling interest	55,923	57,485
TOTAL SHAREHOLDERS' EQUITY		**274,355**	**338,683**
PROVISIONS FOR RISKS AND CHARGES			
	Severance indemnities and similar	11,314	10,998
	Current and deferred tax	39,572	43,491
	Other	19,075	24,601
Total provisions for risks and charges		**69,961**	**79,090**
PROVISIONS FOR EMPLOYEE TERMINATION BENEFITS		**23,273**	**21,215**
PAYABLES			
	Debentures	-	-
	Convertible debentures	-	-
	Shareholder loans	1,000	8,199
	Due to banks		
	due within 12 months	210,713	171,314
	due after 12 months	206,441	263,818
	Due to other lenders		
	due within 12 months	13,337	24,593
	due after 12 months	42,252	33,490
	Advances	59,010	92,079
	Trade payables		
	due within 12 months	404,711	382,251
	due after 12 months	-	-
	Payables represented by negotiable instruments	339	395
	Due to subsidiaries		
	due within 12 months	1,440	38
	due after 12 months	1	-

€/000 **SHAREHOLDERS' EQUITY AND LIABILITIES** (continued)	**31/12/2014**	31/12/2013
Due to associates		
due within 12 months	11,967	9,670
due after 12 months	7,023	9,435
Due to parent companies		
due within 12 months	-	-
due after 12 months	-	-
Due to other companies		
due within 12 months	49	2
due after 12 months	-	-
Tax payables		
due within 12 months	20,426	21,775
due after 12 months		80
Due to social security institutions		
due within 12 months	15,420	14,799
due after 12 months	20	9
Other payables		
due within 12 months	32,860	28,091
due after 12 months	2,668	-
Total payables	**1,029,677**	**1,060,038**
ACCRUED EXPENSES AND DEFERRED INCOME		
Premium on loans issued	-	-
Other	21,648	25,275
Total accrued expenses and deferred income	**21,648**	**25,275**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**1,418,914**	**1,524,301**

€/000 **MEMORANDUM ACCOUNTS**	**31/12/2014**	31/12/2013
GUARANTEES		
Sureties	120,901	45,501
TOTAL GUARANTEES	**120,901**	**45,501**
COMMITMENTS		
Commitments from derivative instruments	156,259	167,595
TOTAL COMMITMENTS	**156,259**	**167,595**
CONTINGENCIES		
Endorsements and guarantees received from third-parties	-	36
TOTAL CONTINGENCIES	**-**	**36**
TOTAL MEMORANDUM ACCOUNTS	**277,160**	**213,132**

CONSOLIDATED INCOME STATEMENT

€/000	2014	2013
A) PRODUCTION VALUE		
Revenue from sales and services	1,509,544	1,538,623
Changes in inventories of work inprogress, semi-finished and finished goods	2,754	(7,738)
Change in contract work in progress	(44,225)	39,520
Increase in fixed assets for internal works	6,782	7,024
Other revenues and income	259,054	167,577
Total production value	**1,733,909**	**1,745,006**
B) PRODUCTION COSTS		
Raw materials, supplies, consumables and goods for resale	1,119,571	1,131,115
Services	182,760	179,247
Use of third party assets	15,305	14,222
Personnel:		
salaries and wages	208,617	202,646
social security contributions	47,961	49,002
employee termination benefits	5,919	5,298
severance indemnities and similar costs	1,071	1,079
other costs	29,940	25,629
Total personnel	**293,508**	**283,654**
Amortization, depreciation and impairment:		
amortization of intangible assets	6,670	5,805
depreciation of property, plant and equipment	75,284	74,922
impairment of non-current assets	66	-
impairment of receivables	1,526	516
Total amortization, depreciation and impairment	**83,545**	**81,243**
Changes in raw materials, supplies, consumables and goods for resale	3,624	8,543
Provisions for risks	920	1,413
Other provisions	207	574
Other operating expenses	9,548	10,462
Total production costs	**1,708,988**	**1,710,472**
Difference between production value and production costs	**24,921**	**34,534**
C) FINANCE INCOME AND EXPENSES		
Income from investments in:		
subsidiaries	-	-
associates	605	845
parent companies	-	-
other companies	3	1,531
Total income from investments	**608**	**2,376**
Other finance income:		
- from non-current receivables from:		
subsidiaries	110	237

€/000 **CONSOLIDATED INCOME STATEMENT** (continued)	**2014**	2013
associates	-	-
parent companies	-	-
other companies	-	-
Total other finance income from non-current receivables	**110**	**237**
- from non-current securities other than equity investments	523	493
- from current securities other than equity investments	149	190
- interest and commissions from:		
subsidiaries	-	7
associates	635	866
parent companies	-	-
other	6,769	5,868
Total income other than those listed above	**7,404**	**6,741**
Total other finance income	**8,186**	**7,661**
Interest and other finance expenses from:		
subsidiaries	-	-
associated companies	-	-
parent companies	-	-
other companies	287	334
other	44,666	44,549
Total interest and other financial charges	**44,953**	**44,883**
Gains and losses on foreign currency translation	(4,702)	(14,474)
Total finance income and expenses	**(40,861)**	**(49,321)**
D) ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS		
Revaluations:		
investments	2,283	1,333
financial assets other than equity investments	-	-
securities other than equity investments		211
Total revaluations	**2,283**	**1,544**
Impairment of:		
investments	15,226	8,455
financial assets other than equity investments	-	-
securities other than equity investments	-	-
loans	-	-
Total impairment	**15,226**	**8,455**
Total adjustments to the value of financial assets	**(12,943)**	**(6,911)**
E) EXTRAORDINARY INCOME AND EXPENSES		
Extraordinary income		
Gain on disposals	1,681	1,498
Other	6,893	5,399
Total extraordinary income	**8,574**	**6,897**
Extraordinary expenses		
Loss on disposals	169	386
Tax relating to previous years	-	-

€/000 **CONSOLIDATED INCOME STATEMENT** (continued)	**2014**	2013
Other	25,309	23,201
Total extraordinary expenses	**25,478**	**23,588**
Total extraordinary items	**(16,904)**	**(16,690)**
PROFIT (LOSS) BEFORE TAXES	**(45,788)**	**(38,388)**
Current taxes	11,254	12,241
Deferred taxes	(2,737)	(8,995)
Total income taxes	**8,517**	**3,246**
PROFIT (LOSS) FOR THE YEAR	**(54,305)**	**(41,634)**
Profit (loss) pertaining to non-controlling interests	(2,132)	(233)
PROFIT (LOSS) FOR THE YEAR ATTRIBUTABLE TO THE GROUP	**(52,173)**	**(41,867)**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. CORE BUSINESS

C.L.N. S.p.A. is incorporated under the laws of Italy. C.L.N. S.p.A. and its subsidiaries (the "Group") operate in 17 countries with four diverse business lines: steel service centres (steel coil slitting, cut-to-length and distribution), steel automotive structural parts production and assembly, steel wheel production and fine blanking.

Related party transactions, which form part of the Group's normal operations, are mainly of a commercial nature and are conducted based on prevailing market conditions.

2. FORM AND CONTENT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with Section III of Italian legislative decree 127/1991 and subsequent amendments and interpretations introduced by Italian legislative decree no. 6 of 17 January 2003 (the Corporate Governance Reform Act), as well as the accounting principles issued by the Italian Accounting Profession (Consiglio Nazionale dei Dottori Commercialisti e dei Ragionieri) and the Italian Accounting Standards Board (Organismo Italiano di Contabilità) and in the absence of guidance and when not in contrast to the previously mentioned, International Financial Reporting Standards issued by the International Accounting Standards Board (IASB).

These have been applied with prudence and on a going concern basis while also taking into account the economic substance of the asset or liability component in consideration.

The consolidated financial statements include the consolidated statement of financial position, the consolidated income statement and the notes to the consolidated financial statements (the "Notes").

The subsequent events, illustrated in the Report on Operations section, form an integral part of these Notes.

The consolidated financial statements (the "Consolidated Financial Statements") include C.L.N. S.p.A (the "Company"), together with Italian and overseas subsidiaries where the Company holds, either directly or indirectly, majority voting rights.

Companies included in the Group, along with their registered business name and location, share capital and percentage of direct or indirect ownership are listed in an attachment to these Notes.

All entities included in consolidation have the same financial period closing date as the Company of 31 December.

No situations occurred in the Consolidated Financial Statements requiring derogation under Article 2423 of the Italian Civil Code.

These Consolidated Financial Statements include comparative year figures.

All amounts are expressed in thousands of Euro except where otherwise noted.

Consolidation Principles

The financial statements of companies within the scope of consolidation, prepared and approved by the respective companies' board of directors and adjusted where necessary to conform to the accounting policies adopted by the Company, have been included in the Consolidated Financial Statements for the year ended 31 December 2014.

The income statements of foreign subsidiaries denominated in foreign currency have been converted into Euro at the respective average rate of exchange for the year whereas the related statements of financial position have been converted into Euro at the applicable year end foreign exchange rates.

Exchange differences resulting from the conversion of opening shareholders' equity at the year-end exchange rate have been recorded within currency translation reserves within shareholders' equity.

The exchange rates applied are reported within the "Other information" section of these Notes.

