

SIPCAM

**CONSOLIDATED FINANCIAL STATEMENTS
2012**

SIPCAM S.p.A.

Management and Offices

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Share capital
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wholly paid-up
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Board

	office
Gagliardini Nadia	P
Liviero Roberto	VP
Affaba Giovanni	MD
Ciocca Francesco	C
Ciocca Giovanni	C
Gagliardini Giorgio	C

Board of auditors

	office
Domenici Clemente	P
Celli Massimo	RA
De Giorgi Giorgio	RA
Frey Paolo	AA
Ratti Francesco	AA

Report of the Board of Directors on the management

Dear shareholders,

In 2012 (source Philips McDougall) the sector of pharmaceutical products has reached a value of about 47,2 billion US\$ (at distribution level), with an increase in nominal terms of 7,4% with respect to 2011.

The factors that have mainly contributed to the growth of the market value have been the price of the Glyphosate herbicide (that has stabilized itself on a higher level with respect to the previous year), and the maintenance of the high prices for most agricultural products, in particular wheat, soy and corn.

Europe, confirming itself to be the principal market worldwide, in 2012 has reached a level of about US\$ 12,5 billion (+2,6% with respect to 2011); more particularly, in northern Europe the early ending of the winter season and the heavy rains in spring have kept up the consumption of herbicides and fungicides for cereals; on the other hand, the Mediterranean areas have been battered by drought conditions during spring and summer, with a negative impact on the consumption of fungicides.

In addition, in central and eastern Europe, the agriculture has suffered at first from a rigid winter and then from a dry summer, with the consequent reduction of the demand for agro-pharmaceutical products, and especially for fungicides.

North-America, with a turnover of about 9 billion US\$ (+7,5% with respect to 2011), has had a favorable beginning of season however, during the summer months, this was followed by an exceptionally intense drought, the heaviest one of the last fifty years.

South-America, in spite of the fact that the beginning of the harvest was oppressed by the drought in Argentina and in the south of Brazil, has been the area with the highest growth with respect to 2011 (+14%), and has almost reached the value of 11,5 billion US\$.

The increase of the demand for corn, soy and sugar cane, and the high prices for the principal agricultural commodities have been the main factors of growth of the market in 2012. Asia, with its 12,2 billion US\$ (+6% with respect to 2011), proves to be the second market worldwide after Europe. China and India remain the main motors of the Asiatic growth in spite of the heavy floods that ravaged the south-east of China and the uncertain monsoon season in the Subcontinent, while the Japanese market had shown a clear recovery after the fall in 2011, caused by the effects of the tsunami, marking a year to year growth of 5%.

In 2012 the number of purchases of products or of companies of the sector has been significantly lower with respect to the last years. Besides, none of the operations finalized in 2012 has been of considerable size in view of the consolidation of the sector. Therefore the scouting and purchasing activities of companies or biological products by the principal leaders of the sector, of which Bayer, Syngenta e BASF, have resulted to be of remarkable importance.

The international financial crisis that has increased its own effects concentrating itself mainly on the countries of south-Europe and causing on one hand the increase of the rates paid by the companies to their financiers and on the other hand a reduced credit availability on the part of the latest, has further discouraged a lot of distributors from carrying out purchases that are not strictly linked to the immediate need, in this way contributing to a containment of sales in Italy and Greece.

In order to face that situation, that damages and limits the activity of a high intensity capital invested business like the business of the agro-pharmaceutical products, Your Group avails itself also of the support of external consultants (Advisors), specialized in the activities of locating financial means to face the necessary needs.

Although in terms of consolidated financial statements it has no particular economic effects, the establishment of the new holding Sipcam Europe S.p.A. has to be mentioned with the contextual contribution by the Group Leader of the subsidiary Sipcam Italia S.p.A., at its turn established by the contribution of the business branch "Marketing & Sales" composed by the combination of functionally organized juridical assets and relations for the implementation of the activities of development, registration, commercialization and distribution of agro-pharmaceutical products, fertilizers and seeds in Italy. Moreover, to Sipcam Europe S.p.A. Sipcam Iberia S.A. (originated from the contribution of the business branch "Marketing & Sales", formed by the combination of functionally organized juridical assets and relations for the implementation of the activities of development, registration, commercialization and distribution of agro-pharmaceutical products and fertilizers in Spain), Sipcam Portugal Lda, Sipcam UK Ltd, Sipcam Hellas Ltd and Sipcam Benelux S.p.r.l. are conferred.