All subsidiaries included in the scope of consolidation have been consolidated using the line-by-line method summarized as follows:

a. assets, liabilities, revenues and expenses of subsidiaries, regardless of shareholdings have been included in the Consolidated Financial Statements, after eliminating the book value of the investments held by the Company, or by other consolidated companies against the related shareholders' equity. Non-controlling interests in the net equity and the net result for the year of the consolidated subsidiaries are shown separately in the consolidated statement of financial position and the consolidated income statement.

b. Upon acquisition, any difference between the purchase price and the net equity acquired is allocated, wherever possible, to the assets and liabilities of the acquired company. Any remaining difference is:

   - if positive, recognized as a "consolidation difference" within intangible assets and amortized on a straight-line basis over the expected recovery period of the investment;
   - if negative, recognized within consolidated shareholders' equity within "consolidation reserve", or, when future losses are expected, in "consolidation provision for risks and future charges".

c. Intercompany receivables and payables, costs and revenues are eliminated.

The following items are also eliminated on consolidation:

- capital gains arising from or relating to non-current assets transferred between consolidated companies;
- intragroup profits, where considered material, arising from transactions

between consolidated companies involving the transfer of assets where the assets transferred remain as inventory of the acquirer at the reporting date;
- impairment and recovery of investments held by consolidated companies including intragroup receivables and dividends.

3. ACCOUNTING POLICIES

In accordance with Article 2426 of the Italian Civil Code, a brief description is provided below of the accounting policies and principles adopted in preparing the Consolidated Financial Statements, which have been consistently applied with the prior year.

Intangible assets

Intangible assets are initially recorded at purchase price or production cost, including directly related costs incurred to prepared the relevant asset for use. The costs incurred, as defined above, may not exceed the recoverable amount of the asset.

Intangible assets with a finite life are amortized on a straight-line basis over the asset's estimated remaining useful economic life.

Amortized intangible assets are registered at their amortized value, and, with the exception of goodwill, cannot be maintained in subsequent financial statements when the reasons for the adjustment exist.

Where the impairment is due to an extraordinary nature, production reconversion, restructuring or production resizing, the impairment is registered as an extraordinary loss.

The amortization rates applied to intangible assets with a finite useful life are between 10 and 20%.

Property, plant and equipment

Property, plant and equipment are initially recorded at purchase price or production cost, adjusted where applicable for the application of specific monetary revaluation laws or gains arising from the difference between the cost of new acquisitions and purchased net equity, less accumulated depreciation and any impairment adjustments.

Property, plant and equipment are depreciated based on economic life/technical rates determined according to the remaining economic useful lives of the related assets.

The depreciation rates applied are as follows:

Buildings	3% to 10%
Plant and machinery	6.7% to 17.5%
Production and commercial equipment	5% to 25%
Other assets	12% to 25%

Depreciation commences when the assets are available for use and is charged at 50% of the regular rate in the year of acquisition.

If the fair value of the tangible asset at the end of the reporting period appears to be lower than its net book value, this tangible asset is a subject to impairment. Should the impairment result from permanent losses arising from exceptional in nature transactions, or production reconversion, restructuring or production downsizing, these are classified as extraordinary expenses.

Maintenance costs and the costs of routine repairs are charged directly to the consolidated income statement as incurred. Costs incurred for the expansion, modernization or improvement of owned or leased assets are capitalized and are depreciated according to the remaining economic useful life of the asset.

Assets in construction and advances are recorded separately within property, plant and equipment.

Leasing arrangements are recorded under the finance method whereby the capital value of assets, including the portion of lease rentals on inception considered as "prepaid expenses", is recorded within property, plant and equipment, whilst lease rentals payable by the way of principal are recorded within non-current financial payables. The lease rentals accounted for in the statutory accounts are replaced by depreciation determined in relation to the estimated economic useful life of the assets held under lease, classifying the related interest expense under financial charges and the related deferred taxation provisioned.

In accordance with generally accepted accounting principles in Italy and where permitted by specific monetary revaluation laws, the Group has recorded revaluations (pursuant to limits defined by legislation) and corresponding equity reserves. Revalued amounts do not exceed the recoverable amounts of the assets.

Non-current financial assets

Inactive subsidiaries (start-ups) are not included in the consolidation, as their impact on the assets, liabilities, net financial position and results reported by the Group is considered insignificant.

Investments in associates are accounted for using the equity method whereby the Group's share of profit or loss from the year is recorded in the income statement. When accounting for Group investments in associates under the equity method, the holdings in subsidiaries or associates by Group associates are considered.

Investments in other companies are recorded at cost net of adjustments to reflect any permanent impairment in value.

Receivables are accounted for at amortized cost net of any impairment adjustments.

Securities are accounted for at cost net of adjustments to reflect any permanent impairment in value.

Inventories

Inventories are recorded at the lower of (i) production/purchase cost, determined using the first in first out (FIFO) method, and (ii) net realizable value based on market conditions. The value of inventory obtained under FIFO does not significantly differ from current costs for the same inventory.

Manufacturing costs include the cost of raw materials, direct costs and the portion of indirect costs that can be attributed to the production process. Provisions are recorded against slow-moving and obsolete inventories based on their estimated use or realizable value.

Contract work in progress, mainly represented by the development of tooling and dies for clients, is accounted using the completed contract method and therefore the related margin is only recorded at the time of completion of the contract.

Receivables

Receivables are stated at their nominal value and trade receivables are adjusted as necessary to their presumed realizable value, as required under Article 2426 of the Italian Civil Code, by recording allowances for doubtful accounts.

The Group enters into factoring and/or securitization transactions involving the sale and securitization of its trade receivables. Certain factoring arrangements involve the sale of trade receivables with recourse, whereby the Group remains exposed to insolvency risk of the debtor. In such cases, the factored receivables continue to be reported in the Group's statement of financial position, until they have been collected by the factor, and any advances obtained from the factor are recognized as a financial liability.

Prepaid expenses and accrued expenses

Prepaid expenses and accrued expenses include the portion of revenues and expenses covering two or more periods, in accordance with the matching or accrual basis of accounting. Under this basis, the effects of transactions and other events are recognized when they occur (and not when cash or its equivalent is received or paid) and they are recorded in the accounting records and reported in the financial statements in the periods to which they relate.

Dividends to shareholders

Dividends payable to shareholders are recognized in the period in which they have been approved by the shareholders.

Provisions for risks and charges

Provisions for risks and charges are provided to cover certain or probable losses or liabilities for which the exact value and effective date are not determinable at the reporting date. The provisions represent the best estimate based on the current information available.

Provisions for current and deferred taxes are also included in this item.

Provision for employee termination benefits

As accrued by the Italian companies of the Group, the provision for employee termination benefits is provided to cover the full liability due to employees in conformity with current legislation, national labour contracts and payroll agreements prevailing in Italy. Law No. 296 enacted on 27 December 2006 (Italian Financial Act 2007) introduced pension reform regulations (establishment of agreed-upon supplementary pension fund) in respect of employee termination benefits (TFR) allocations maturing after 1 January 2007.

The effects of the reform include the following:

- TFR allocations maturing up to 31 December 2006 remain within the Company.
- TFR allocations maturing as of 1 January 2007 are, as designated by the employee, transferred or directed to:
    a. agreed upon second-pillar pension funds;
    b. held within the Company, which transfers the TFR allocations to the National Social Security Institute (INPS).

At the consolidated statement of financial position level, "Provision for employee termination benefits" represents the residual balance existing at 31 December 31 2014. Classified under "Amounts due to social security institutions" is the liability accrued on 31 December 2014 in respect of TFR allocations yet to be transferred to the pension funds or provident institutes.

Payables

Payables are stated at their nominal value.

Commitments, guarantees and contingencies

The amount of commitments, guarantees and contingencies outstanding at the statement of financial position date are reported in the memorandum accounts.

The notional amount of derivative financial instruments is shown among the memorandum accounts while its mark to market value is disclosed among the notes to the financial statements. In the case of instrument not qualifying for the definition of "hedging", any negative mark to market value is accrued as a liability.

Revenue recognition

Revenue is accounted for in accordance with the accrual basis of accounting, less returns, trade discounts, rebates and premiums. Revenue from the sale of goods is recognized when the title of ownership passes to a customer, which generally coincides with shipping or consignment. Revenue from the provision of services is recognized when the services are rendered.

Costs and expense recognition

Costs and expenses are recognized in accordance with the accrual basis of accounting.

Finance income and expenses

Finance income and expenses are recorded in accordance with the accrual basis of accounting.

Taxes

Income taxes are accounted for according to the tax laws and regulations prevailing in the countries in which the Group companies operate.

As of 2004, the Group's Italian companies have elected to adhere to the National Tax Consolidation programme pursuant to Article 117/129 of the Italian Tax Code (T.U.I.R).

The company C.L.N. S.p.A. acts as a consolidating entity and determines a single taxable base for the group of companies adhering to the tax consolidation programme, thereby benefitting from the possibility to compensate taxable income with tax losses with a single income tax return.

Each company adhering to the tax consolidation programme deposits its entire taxable income with the tax consolidating entity, recording an account payable, for an amount equal to the "IRES" corporation tax payable, the companies contributing tax losses register an accounts receivable vis-à-vis the consolidating entity, for an amount equal to the "IRES" corporation tax receivable effectively offset by the Group.

Furthermore, deferred tax assets and deferred tax liabilities are determined for the more significant consolidation transactions and all temporary differences between the consolidated assets and the consolidated liabilities and the corresponding amounts for the purposes of taxation are shown in the statutory accounts of the consolidated companies.

In particular, deferred tax assets are recognized only if their future recovery is certain. Deferred tax liabilities are not recognized if there is a remote possibility that a future liability will rise.

A deferred tax asset is recognized for the carry forward of the unused tax losses, where they exist, to the extent that it is probable that future taxable profits will be available against which the unused tax losses can be utilized.

Dividends from associates

Dividends distributed by companies not included in the scope of consolidation are accounted for in the year in which they are declared.

Other information

The following table lists the exchange rates used for currencies other than the Euro:

Currency	Country	31/12/2014	Average 2014	31/12/2013	Average 2013
Peso	Argentina	10.2755	10.7718	8.989	7.277
Real	Brazil	3.2207	3.1211	3.258	2.869
Zloty	Poland	4.2732	4.1843	4.154	4.197
New Leu	Romania	4.4828	4.4437	4.471	4.419
Rupie	India	76.719	81.0406	85.366	77.930
Rubble	Russia	72.337	50.9518	45.325	42.337
Rand	South Africa	14.0353	14.4037	14.566	12.833
Kuna	Croatia	7.6580	7.6344	7.626	7.579
Yen	Japan	145.230	140.3061	114.720	129.663
Ringgit	Malaysia	4.2473	4.3446	4.522	4.185
New Turkish Lira	Turkey	2.832	2.9065	2.960	2.533
Dinar	Serbia	121.122	117.2309	114.791	113.087

source: The Bank of Italy

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

3.1 NON-CURRENT ASSETS

Intangible assets

As at 31 December 2014, intangible assets amounted to € 37,216 thousand as detailed in the following table:

€/000	**31/12/2014**	31/12/2013
Start-up costs	2,004	-
Research, development and advertising costs	1,924	987
Patents and intellectual property rights	4,703	2,818
Concessions, licenses, trademarks and similar rights	2,117	4,868
Goodwill	50	103
Intangibles under development and advances	3,550	3,329
Other	9,054	8,562
Consolidation differences	13,815	13,381
Total	**37,216**	**34,047**

Changes in the gross carrying amount for the year 2014 are detailed in the following table:

€/000	Historical cost at 31/12/2013	Investments	Divestments	Change in scope of con-solidation	Reclassifica-tions and other variations	**Historic. cost at 31/12/2014**
Start-up costs	20,063	2,005	-	-	(90)	21,978
Research, development and advertising costs	38,409	1,515	-	50	(254)	39,720
Patents and intellectual property rights	7,272	2,405	-	729	(129)	10,277
Concessions, licenses, trademarks and similar rights	9,246	1,778	-	(4,869)	10	6,165
Goodwill	1,916	20	-	-	1,046	2,982
Intangibles under development and advances	3,329	1,486	-	-	(1,265)	3,550
Other	35,985	2,559	-	-	484	39,028
Consolidation differences	36,176	2,560	-	-	(73)	38,663
Total	**152,396**	**14,328**	**-**	**(4,090)**	**(271)**	**162,363**

Changes in the accumulated amortization for the year 2014 are detailed in the following table:

€/000	Accumulated amortization 31/12/2013	Amortization	Divestments	Change in scope of consolidation	Reclassifica-tions and other variations	**Accumulated amortization 31/12/2014**
Start-up costs	20,063	1	-	-	(90)	19,974
Research, development and advertising costs	37,422	375	-	33	(34)	37,796
Patents and intellectual property rights	4,454	773	-	370	(23)	5,574
Concessions, licenses, trademarks and similar rights	4,378	380	-	(677)	(33)	4,048
Goodwill	1,813	691	-	-	428	2,932
Intangibles under development and advances	-	-	-	-	-	-
Other	27,423	2,724	-	-	(172)	29,975
Consolidation differences	22,796	2,052	-	-	-	24,848
Total	**118,349**	**6,998**	**-**	**(273)**	**76**	**125,147**

Changes in the net book value of intangible assets for the year 2014 are detailed in the following table:

€/000	Net book value at 31/12/2013	Investment/ amortization	Divestments	Change in scope of con-solidation	Reclassifica-tions and other variations	**Net book value at 31/12/2014**
Start-up costs	-	2,004	-	-	-	2,004
Research, development and advertising costs	987	1,140	-	17	(220)	1,924
Patents and intellectual property rights	2,818	1,632	-	359	(106)	4,703
Concessions, licenses, trademarks and similar rights	4,868	1,398	-	(4,192)	43	2,117
Goodwill	103	(671)	-	-	618	50
Intangibles under development and advances	3,329	1,486	-	-	(1,265)	3,550
Other	8,562	(165)	-	-	656	9,053
Consolidation differences	13,380	508	-	-	(73)	13,815
Total	**34,047**	**7,329**	**-**	**(3,817)**	**(345)**	**37,216**

In reference to "Consolidation differences", the following table shows details of differences between the value of the investee and the pro-rated net equities of the subsidiaries arising on the first-time consolidation and not allocated to the assets or liabilities of the entity being consolidated.

€/000	31/12/2013	Increases	Amortization	Impairment	Other variations	**31/12/2014**
MAC/Delfo Polska and SHL	6,847	-	(977)	-	-	**5,870**
Delna	6,233	238	(994)	-	(73)	**5,404**
ITLA	-	1,807	-	-	-	**1,807**
Nuova Sall	301	513	(81)	-	-	**733**
Total	**13,381**	**2,558**	**(2,052)**	**-**	**(73)**	**13,815**

Amortization is applied over a period of 10 years from the acquisition date of the investment according to the remaining useful life of the business involved. The residual value of the "Consolidation differences" is considered recoverable based on the subsidiaries estimated earnings, operations and short-term business plans.

Property, plant and equipment

As at 31 December 2014, property, plant and equipment amounted to € 591,146 thousand as detailed in the following table:

€/000	**31/12/2014**	31/12/2013
Land and buildings	221,388	223,017
Plant and machinery	314,774	311,963
Production and commercial equipment	13,730	12,478
Other assets	3,335	2,893
Assets under construction and advances	37,919	91,257
Total	**591,146**	**641,608**

Details regarding the individual items are as follows:

- Land and buildings: include buildings in which the Group companies carry out their business activities.
- Plant and machinery: include production lines used in the production process.
- Production and commercial equipment: include equipment to support the production process.
- Other assets: include electronic and electric machinery, fixtures and furnishings.

Changes in historical cost for the year 2014 are detailed in the following table:

€/000	Historical cost 31/12/2013	Investments	Divestments	Change in scope of consolidation	Reclassifications and other variations	**Historical cost 31/12/2014**
Land and buildings	388,203	7,501	(361)	8,193	(3,963)	**399,574**
Plant and machinery	1,087,298	49,719	(36,889)	(14,962)	7,377	**1,092,543**
Production and commercial equipment	132,868	3,491	(696)	(3,584)	2,618	**134,697**
Other assets	32,137	1,438	(824)	586	39	**33,376**
Assets in construction and advances	91,257	10,107	-	(41,637)	(21,808)	**37,919**
Total	**1,731,763**	**72,257**	**(38,769)**	**(51,403)**	**(15,739)**	**1,698,109**

Changes in accumulated depreciation for the year 2014 are detailed in the following table:

€/000	Accumulated depreciation 31/12/2013	Depreciation	Divestments	Change in scope of consolidation	Reclassifications and other variations	**Accumulated depreciation 31/12/2014**
Land and buildings	165,185	14,273	(361)	1,272	(2,184)	**178,185**
Plant and machinery	775,335	55,110	(30,838)	(18,366)	(3,473)	**777,769**
Production and commercial equipment	120,390	4,116	(696)	(1,508)	(1,335)	**120,967**
Other assets	29,244	1,150	(790)	387	49	**30,040**
Assets in construction and advances	-	-	-	-	-	**-**
Total	**1,090,154**	**74,649**	**(32,685)**	**(18,215)**	**(6,943)**	**1,106,961**

Changes in net book value for property, plant and equipment for the year 2014 are detailed in the following table:

€/000	Net book value at 31/12/2013	Investment/ depreciation	Divestments	Change in scope of consolidaton	Reclassifications and other variations	**Net book value at 31/12/2014**
Land and buildings	223,017	(6,772)	-	6,922	(1,779)	**221,388**
Plant and machinery	311,963	(5,391)	(6,051)	3,404	10,849	**314,774**
Production and commercial equipment	12,478	(625)	-	(2,076)	3,953	**13,730**
Other assets	2,892	288	(34)	199	(10)	**3,335**
Assets in construction and advances	91,257	10,107	-	(41,637)	(21,808)	**37,919**
Total	**641,607**	**(2,393)**	**(6,085)**	**(33,188)**	**(8,795)**	**591,146**

The most significant capital expenditures in 2014 relate to Bremen and BMW projects in Germany (€ 15.4 million) and B SUV 520 and New Daily projects in Italy (€ 12.9 million). Further capital expenditures were made in France (€ 7.6 million) and Poland (€ 6.3 million). The reclassifications and other variations column shows the impact of the year-end foreign exchange adjustment.