Besides, with effect from the first of July 2012 the Research Center Emilio Gagliardini, formed by several analysis instruments and by the work of about fifteen researchers, has been transferred to BT Biotecnologie.

That sale has generated a capital gain equal to about 0,5 million Euro to the Group Leader.

The year 2012 has been the first year of full activity of the newly established company Sipcam Benelux S.p.r.l., held for 100% by Sipcam Europe S.p.A., that takes care of marketing and sales in Belgium and the Netherlands. The results of the European distribution companies are positive, in particular we indicate the good performance of the Spanish, Portuguese and British companies.

In this European context, in 2012, the target of Your Group has been to focalize its activities on new introduction products and on products containing active principals of the group and owned by the Japanese partners Sumitomo Corporation and Nihon Nohyaku. The results have been satisfying and confirm the strategic validity of the alliance with the Japanese partners, also reveal by the good economic results of the subsidiary SumiAgro Ltd.

The result of the Brazilian company, Sipcam UPL Brasil S.A., has been influenced by the substantial recovery of sales allowing to account sensible superior margins with respect to the previous year as well as minor expenses for interests due thanks to the increased contribution of own means, taken place through joint capital increase of the two partners.

The Argentinian company Agromax S.A., although it had to face an uneasy national situation, has achieved positive results, succeeding in seizing the market opportunities regarding its product ranges. The result of the Australian company, Sipcam Pacific Pty Ltd, is very positive. This company, despite of the negative meteorological context deriving from the drought suffered in various areas of Australia, has been able to position successfully a new product containing an active principle of the group as well as "special" products achieved in distribution from the Japanese partners.

The development activities and registrations in China have been continued as planned, through the indirect subsidiary Sipcam Agro China Co. Ltd. The first registrations will arrive soon and 2013 will be the first selling year of agro-pharmaceutical products while the first sales of special fertilizers have already taken place in 2012.

In the accounting period 2012, Your Group has realized sales amounting to Euro 243 million against Euro 220 million of the previous year (+ 10%). The net operating margin of the accounting period is positive and amounts Euro 15,7 million after amortizations of Euro 5,9 million, and with respect to the same result of Euro 6,6 million of 2011 it has more than doubled.

The net profit of the accounting period has been Euro 2,4 million with respect to the loss of Euro 5,8 million of 2011, after payment of taxes regarding the accounting period of Euro 2,8 million.

Purchases

The total value of purchases realized has been about 151 million Euro, against 149 Euro in 2011; the availability of the products has been good and the average level of the prices of our principal raw materials has been, on the whole, in line with respect to the previous year.

Research and development

Nature and description of the Research activities carried out.

During the year 2012, Research and Development activities (R&S) are continued, integrated in the context of the long term project, started in de previous accounting periods with as its main target to develop and promote, also at international level, a range of innovative formulations with own peculiar intrinsic characteristics, different from those of comparable products already present on the market.

This has allowed to bring to an end the dossier for two important formulations of agro-pharmaceutical products based on an active principle developed by the allied company Oxon Italia S.p.A. The research

activity has furthermore allowed to characterize some more formulations, as a result of the collaboration contracts with Japanese Companies, above all Nihon Nohyaku.

Moreover, new recipes of micro-granular fertilizers have been developed and tuned and, on behalf of the American company that holds the intellectual property, new variations of soy seeds have been registered for which exclusive distribution rights will be obtained.

INVESTMENTS

The Group has invested 2,6 million Euro in tangible assets, as well as more than 1,5 million Euro in intangible assets, mainly in research and development costs.

RELATIONS WITH ALLIED COMPANIES AND CORRELATED PARTIES

The Group Leader has relations with the allied company Oxon Italia S.p.A., of commercial nature, as well as of administrative, computer and technical services and rents for rental agreements.

Proceeds towards allied companies

(values in Euro/Millions)

	2012	2011
Oxon Italia S.p.A.	6,5	5,8
Others	<u>0,3</u>	<u>0,1</u>
Total	6,8	5,9

Purchases from allied companies

(values in Euro/Millions)

	2012	2011
Oxon Italia S.p.A.	46,2	25,7
Others	<u>0,0</u>	<u>0,1</u>
Total	46,2	25,8

Credits towards allied companies:

(values in Euro/Millions)

	2012	2011
Oxon Italia S.p.A.	4,9	8,1
Others	<u>2,2</u>	<u>0,0</u>
Total	4,9	8,1

Debts towards allied companies

(values in Euro/Millions)

	2012	2011
Oxon Italia S.p.A.	24,4	36,6
Others	<u>0,0</u>	<u>0,0</u>
Total	24,4	23,6

EMPLOYMENT, INTERNAL RELATIONS AND INDUSTRIAL RELATIONS.

Personnel inscribed as of 31/12/2012 amounts in total to 536 persons of which 42 managers, 293 cadres/staff and 201 workman.

TREND OF THE PRINCIPAL ALLIED COMPANIES

Oxon Italia S.p.A has realized proceeds to the amount of 118,2 million Euro and the profits of the accounting period has been 1,4 million Euro.

IMPORTANT FACTS TAKEN PLACE AFTER THE CLOSE OF THE ACCOUNTING PERIOD

On the 27th of March 2013 the Group Leader Sipcam S.p.A. has conferred to Gowan Comercio Internacional e Servicos LTDA the entire participation quota of 675.000 shares equal to 15% of the share capital of the company Gowan Italia S.p.A. at a price of Euro 0,65 million, realizing a capital gain of Euro 0,3 million.

On the 22th of April 2013 the Board of Directors of the Group Leader Sipcam S.p.A. has approved the stipulation of a free of interest loan contract in favor of the subsidiary company Sipcam Asia S.r.l. for the amount of Euro 1,2 million, to be distributed in several tranches with due date on the 31th of March 2020. This credit will allow Sipcam Asia S.r.l. to subscribe the capital raise with the directly participated company Sipcam Agro China Co. Ltd.

On the 9th of May 2013 the Group Leader Sipcam S.p.A. has provided for the subscription of the capital raise of Euro 0,17 million, in proportion to its own share equal to 68% in the subsidiary Biosviluppo S.r.l.

EVOLUTION OF THE MANAGEMENT

The trend of the sales in the first part of 2013 suffers mainly because of the unfavorable weather conditions that have caused a slight delay of sales especially in Europe.

We believe, supported by the first results, that with the stabilization of the conditions and with the complete launch of the harvest in the next weeks, the calculated delay can be more than easily recuperated.

The activities in Brazil and Australia, Argentina and China are in line with the positive budget targets.

REPORT ON PRIVACY

In compliance with Legislative Decree 196 of 30/06/2003, we inform that the Group Leader has provided for the adoption of all minimal security measures for the treatment of personal data and has provided for the drawing up and following updating of the Programmatic Document for the Security (DPS), provided for by the above mentioned Legislative Decree.

PRINCIPAL FINANCIAL AND NON-FINANCIAL INDICATORS

In compliance with the second sub-section of art. 2428 [Italian] Civil Code we indicate the following financial indicators compared with the previous accounting period, which all show a substantial stability of the financial economic situation of Your Group:

R.O.E. (Own capital yield = net profit on own means)

2012	2011
3,4%	(8,6%)

R.O.S. (sales yield = operating profit on production value)

2012	2011
6,3%	3,6%

Financial independency (net worth on total receivables)

2012	2011
25,9%	25,1%

For the specific activities carried out, the statement of non-financial indicators is not deemed to be relevant.

USE OF RELEVANT FINANCIAL INSTRUMENTS FOR THE VALUATION OF THE PATRIMONIAL, FINANCIAL STATUS AND OF THE ECONOMIC RESULT OF THE ACCOUNTING PERIOD

In compliance with point 6bis of the third sub-section of Art. 2428 [Italian] Civil Code, we declare that Your Group has undertaken particular politics of financial risk management stipulating financial derivatives with primary credit institutions in order to protect Your Group from fluctuations of interest rates. The details of the operations mentioned above are specified in the explanatory note.

RISK AND UNCERTAINTY FACTORS

As requested by art. 2428 [Italian] Civil Code, hereinafter a description is given of the main risks and uncertainties to which Your Group is exposed and the measures taken:

Liquidity risk

The liquidity risk is the risk Your Group may have difficulties to fulfill to obligations associated with financial liabilities. The directors have approved of an industrial project 2012-2015 that forecasts a positive result for the whole period of the project and that highlights a situation of financial tension connected with significant needs of liquid assets. And the directors intend to face this also by means of raising new short term loans/factoring. For the expected investments medium/long credit lines will be needed, however of a lower amount than the reimbursement installments regarding loans taken out in the past years.

Liquidity risk

The directors have faith, even in the presence of uncertain elements also correlated to the present economical context, in the realization of the objectives foreseen in the project and assuming that the credit institutions will maintain adequate credit lines and will also grant new loans in order to cover the foreseen financial needs, they have drawn up the financial statements in the hypothesis of company continuity.