Non-current financial assets

Equity investments

€/000	**Amount at 31/12/13**	**Acquisition/ disposals**	**Other changes**	**Writedown/ adjustment**	**Amount at 31/12/14**
In subsidiaries	1,280	2,511	-	-	**3,791**
In associated companies	76,138	5,442	2,997	(11,808)	**72,769**
In other companies	7,398	1,360	680	(1,135)	**8,303**
Total equity investments	**84,816**	**9,313**	**3,677**	**(12,943)**	**84,863**

Investments in subsidiaries are detailed in the following table:

SUBSIDIARIES	Measured at	Ownership 31/12/14	Amount at 31/12/13	Acquisition/ disposals	Other variations	Writedown/ adjustment	Amount at 31/12/14
Tamagnone S.r.l.	Cost	80.00	50	2,497	-	-	2,547
CLN Serbia	Cost	100.00	1,133	18	-	-	1,151
WM LLC RUSSIA	Cost	100.00	93	-	-	-	93
Other	Cost	n/a	4	(4)	-	-	-
Total			**1,280**	**2,511**	**-**	**-**	**3,791**

Tamagnone S.r.l. is not included in the scope of consolidation, as it is not considered material for the Group. CLN Serbia and WM LLC Russia were in the start-up phase as at 31 December 2014.

Investments in associates are detailed in the following table:

ASSOCIATES	Measured at	Ownership 31/12/14	Amount at 31/12/13	Acquisition/ disposals	Other variations	Writedown/ adjustment	Amount at 31/12/14
Metaltranciati	Equity	48.00	1,023	(1,023)	-	-	**-**
OMV	Equity	25.00	1,356	-	-	-	**1,356**
Ema Polska	Cost	49.00	20	-	-	-	**20**
Emarc Romania	Equity	49.00	75	-	-	-	**75**
Almasider	Equity	50.00	1,655	-	-	-	**1,655**
Proma Poland	Cost	35.00	1,600	-	-	-	**1,600**
JBM - MA	Equity	50.00	4,000	-	475	766	**5,241**
Prorena Canessa	Equity	50.98	21,499	-	-	(771)	**20,728**
Itla S.r.l.	Equity	51.00	6,840	-	(8,307)	1,467	**-**
Etromex	Cost	17.85	350	-	-	-	**350**
Cellino S.r.l.	Equity	39.00	12,160	-	-	50	**12,210**
PMC S.p.A.	Equity	50.00	-	5,000	-	(5,000)	**-**
JMW Jantsanay	Equity	50.00	17,457	-	-	(2,000)	**15,457**
Shougang MA Metal	Cost	50.00	3,098	1,465	(52)	(1,706)	**2,805**
Baosteel MW Wheels	Cost	25.00	5,550	-	-	-	**5,550**
MA Automotive Brasil Ltda	Equity	45.00	-	-	10,881	(4,114)	**6,767**
Provision			(545)	-	-	(500)	**(1,045)**
Total			**76,138**	**5,442**	**2,997**	**(11,808)**	**72,769**

During 2014, the Group obtained control over ITLA S.r.l. and as a result consolidated this entity for 2014. The Group ceased to have control of MA Automotive Brasil, as ownership decreased to 45% during the year and therefore the entity was not consolidated in 2014.

The write-down/adjustments column includes the impact of applying the equity method based on the most recent available financial information of the related associate companies.

With respect to Prorena Canessa S.r.l., the company has not been fully consolidated, despite an ownership interest of 51%, as a result of governance arrangements existing with the other partner that constitute joint control. The company has therefore been accounted for using the equity method, in accordance with normal practices applied to jointly controlled companies.

Economic and financial data of Prorena Canessa S.r.l. as at 31 December 2014 is as follows:

€/000	**Prorena Canessa S.r.l.**
Equity	22,465
Total assets	91,980
Sales revenue	119,555
Net result	(550)

The Group holds shares in the following other companies:

OTHER COMPANIES	Measured at	Ownership 31/12/13	Amount at 31/12/13	Acquisition/dis-posals	Other varia-tions	Writedown/ adjustment	**Amount at 31/12/14**
SPL	Cost	15.00	2,066				**2,066**
Emarc	Cost	6.39	1,682				**1,682**
MIM Gmbh	Cost	10.00	450				**450**
CSM	Cost	4.00	335			(335)	**-**
AR Machine	Cost	9.75	557				**557**
Aircom	Cost	7.50	140	(140)			**-**
Topy Mexico	Cost	25.00	1,056	1,500			**2,556**
Other minor	Cost		1,112		680	(800)	**992**
Total			**7,398**	**1,360**	**680**	**(1,135)**	**8,303**

In certain cases, the book value of the investment has been maintained at the acquisition price even if this value is higher than the corresponding net equity amount: such lower value has not been considered as an impairment charge.

Other Securities

Other securities primarily include Italian Bonds (€ 15.7 million) and restricted cash deposits (€ 7.1 million). The securities are recorded at cost and are considered long-term investments.

3.2 CURRENT ASSETS

Inventories

€/000	**31/12/2014**	31/12/2013
Raw materials, supplies and consumables	112,141	110,380
Work in process and semi-finished goods	30,185	25,312
Contract work in progress	54,466	115,541
Finished goods and goods for resale	54,250	51,125
Advances	259	1,677
Total	**251,301**	**304,035**

Inventories are shown net of a provision for obsolescence of € 15,204 thousand (€ 16,416 thousand as at 31 December 2013). The provision is accrued for obsolete and slow-moving raw materials, finished goods, spare parts and other supplies based on their expected future use and realizable value.

The following table illustrates the changes to the provision for obsolescence between 2013 and 2014, reflecting the expected risk at the statement of financial position date.

€/000	
Provision for obsolescence at 31/12/13	**16,416**
Accruals	1,540
Uses/other variations	(2,752)
Provision for obsolescence at 31/12/14	**15,204**

As at 31 December 2014, the provision for obsolescence included € 10.5 million related to raw materials, € 0.7 million related to semi-finished goods, and € 4.0 million related to finished goods.

Contract work in progress is primarily related to equipment and dye costs sustained by the Automotive Division with regard to preparations for the production of new models. When production begins, all new equipment and dyes are billed to customers, while the costs capitalized to inventory during construction are charged to the income statement.

Financially, the impact is mainly covered by advance payments collected from the customers classified as liabilities.

Receivables

Current receivables are detailed in the following table:

€/000	**31/12/2014**	31/12/2013
Trade receivables	149,110	133,201
Receivables due from subsidiaries	5,464	6,781
Receivables due from associates	74,063	34,014
Tax receivables	22,523	23,405
Deferred tax assets	48,911	50,459
Receivable due from other companies	1,021	522
Other receivables	29,740	60,578
Total	**330,832**	**308,960**

Trade receivables

Trade receivables as at 31 December 2014 amounted to € 149,110 thousand (€ 133,201 thousand as at 31 December 2013) and are stated net of allowance for doubtful accounts of € 11,391 as at 31 December 2014. They are stated net of receivables sold or securitized without recourse for an amount totaling € 231 million (€ 219 million as at 31 December 2013).

The following table illustrates the changes to the allowance for doubtful accounts in 2014. The year-end amount is considered consistent with the risks of the underlying receivables.

€/000	
Allowance for doubtful accounts - 31 December 2013	**9,797**
Accrual	1,526
Uses/other variations	68
Allowance for doubtful accounts - 31 December 2014	**11,391**

Receivables due from subsidiaries

Receivables due from subsidiaries as at 31 December 2014 include € 3.0 million receivable from Tamagnone, € 1.7 million receivable from CLN Serbia and € 0.7 million receivable from WM LLC RUSSIA.

Receivables due from associates

Receivables due from associates as at 31 December 2014 amounted to € 74,063 thousand (€ 34,014 thousand as at 31 December 2013) as detailed in the following table:

€/000	31/12/2014	31/12/2013
Emarc Romania	323	-
MA do Brasil	27,315	-
Metaltranciati	-	44
Almasider	747	866
OMV	164	29
Prorena Canessa	9,298	4,066
Itla S.r.l.	-	2,350
Cellino Group	1,918	2,387
Delna	-	-
JBM - MA	9,643	8,844
Lima Group	225	366
PMC Group	23,693	14,004
Rizzato	142	-
Shougang MA Metal Co	4	-
JV MW/Jantsa	591	455
Other	1	603
Total	**74,063**	**34,014**

The CLN Group has commercial and financial relationships with associated companies.

The receivables in the above table are all commercial, except for the following:

- a portion of the receivable with JBM-MA (€ 7.2 million) is primarily originated from the sale of a press line in previous years;
- a portion of the receivable with PMC Group (€ 14.6 million) is represented by a shareholder loan from MA S.r.l.;
- the receivable with MA do Brasil is fully represented by a shareholder loan from MA S.r.l.

Tax receivables

Tax receivables are represented by VAT recoverable (€ 11,782 thousand), tax credit (€ 4,536 thousand), income tax advances (€ 2,570 thousand) and other items (€ 3,635 thousand).

Deferred tax assets

Information regarding deferred tax assets, amounting to € 48,911 thousand as at 31 December 2014 (€ 50,459 thousand as at 31 December 2013) are provided among the disclosures on "Tax Provisions".

Receivable due from other companies

Receivables due from other companies as at 31 December 2014 amounted to € 1,021 thousand (€ 522 thousand as at 31 December 2013) as detailed in the following table:

€/000	31/12/2014	31/12/2013
Emarc	546	453
CTL	447	-
CMP	28	-
G.R.B.	-	69
Total	**1,021**	**522**

Other receivables

Other receivables amounted to € 29,470 thousand as at 31 December 2014 (€ 60,578 thousand as at 31 December 2013). These include:

- amounts due from factoring companies in respect of receivables sold and not yet advanced totaling € 7.7 million (€ 32.1 million as at 31 December 2013);
- advances to suppliers totaling € 3.3 million (€5.6 million as at 31 December 2013);
- security deposit totaling € 4.2 million (€ 3.4 million as at 31 December 2013);
- advances to employees totaling € 0.3 million (€ 1.1 million as at 31 December 2013);
- receivables from social security institutions totaling € 1.9 million (€ 1.3 million as at 31 December 2013);
- miscellaneous receivables totaling € 12.1 million (€ 17.1 million as at 31 December 2013).

Cash at banks and on hand

Cash at banks and on hand amounted to € 97,544 thousand as at 31 December 2014 as detailed in the following table:

€/000	31/12/2014	31/12/2013
Bank and post-office deposits	66,215	104,725
Cash and valuables on hand	31,329	24,540
Total	**97,544**	**129,265**

3.3 PREPAID EXPENSES AND ACCRUED INCOME

€/000	31/12/2014	31/12/2013
Prepaid expenses	766	924
Accrued income	1,876	1,256
Total	**2,642**	**2,180**

Prepaid expenses and accrued income are recognized once they have been assessed and measured pursuant to the requirements of law and in accordance with a proper cut-off allocation.

The item mainly includes prepaid insurance expenses, administrative consultancy and prepaid lease and rental expenses.

3.4 SHAREHOLDERS' EQUITY AND LIABILITIES

Shareholders' Equity

€/000	**31/12/2014**	31/12/2013
Share capital	235,000	235,000
Share premium reserve	-	-
Revaluation reserve	15,305	13,463
Legal reserve	4,364	4,364
Other reserves:		
- Capital account reserve	100,000	100,000
- Consolidation reserve	8,177	8,177
- Cumulative translation reserve	(47,135)	(42,396)
Retained earnings (accumulated deficit)	(45,106)	4,457
Profit (loss) for the year	(52,173)	(41,867)
Shareholders' equity attributable to the Group	**218,433**	**281,198**
Non-controlling interests	55,923	57,485
Total shareholders' equity	**274,355**	**338,683**

Fully subscribed and paid in share capital as at 31 December 2014 totaled 235,000,000 ordinary shares, with a value equivalent to € 1.00 each.

The following table reconciles net income and equity as per C.L.N. S.p.A. (the Company) financial statements with the group consolidated net income and shareholders' equity (all amounts are in thousands of Euro):

€/000	**Net income**	**Shareholders' equity**
C.L.N. S.p.A. financial statements	**(30,621)**	**310,573**
Elimination of the carrying amount of investments in consolidated companies		(719,472)
Net equities and results for the year reported by consolidated subsidiaries	(52,744)	698,553
Elimination of dividends	(31,928)	(9,000)
Elimination of impairment losses on investments	59,079	
Other adjustments	1,909	(6,299)
Consolidated figures	**(54,305)**	**274,355**
Non-controlling interest	(2,132)	55,923
Attributable to the Group	**(52,173)**	**218,433**

The following table sets out the movement for the year on consolidated shareholders' equity:

€/000	Share capital	Capital account reserve	Other reserves	Net result for the year	**Group shareholders' equity**	Non-controlling interest	**Total consolidated shareholders' equity**
31 December 2012	**235,000**	**100,000**	**34,542**	**(22,960)**	**346,582**	**35,813**	**382,395**
Allocation of results	-	-	(22,960)	22,960	-	-	-
Dividends	-	-	-	-	-	(2,260)	(2,260)
Other variations	-	-	(23,518)	-	(23,518)	23,699	180
2013 result	-	-	-	(41,867)	(41,867)	233	(41,634)
31 December 2013	**235,000**	**100,000**	**(11,936)**	**(41,867)**	**281,197**	**57,485**	**338,683**
Allocation of results	-	-	(41,867)	41,867	-	-	-
Dividends	-	-	(2,599)	-	(2,599)	(1,040)	(3,639)
Other variations	-	-	(7,991)	-	(7,991)	1,609	(6,383)
2014 result	-	-	-	(52,173)	(52,173)	(2,132)	(54,305)
31 December 2014	**235,000**	**100,000**	**(64,393)**	**(52,173)**	**218,434**	**55,923**	**274,355**

Other variations mainly include the cumulated effect arising from the translation to Euro of the equities of the foreign subsidiaries reported in local currencies. Change in non-controlling interests relates to changes in the scope of consolidation during 2014, in particular:

- new non-controlling interest from ITLA S.r.l. first consolidation (+€ 6.2 million);
- reduction of Delna non-controlling interest due to the shares acquired directly from Tognetti and shares arising indirectly through the acquisition of Pro-Can (-€ 4.9 million).

Put and call options agreements have been signed in connection with the non-controlling interests held by IFC in South Africa (€ 20 million), Simest in Italy and South Africa (€ 11 million in total) and with respect to ITLA investment (€ 6 million). The options strike period is 2017-2019.

Provisions for risks and charges

€/000	**31/12/2014**	**31/12/2013**
Severance indemnities and similar costs	11,314	10,998
Current and deferred taxes	39,572	43,491
Other	19,075	24,601
Total	**69,961**	**79,090**

Severance indemnities and similar costs

The provision for severance indemnities and similar costs, amounting to € 11,314 thousand, reflects the provisions accrued to cover agents' indemnities and the indemnities accrued in favour of employees in accordance with the requirements of law or pursuant to payroll agreements.

Current and deferred taxes

Current and deferred tax provisions as at 31 December 2014 include deferred tax liabilities (€ 38,809 thousand) and provision for fiscal risks (€ 762 thousand). Deferred tax liabilities, net of deferred tax assets (classified separately among the receivables) are determined as follows:

€/000	31/12/2014	31/12/2013
Deferred tax liabilities	38,809	42,710
Deferred tax assets	(48,911)	(50,459)
Total	**(10,102)**	**(7,750)**

€/000 **Deferred tax analysis**	31/12/2014	31/12/2013
Accelerated depreciation	8,063	9,937
LIFO/FIFO Differences	1,303	1,703
Leasing (IAS 17)	23,653	24,482
Consolidated differences allocated to assets (*) and other minor items	5,791	6,588
Total deferred tax liabilities (A)	**38,809**	**42,710**
Tax provisions	4,292	5,563
Depreciation over the annual deductible limit and other variations	25,627	21,167
Tax loss carry-forwards	18,992	23,729
Total deferred tax assets (B)	**48,911**	**50,459**
TOTAL (A)-(B)	**(10,102)**	**(7,750)**

(*) Mac, Delfo Polska and SHL.

The chart below indicates the amount of temporary differences of actual and theoretical tax asset/liability with indications of the foreseen reversal:

					Reversal				
€/000	Temporary differences	DTA/DTL	Allowance	**Carrying amount**	12 months	2 years	3 years	4 years	Over 4 years
Accel. depreciation	33,538	8,298	(234)	8,063	1,946	680	920	4,032	484
LIFO/FIFO Differ.	4,239	1,303	-	1,303	1,303	-	-	-	-
Leasing (IAS 17)	71,255	24,895	(1,242)	23,653	2,672	2,319	2,077	2,064	14,520
Conso. differences allocated to assets and other minor items	22,628	5,802	(11)	5,791	1,358	1,141	1,141	1,141	1,011
Deferred tax liabilities	**131,661**	**40,297**	**(1,488)**	**38,809**	**7,280**	**4,140**	**4,138**	**7,237**	**16,015**
Taxed provisions	22,538	5,606	(1,314)	4,292	3,549	63	63	63	552
Depreciation over the annual deductible limit and other	90,926	27,105	(1,478)	25,627	13,517	3,913	3,214	2,881	2,102
Tax loss carry-forwards	248,943	68,860	(49,868)	18,992	1,537	1,821	2,107	4,798	8,729
Deferred tax assets	**362,407**	**101,571**	**(52.660)**	**48,911**	**18,602**	**5,798**	**5,385**	**7,743**	**11,383**

As shown in the chart above, as at 31 December 2014, deferred tax assets on tax loss carry-forwards amounted to € 19 million. The total unused tax losses for the companies included in the consolidation amounted to € 249 million (mainly generated by the Group's Italian, French, Russian and South African companies), and the majority do not expire under current tax legislation. The theoretical tax benefit on these losses amounts to € 69 million, of which only € 19 million has been recorded as an asset. The difference represents an allowance of € 50 million recorded against the theoretical tax benefit, based on management's estimates of future taxable profits against which the unused tax losses can be utilized.

Other provisions

Provisions for other risks and charges amounted to € 19,075 thousand (€ 24,601 thousand as at 31 December 2013) and mainly represent the accruals made for business reorganization and restructuring, contractual, commercial and litigation risks.