A few medium/long loan agreements of the Group Leader consider the compliance of specific financial parameters (*financial covenants*) and lack of compliance thereof may entail demand of anticipated reimbursement by the distributing company.

In spite of the fact that some parameters result not to be respected, the Directors are fully confident of the fact that, in virtue of the existing relations, those reimbursements can take place according to the original contractual due dates.

The approach of Your Group regarding the liquidity management provides for guaranteeing, as far as possible, that there are always sufficient funds to fulfill the own obligations at the expiry dates, both under normal conditions and under conditions of financial tension, without having to bear out of market expenses or risking to damage its own reputation.

Generally, Your Group make sure that sufficient available funds are present to cover the needs generated by the operative cycle and by investments, including the costs regarding financial liabilities.

The cash position services of Your Group continuously carry out financial forecasts based on the income and expenses expected in the following months and adopt the consequent corrective actions.

Exchange risks

Your Group carries out transactions in currencies different from the Euro, particularly in American Dollars and is therefore exposed to monetary risks deriving from fluctuations of the exchange rates.

Considering the relatively modest relevance of net exposure of the Company, compared to the totality of the sales, the directors have deemed it inappropriate to perform any coverage on the exchange rates.

Credit risks

Credit risk is the risk that a client will cause a financial loss by non-fulfilling an obligation and is mainly due to commercial credits and financial investments of Your Group.

This credit risk is mainly connected to the possibility that clients will not pay their debts to Our Group at the due-date agreed upon. The exposure of Your Group to credit risk depends substantially from the specific characteristics of each client.

For sales to third clients, Your Group has adopted a procedure according to which the solvency of each client is determined and consequently standard channel conditions regarding payment terms are offered.

The solvency analysis in case of sales to new clients is based on valuations of commercial information companies. Each client is trusted for a maxim value of exposure. When this value is reached, the ban on supplies will become operative. Possible accounts overdue are carefully monitored and immediately dunned by means of letters up to, in case of lack of collection, request for payment by the lawyer and consequent passing of the dossier to legal case.

It has to be mentioned that the agricultural sector in which Your Group operates, even if it is showing average collection terms significantly superior to other sectors, has historically generated a reasonably limited percentage of insolvencies by its clientele.

Normative and regulating risk

The normative and regulating risk regards the constant normative evolution as to national and international laws that regulate the commercialization of agro-pharmaceutical products.

Your Group, with the help of external and internal experts, carries out a constant monitoring of the normative at force and their possible evolutions.

Interest rate risk

The interest rate risk depends on the variants of the percentages on the market. That risk has been minimized by means of “Interest Rate Swap” financial derivatives on some types of debt.

Pero, 28 May 2013

The Board Of Directors

CONSOLIDATED FINANCIAL STATEMENTS AS OF 31/12/2012 - SIPCAM GROUP

STATEMENT OF ASSETS AND LIABILITIES

	As of 31-12-2012	as of 31-12-2011
ASSETS	<u>269.753.669</u>	<u>269.593.070</u>
A) CREDITS GRANTED TO SHAREHOLDERS FOR PAYMENTS DUE	0	0
B) FIXED ASSETS	<u>67.688.121</u>	<u>65.025.114</u>
	Current	Previous
of which granted in financial leasing	0	0
B) FIXED ASSETS	12.353.370	13.470.832
1) COSTS OF PLANTS AND EXPANSION	540.154	729.539
2) RESEARCH, DEVELOPMENT AND ADVERTISING COSTS	5.924.694	5.307.464
3) FEES FOR INDUSTRIAL PATENTS & EXPLOITATION OF INTELLECTUAL PROPERTY	149.681	164.201
4) CONCESSIONS, PERMITS, TRADEMARKS AND SIMILAR FEES	1.142.480	1.053.671
5) CONSOLIDATION DIFFERENCE	3.068.516	4.158.408
6) CURRENT ASSETS AND ADVANCES	0	34.770
7) OTHER	1.527.845	2.022.779
II- TANGIBLE FIXED ASSETS	36.511.953	37.173.982
1) LAND AND BUILDINGS	22.228.706	22.194.044
2) PLANTS AND MACHINERY	9.676.185	9.484.991
3) INDUSTRIAL AND COMMERCIAL EQUIPMENT	2.261.436	2.210.950
4) OTHER GOODS	1.631.469	1.762.564
5) CURRENT FIXED ASSETS AND ADVANCES	714.157	1.521.433
III- LONG-TERM INVESTMENTS	18.822.798	14.380.300
1) PARTICIPATIONS IN:	14.728.798	10.716.300
<i>PARTICIPATIONS IN NON CONSOLIDATED COMPANIES OF THE GROUP</i>	<i>65.400</i>	<i>99.400</i>
b) ALLIED COMPANIES	7.923.226	7.615.957
d) OTHER COMPANIES	6.740.172	3.000.943
2) CREDITS:	1.468.000	1.038.000
	Current	Previous
<i>TOWARDS NOT CONSOLIDATED COMPANIES OF THE GROUP</i>	<i>0</i>	<i>0</i>
b) ALLIED COMPANIES	0	0
d) OTHER COMPANIES	0	0
	470.000	0
	995.000	835.000
	3.000	203.000
4) OWN SHARES	2.626.000	2.626.000