In particular other provisions include:

- Restructuring reserves totaling € 6.5 million (€ 6.4 million as at 31 December 2013) in respect to measures taken to face production declines wherever deemed permanent.
- Reserves for legal disputes for the amount of € 0.4 million (€ 5.7 million as at 31 December 2013);
- Reserves for labour disputes for the amount of € 0.7 million (€ 1.9 million as at 31 December 2013);
- Reserves for product warranty and general commercial risks for the amount of € 1.1 million (€ 1.5 million as at 31 December 2013).
- Provision for employee termination benefits

The provision for employee termination benefits amounted to € 23,273 thousand as at 31 December 2014 (€ 21,215 thousand as at 31 December 2013) and reflected benefits accrued by employees from the Italian companies.

€/000

Provision as at 31 December 2013	**21,215**
Change in scope of consolidation	2,835
Uses and other variations	(777)
Provision as at 31 December 2014	**23,273**

Changes in the provision arise as follows:

- Change in scope of consolidation relates to the consolidation of ITLA S.r.l and MFB S.r.l. in 2014.
- Uses and other variations refer to severance payments on termination of employment, any anticipated payments (liquidations), as well as the share transferred to a pension

fund managed by the National Social Security Institute (INPS) or paid to other forms of supplementary pension plans for individual employees.

Payables

Payables as at 31 December 2014 amounted to € 1,029,677 thousand as detailed in the following table:

€/000	**31/12/2014**	31/12/2013
Shareholder loans	1,000	8,199
Due to banks	417,154	435,132
Due to other lenders	55,589	58,083
Advances	59,010	92,079
Trade payables	404,711	382,251
Payables represented by negotiable instruments	339	395
Due to subsidiaries	1,441	38
Due to associates	18,990	19,105
Due to other companies	49	2
Tax payables	20,426	21,855
Due to social security institutions	15,440	14,809
Other payables	35,528	28,090
Total	**1,029,677**	**1,060,038**

Shareholder loans

Shareholder loans as at 31 December 2014 fully relate to a loan agreement subscribed by ITLA S.r.l. with the minority shareholder Baghi S.r.l. As at December 2013 a subordinated loan agreement was in place in MA do Brasil (€ 8.2 million).

Due to banks and other lenders

The following table details amounts due to banks and other lenders as at 31 December 2014:

				Expiration			
€/000	Total	12 months	2016	2017	2018	After 2018	Residual lines
Bank A/C overdrafts	18,353	18,353	-	-	-	-	28,675
Short term bank loans	71,269	71,269	-	-	-	-	37,457
Self-liquidating	56,819	56,819	-	-	-	-	71,259
Bank loans	270,713	64,271	71,361	92,012	29,311	13,758	-
Due to banks	**417,154**	**210,713**	**71,361**	**92,012**	**29,311**	**13,758**	**137,391**
Other financial institutions	480	323	157	-	-	-	-
Leases	54,743	12,648	9,128	7,123	5,987	19,857	-
Factoring (with recourse)	366	366					67,173
Due to other lenders	**55,589**	**13,337**	**9,285**	**7,123**	**5,987**	**19,857**	**67,173**

The following table details amounts due to banks and other lenders as at 31 December 2013:

		Expiration					
€/000	Total	12 months	2015	2016	2017	After 2018	Residual lines
Bank A/C overdrafts	10,693	10,693	-	-	-	-	18,351
Short term bank loans	39,475	39,475	-	-	-	-	23,971
Self-liquidating	50,989	50,989	-	-	-	-	38,420
Bank loans	333,974	70,156	62,628	67,481	65,907	67,802	-
Due to banks	**435,132**	**171,314**	**62,628**	**67,481**	**65,907**	**67,802**	**80,741**
Other financial institutions	907	399	65	-	-	443	-
Leases	53,741	20,759	7,171	5,442	4,172	16,198	-
Factoring (with recourse)	3,434	3,434	-	-	-	-	36,126
Due to other lenders	**58,082**	**24,592**	**7,235**	**5,442**	**4,172**	**16,641**	**36,126**

Self-liquidating represents advanced collection on sale invoices; "Short term bank loans" include import credits and hot money facilities.

Bank loans include the new facilities agreement signed in August 2012 totaling € 235 million. The agreement includes certain economic and financial covenants that were complied with at 31 December 2014.

Advances

Advances mainly relate to customer prepayments towards specifically ordered tooling and equipment destined for resale upon completion/initialization of series production components. Beneficiaries of the most significant amounts include the subsidiary MA France (€ 22.3 million - tooling and equipment for PSA) and Eurostamp (€ 21.2 million - tooling and equipment for PSA).

Trade payables

Trade payables, shown net of any trade discount, amounted to € 404,711 thousand as at 31 December 2014 (€ 382,251 thousand as at 31 December 2013).

Due to subsidiaries

Payables due to subsidiaries as at December 2014 amounted to € 1,441 thousand (€ 38 thousand as at 31 December 2013).

€/000	31/12/2014	31/12/2013
Tamagnone	925	-
Claudlynn Investments (Pty) Ltd	26	-
IG Tooling Property Investments (Pty) ltd	305	-
Rensor Property (Pty) Ltd	133	-
CLN Serbia	53	38
Total	**1,441**	**38**

Due to associates

Payables due to associates as at 31 December 2014 amounted to € 18,990 thousand (€ 19,105 thousand as at 31 December 2013) as detailed in the following table:

€/000	31/12/2014	31/12/2013
Cellino Group	6,346	7,136
Itla	-	277
Gruppo PMC	2,105	2,172
Lima	11	11
JV MW/JANTSA	7,147	9,475
PRORENA CANESSA	3,381	20
Other	-	15
Total	**18,990**	**19,105**

The payable towards Cellino for € 4,314 thousand includes the liability arising from a financial lease agreement underwritten by Wagon Automotive S.r.l.

Other companies

Payables due to other companies as at 31 December 2014 amounted to € 49 thousand (€ 2 thousand as at 31 December 2013).

€/000	31/12/2014	31/12/2013
Emarc	7	2
CTL	4	-
CMP	38	-
Total	**49**	**2**

Tax payables

Tax payables as at 31 December 2014 amounted to € 20,426 thousand as detailed in the following table:

€/000	31/12/2014	31/12/2013
Income tax payable	2,540	872
Withholding tax payable	3,735	3,205
IRAP regional tax payable	400	924
Other taxes payable, including VAT	13,751	16,853
Total	**20,426**	**21,854**

Due to social security institutions

Payables due to social security institutions as at 31 December 2014 amounted to € 15,440 thousand. This liability represents employee's social contributions accrued at the year end by the companies of the Group, which will be paid in early 2015.

Other payables

Other payables totaled € 35,528 thousand as at 31 December 2014 (€ 28,091 thousand as at 31 December 2013) as detailed in the following table:

€/000	31/12/2014	31/12/2013
Due to employees	25,102	21,704
Other payables	10,426	6,387
Total	**35,528**	**28,091**

Accured expenses and deffered income

€/000	31/12/2014	31/12/2013
Accrual expenses	5,184	3,702
Deferred income	16,464	21,573
Total	**21,648**	**25,275**

Deferred income mainly includes (€ 8.5 million) revenue from tooling and die contracts spread over the period in which parts are supplied to the customers. Starting from 2013, revenue arising from these types of contracts are fully recognized in the income statement when the contract is finalized (tooling sold to the customer). As a result, deferred income will be gradually reduced in the next few years.

Accrued expenses mainly include payroll accruals.

3.5 MEMORANDUM ACCOUNTS

Memorandum accounts are fully disclosed in the Consolidated Financial Statements.

Corporate guarantees amounted to € 120.9 million and have been provided to the following third parties:

- banks and other lenders: € 75.7 million;
- Simest: € 40.4 million;
- others (mainly VAT and customs agencies): € 4.8 million.

Commitments from derivative instruments relate mainly to the following:

- interest rate swap agreements (notional amount of € 128 million; mark to market value of negative € 2.3 million) entered into by C.L.N. S.p.A. in connection with the club deal loan agreement subscribed in 2012;
- interest rate swap agreement subscribed by C.L.N. S.p.A. in connection with a loan agreement with BPM signed in late 2014 (notional amount of € 7.3 million);
- forward currency agreements (€ 21 million) subscribed by Delfo Polska and UMC to hedge the risk of foreign exchange on payments of steel supplies.

NOTES TO THE CONSOLIDATED INCOME STATEMENT FOR 2014

Below is a discussion of the main items of the consolidated income statement.

4.1 PRODUCTION VALUE

Revenue from sales and services

During 2014, the Group recorded revenues from sales and services totaling € 1,509,544 thousand.

The Group comprises different operating divisions operates in different geographical regions. The breakdown of revenues by activity is as follows:

€/000	**2014**	2013
Revenues from sales of steel	311,598	325,479
Revenues from sales of automotive components	988,264	978,433
Revenues from wheel sales	209,682	234,711
Total	**1,509,544**	**1,538,623**

Breakdown by geographic destination is as follows:

€/000	**2014**	2013
Italy	457,083	464,305
Other EU Countries (27)	765,541	732,003
Outside the EU	286,920	342,315
Total	**1,509,544**	**1,538,623**

The decline of sales outside the EU is mainly attributable to South America (Brazil -€ 19 million, Argentina -€ 43 million).

Other revenues and income

As at 31 December 2014, other revenues and income totaled € 259,054 thousand (€ 167,577 thousand as at 31 December 2013) as detailed in the following table:

€/000	**2014**	2013
Sales of scrap	88,243	84,384
Sales of tooling and dies	152,262	67,129
Rental income	2,110	1,699
Release of risk provisions	1,486	2,269
Other income	14,953	12,096
Total	**259,054**	**167,577**

Sales of tooling and dies in 2014 mainly related to projects for BMW in Germany and Iveco in Italy that were in process at 31 December 2013.

4.2 PRODUCTION COSTS

Raw materials, supplies, consumables and goods for resale

Raw materials, supplies, consumables and goods for resale costs amounted to € 1,119,571 thousand for the year 2014 as detailed in the following table:

€/000	2014	2013
Raw materials	987,436	980,038
Supplies and consumables	37,092	12,819
Goods for resale	70,015	99,393
Other purchases	25,028	38,865
Total	**1,119,571**	**1,131,115**

Services

Service costs amounted to € 182,760 thousand for the year 2014 as detailed in the following table:

€/000	2014	2013
Transportation	39,926	38,252
Outsourced processes	32,996	27,391
Maintenance	22,956	22,579
Energy	24,001	24,325
Other utilities	8,378	10,825
Legal, advisory and auditing	5,874	6,574
Insurance	2,609	3,975
Technical consulting	3,983	4,246
Directors fees	3,491	4,235
Statutory auditors fees	226	379
Mail, telephone and fax expenses	2,313	2,464
Advertising and sales promotion	259	576
Canteen	2,756	2,023
Cleaning services	3,802	3,675
Security services	2,056	2,168
Travel expenses	6,267	6,612
Bank charges	4,584	2,278
Other services costs	16,281	16,670
Total	**182,760**	**179,247**

Use of third party assets

Third party assets costs amounted to € 15,305 thousand for the year 2014 as detailed in the following table:

€/000	2014	2013
Rental and lease expenses	12,938	11,680
Other	2,367	2,542
Total	**15,305**	**14,222**

Personnel

Personnel costs amounted to € 293,508 thousand for the year 2014 as detailed in the following table:

€/000	2014	2013
Salaries and wages	208,617	202,646
Social security contributions	47,961	49,002
Employees termination benefits	5,919	5,298
Severance indemnities and similar costs	1,071	1,079
Temporary labour costs	22,889	18,069
Other personnel expenses	7,051	7,560
Total	**293,508**	**283,654**

Average personnel, split by category, is set forth in the following table:

	2014	2013
Directors and Managers	361	370
Clerks	1,848	1,894
Workers	5,878	6,024
Total	**8,087**	**8,288**

Temporary employees at 31 December 2014 totaled 950 and the overall number of employees totaled 7,887.

Amortization, depreciation and impairment

A breakdown by the four required sub-headings is presented in the consolidated income statement.

Other operating expenses

Other operating expenses amounted to € 9,548 thousand for the year 2014 as detailed in the following table:

€/000	2014	2013
Indirect taxes	7,493	6,417
Association and scholarship dues	279	238
Other expenses	1,776	3,807
Total	**9,548**	**10,462**

4.3 FINANCE INCOME AND EXPENSES

Income from investments

Income from investments includes dividends received from the Group's non-consolidated companies.

Other finance income

€/000	2014	2013
Bank interest income	79	174
From securities classified under fixed assets	523	493
Other	7,584	6,993
Total	**8,186**	**7,661**

Interests and other financial charges

€/000	2014	2013
Bank interest expenses	23,382	23,571
Other interests and commissions	21,571	21,312
Total	**44,953**	**44,883**

4.4 ADJUSTMENTS TO FINANCIAL ASSETS

The revaluation and devaluation of investments include the net result of companies consolidated using the equity method.

4.5 EXTRAORDINARY ITEMS

Extraordinary income

€/000	2014	2013
Gains on disposals	1,681	1,498
Out of period income	4,758	852
Other	2,135	4,547
Total	**8,574**	**6,897**

Extraordinary expenses

€/000	2014	2013
Loss on disposals	169	386
Restructuring charges	12,591	9,875
Out of period expenses	4,138	5,735
Other	8,580	7,592
Total	**25,478**	**23,588**

Restructuring charges mainly relate to Italian and South American plants (€ 7 million and € 4 million respectively).

4.6 INCOME TAXES

Income taxes include current and deferred taxes. Current income tax refers to IRES corporation tax or equivalent taxes for the foreign companies and, for Italian companies only, IRAP regional tax on manufacturing activities.

€/000	2014	2013
IRES and other company taxes	9,552	9,951
IRAP	1,702	2,290
Total current taxes	**11,254**	**12,241**
Deferred taxes	(2,737)	(8,995)
Total income taxes	**8,517**	**3,246**

The Group effective tax rate is influenced by the fact that no deferred tax assets have been recognized at year-end on tax losses incurred in countries where it is not probable that the benefit will be recovered through future taxable income.

4.7 AUDIT FEES

Audit fees for the Consolidated Financial Statements amounted to € 142,000 (*).

(*) Such fees include the audit of the statutory and Consolidated Financial Statements of C.L.N. S.p.A. They do not include fees for the audit activities performed on the Group subsidiaries.

May 7, 2015

Board of Directors

The Chairman

Aurora Magnetto

CONSOLIDATED CASH FLOW STATEMENT

€/000	**2014**	2013
A. Cash flow from operating activities		
Profit (loss) for the year	**(54,305)**	**(41,634)**
Income tax	8,517	3,246
Interest	40,861	49,321
(Dividends)	(608)	(2,376)
(Gains)/losses from asset disposals	(1,512)	(1,112)
1. Profit (loss) for the year before income tax, interest, dividends and gains/ losses from asset disposals	**(7,047)**	**7,445**
Adjustments for non-cash items without impact on NWC		
Provision accruals	2,198	3,066
Depreciation and amortization	81,954	80,727
Impairment charges	1,592	516
Adjustments for other non-cash items	6,127	(974)
2. Cash flow before changes in NWC	**84,824**	**90,780**
Changes in NWC		
Decrease/(increase) in inventories	53,078	(2,667)
(Increase)/decrease in trade receivables	(6,748)	22,882
Increase in trade payables	20,854	70,822
(Increase)/decrease in prepaid expenses and accrued income	(462)	390
Decrease in accrued expenses and deferred income	(4,513)	(7,833)
Other NWC changes	(21,035)	25,999
3. Cash flow after changes in NWC	**125,999**	**200,372**
Other adjustments		
Interest received/(paid)	(37,439)	(37,905)
(Income taxes paid)	(12,683)	(12,501)
Dividends received	2,138	846
(Release)/use of provisions	(706)	2,173
Cash flow from operating activities (A)	**77,309**	**152,950**
B. Cash flow from investing activities		
Property, plant and equipment		
(Investments)	(72,257)	(112,955)
Proceeds of disposals	3,512	1,610
Intangible assets		
(Investments)	(9,748)	(7,192)
Proceeds of disposals	-	-
Non-current financial assets		
(Investments)	(10,480)	(4,199)
Proceeds of disposals	1,027	1,733
Current financial assets		
(Investments)	-	-
Proceeds of disposals	-	9,900

€/000 **CONSOLIDATED CASH FLOW STATEMENT** (continued)	**2014**	2013
Impacts from changes in scope of consolidation net of changes in cash at bank and on hand	**(21,412)**	**(3,531)**
Cash flow from investing activities (B)	**(109,358)**	**(114,594)**
C. Cash flow from financing activities		
External sources		
Increase/(decrease) of short term financial debt	35,683	(35,594)
Cash proceeds from new loans	34,783	122,494
Cash repayments of existing loans	(74,455)	(84,808)
Internal sources		
Cash proceeds from share capital injections	5,000	20,000
Dividends paid	(683)	(2,260)
Cash flow from financing activities (C)	**328**	**19,832**
(Decrease)/increase in cash at bank and on hand (A ± B ± C)	**(31,721)**	**58,188**
Cash at bank and on hand as at 1 January 2014	**129,265**	**71,077**
Cash at bank and on hand as at 31 December 2014	**97,544**	**129,265**

SUBSIDIARIES – CONSOLIDATED ON A LINE BY LINE BASIS

	Location	Main business activity	Currency	Share capital	% in CLN (*)
Parent Company					
C.L.N. S.p.A.	Caselette (TO) Italy	Sheet steelwork and trading	Euro	235,000,000	
Subsidiaries					
PRO-CAN S.r.l.	Civate (LC) Italy	Holding company	Euro	107,000	100.00
C.L.N. Slovakia S.R.O.	Kosice (Slovakia)	Sheet metal processing and trading	Euro	10,000,001	100.00
C.L.N. Polska Sp Zoo	Skarzysko (Poland)	Sheet steelwork and trading	Zloty	50,000	100.00
Delna S.p.A.	Brivio (LC) Italy	Pickling process	Euro	2,000,000	69.70
ITLA S.r.l.	Oggiono (LC) Italy	Steel re-rolling	Euro	2,500,000	51.00
MFB S.r.l.	Caselette (TO) Italy	Fine blanking	Euro	100,000	100.00
MW Italia S.p.A.	Rivoli (TO) Italy	Production and sale of steel wheels	Euro	40,000,000	97.50
Gianetti Ruote S.r.l.	Ceriano Laghetto (MB) Italy	Production and sale of steel wheels	Euro	8,798,316	97.50
MW Aftermarket S.r.l.	Rivoli (TO)	Sale of steel wheels	Euro	10,000	97,50
MW France S.A.	Tergnier (France)	Production and sale of steel wheels	Euro	15,191,155	97.50
MW Romania S.A.	Dragasani (Romania)	Production and sale of steel wheels	Nuovo Leu	29,323,712	96.11
MW Deutschland GmbH	Pluderhausen (Germany)	Sale of steel wheels	Euro	100,000	97.50
D.R. S.a.r.l.	Pontcharra (France)	Sale of steel wheels	Euro	50,000	97.50
MW NL B.V.	Amsterdam (Netherland)	Holding company	Euro	20,000	97.50
MW Kingisepp LLC	Kingisepp (Russia)	Production and sale of steel wheels	Rubli	1,768,558,574	97.50
MW Poland S.P.Z o.o.	Varsavia (Poland)	Production and sale of steel wheels	Zloty	50,000	97.50
Excel Rim Co., LTD	Tokyo (Japan)	Production and sale of motorcycle wheels	Yen	10,000,000	97.50
Excel Rim Sdn Bhd	Penang (Malaysia)	Production and sale of motorcycle wheels	MYR	10,800,002	53.63
MW Lublin SP.Z o.o.	Lublin (Poland)	Production and sale of steel wheels	Zloty	45,888,000	97.50
MA S.r.l.	Melfi (PZ) Italy	Holding company	Euro	100,000,000	97.80
Nuova Sall S.r.l.	Chivasso (TO) Italy	Mould production	Euro	1,500,000	97.80
Wagon Automotive s.r.l.	Fiano (TO) Italy	Sheet pressing and assembly	Euro	1,000,000	97.80
Eurostamp S.a.s.	Villers la Montagne (France)	Sheet pressing and assembly	Euro	10,249,995	97.80

Subsidiaries (continued)

MA France S.a.s.	Aulnay sous Bois (France)	Sheet pressing and assembly	Euro	15,000,000	97.80
MA Automotive Deutschland GmbH	Treuen (Germany)	Sheet pressing and assembly	Euro	10,000,000	97.80
UM Corporation S.a.s	Biache Saint Vaast (France)	Sheet pressing and assembly	Euro	7,000,000	58.68
IDEST S.a.r.l.	Aulnay sous Bois (France)	Administration/accounting	Euro	8,000	97.80
MA Automotive Argentina S.A.	Buenos Aires (Argentina)	Sheet pressing and assembly	Pesos	70,110,000	97.80
Coskunoz MA Otomotiv A.S.	Bursa (Turkey)	Sheet pressing and assembly	New Turkish Lira	5,850,000	58.68
Immobiliere de Villers S.A.R.L	Villers la Montagne (France)	Real estate	Euro	29,510,000	97.80
DP Metal Processing Sp. Z o.o.	Tychy (Poland)	Sheet metal processing and trading	Zloty	50,000	97.80
Zaklady Wyrobòw Metalowych SHL.S.A.	Kielce	Real estate	Zloty	27,000,000	97.80
Delfo Polska S.A.	Tychy (Poland)	Sheet pressing and assembly	Zloty	500,000	97.80
M.A.C. Metallurgica Assem-blaggi Carpenterie S.p.A.	Chivasso (TO) Italy	Sheet pressing and assembly	Euro	23,000,000	97.80
MA Automotive South Africa (Pty) Ltd	Rosslyn (South Africa)	Holding company	Rand	1,199,012,749	69.08
MW Wheels SA (Pty) Ltd	Port Elizabeth (South Africa)	Sheet metal processing and trading	Rand	1,400	69.08
IG Tooling and Light Engineer-ing (Pty) Ltd	Alberton (South Africa)	Mould production	Rand	4,000	69.08
MA Automotive Rosslyn (Pty) Ltd	Rosslyn (South Africa)	Sheet pressing and assembly	Rand	1,578,947	69.08
MA Tool and Die (Pty) Ltd	Rosslyn (South Africa)	Sheet pressing and assembly	Rand	302	69.08

ASSOCIATES – ACCOUNTED FOR USING THE EQUITY METHOD

Company	Location	Currency	Share capital	% in CLN (*)
Prorena - Canessa S.r.l.	Civate (LC) Italy	Euro	2,144,000	50.98
MA Automotive Brasil Ltda.	Porto Real (Brazil)	Reais	26,741,757	44.01
LIMA S.p.A.	Milano (MI) Italy	Euro	1,560,000	37.48
ALMASIDER d.o.o	Kumrovec (Croatia)	Kuna	29,320,000	50.00
O.M.V. S.p.A.	Lesmo (MB) Italy	Euro	2,500,000	25.00
Beijing Shougang MA Metal Co. Ltd	Beijing (China)	U.S. Dollar	9,020,000	48.90
PMC Automotive S.P.A.	San Nicola La Strada (CE) Italy	Euro	6,500,000	48.90
JBM - MA Automotive (Ptv) Ltd	New Delhi (India)	Rupie	608,992,000	48.90
Emarc srl	Dragasani (Romania)	New Leu	90,000	47.92
JMW JANT SANAY I VE TICARET A.S.	Umurlu Aydin (Turkey)	Try	52,200,000	48.75
Cellino S.r.l.	Grugliasco (TO) Italy	Euro	245,902	39.00

OTHER COMPANIES

Company	Location	Currency	Share capital	% in CLN (*)
Proma Poland Sp. Z o.o.	Tychy (Poland)	Zloty	15,500,000	34.23
Ema Polska Sp. Zoo	Kielce (Poland)	Zloty	50,000	47.92
MIM GmbH	Treuen (Germany)	Euro	450,000	10.00
Etromex S de RL de CV	San Pedro – Nuovo Leon (Mexico)	Pesos	32,500,000	17.85
AR Machine Co.	Teheran (Iran)	Rials/000	33,000,000	9.75
TOPY MW MANUFACTURING MEXICO, S.A. de C.V.	Silao (Mexico)	Pesos	120,050,000	24.37
Rensor Property (Pty) Ltd	Alberton (South Africa)	Rand	1,000	69.08
IG Tooling Property Investments (Pty) Ltd	Alberton (South Africa)	Rand	6,000	69.08
Claudlynn Investments (Pty) Ltd	Alberton (South Africa)	Rand	1,000	69.08
August Lapple East London (Pty) Ltd	Rosslyn (South Africa)	Rand	4,000	69.08
TESCO GO S.p.A.	Moncalieri (TO) Italy	Euro	1,410,058	23.18
E.M.A.R.C. S.p.A.	Vinovo (TO) Italy	Euro	16,666,682	6.25
WM Automotive LLC	Kingisepp (Russia)	Rublo	10,000	97.80
FaM-MA S.A.	Cordoba (Argentina)	Pesos	100,000	48.90
S. Polo Lamiere S.p.A.	S.Polo di Torrile (PR) Italy	Euro	600,000	15.00
CLN Serbia Doo	Kostolac (Serbia)	Euro	128,162	100.00
Safen Fluid & Mechanical Engineering	Torino (TO) Italy	Euro	12,500	19.50
Chongqing Baosteel - MW Wheels Co. Ltd	Chongqing (China)	Yuan	165,000,000	24.37
Tamagnone S.r.l.	Caselette (TO)	Euro	30,000	80.00
P.I.CHI S.c.r.l.	Chivasso (To) Italy	Euro	10,000	33.35

(*) percentage of total direct plus indirect (excluding shares held by associated companies)

5 AUDITORS' REPORT

AUDITORS' REPORT IN ACCORDANCE WITH ARTICLE 14 OF LEGISLATIVE DECREE N° 39 OF 27 JANUARY 2010

CLN GROUP

CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2014

AUDITORS' REPORT IN ACCORDANCE WITH ARTICLE 14 OF LEGISLATIVE DECREE N° 39 OF 27 JANUARY 2010

To the Shareholders of
C.L.N. SpA

1 We have audited the consolidated financial statements of C.L.N. SpA and its subsidiaries ("CLN Group") as of 31 December 2014. The directors of C.L.N. SpA are responsible for the preparation of these consolidated financial statements in compliance with the laws governing the criteria for their preparation. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

2 We conducted our audit in accordance with the auditing standards issued by the Italian Accounting Profession (Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili) 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 the necessary assurance about whether the consolidated financial statements are free of material misstatement and, taken as a whole, are presented fairly. 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. We believe that our audit provides a reasonable basis for our opinion.

For the opinion on the consolidated financial statements of the prior period, which are presented for comparative purposes as required by law, reference is made to our report dated 24 April 2014.

3 In our opinion, the consolidated financial statements of the CLN Group as of 31 December 2014 comply with the laws governing the criteria for their preparation; accordingly, they have been prepared clearly and give a true and fair view of the financial position and result of operations of the CLN Group.

PricewaterhouseCoopers SpA

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4 The directors of C.L.N. SpA are responsible for the preparation of a report on operations in compliance with the applicable laws. Our responsibility is to express an opinion on the consistency of the report on operations with the consolidated financial statements, as required by law. For this purpose, we have performed the procedures required under Italian Auditing Standard n° 001 issued by Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili and recommended by Consob. In our opinion, the report on operations is consistent with the consolidated financial statements of CLN Group as of 31 December 2014.

Turin, 29 May 2015

PricewaterhouseCoopers SpA

Signed by

Piero De Lorenzi
(Partner)

This report has been translated into the English language from the original, which was issued in Italian, solely for the convenience of international readers.

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