			as of 31-12.2012	as of 31/12/2011
C) FLOATING ASSETS			<u>201.352.015</u>	<u>203.541.530</u>
I – STOCK			48.494.275	48.936.885
1) RAW, SUBSIDIARY AND CONSUMABLE MATERIALS			14.048.529	13.691.376
2) WORK-IN-PROCESS AND SEMI-FINISHED PRODUCTS			476.505	7.955.404
4) FINISHED PRODUCTS AND GOODS			28.998.464	24.498.602
5) ADVANCES			4.970.777	2.791.503
II- CREDITS			135.921.503	140.382.367
	Current	Previous		
Sums falling due after the end of the next accounting period	0	0		
1) TO CLIENTS	0	0	107.358.879	102.157.390
<i>TOWARDS NOT CONSOLIDATED COMPANIES OF THE GROUP</i>	0	0	125.982	0
3) TO ALLIED COMPANIES	0	0	4.882.833	8.103.366
4 bis) FISCAL CREDITS	0	0	11.127.162	12.970.129
4 ter) ANTICIPATED TAXES	0	0	8.814.440	11.872.539
5) TO OTHERS	0	0	3.612.207	5.278.943
III FINANCIAL ASSETS NOT BEING FIXED ASSETS			716	716
6) OTHER SECURITIES			716	716
IV – LIQUID ASSETS			16.935.521	14.221.562
1) BANK AND POSTAL DEPOSITS			16.111.462	13.889.283
2) CHEQUES			729.831	291.378
3) MONEY AND VALUES ON HAND			94.228	40.901
<u>D) ACCRUALS AND DEFERRALS</u>			<u>713.533</u>	<u>972.426</u>
1) ACCRUALS AND DEFERRALS			713.5330	972.426
TOTAL ASSETS			269.753.669	269.539.070

			as of 31-12-2012	as of 31/12/2011
LIABILITIES AND IDEAL PARTS OF NET ASSETS			<u>269.753.669</u>	<u>269.539.070</u>
<i>A) TOTAL NET ASSETS</i>			<i><u>79.972.705</u></i>	<i><u>68.886.497</u></i>
<i>NET ASSETS OF THE GROUP</i>			<i><u>69.884.432</u></i>	<i><u>67.491.693</u></i>
D)- SHARE CAPITAL			9.930.000	9.930.000
II – RESERVES FROM PRICE-ABOVE-PAR OF THE SHARES			5.061.498	5.061.498
III – REVALUATION RESERVES			2.262.530	8.137.518
IV – LEGAL RESERVE			804.692	804.692
V – STATUTORY RESERVES			0	0
<i>RESERVES FOR SHARES OR QUOTES WITHIN THE GROUP</i>			<i>0</i>	<i>0</i>
VI –RESERVE DUE TO OWN SHARES AND STOCK ON HAND			2.626.000	2.626.000
	Current	Previous		
VII – OTHER RESERVES: of which rounding of	-4	-2	5.211.095	5.211.097
VIII – PROFIT (LOSS) BROUGHT FORWARD			35.152.789	35.040.384
<i>PROFIT (LOSS) OF THE ACCOUNTING PERIOD OF THE GROUP</i>			<i>2.353.082</i>	<i>-5.763.455</i>
<i>CONVERSION RESERVES</i>			<i>2.086.456</i>	<i>3.522.621</i>
<i>CONSOLIDATION RESERVES</i>			<i>4.396.290</i>	<i>2.921.339</i>
<u>NET ASSETS OF THIRD PARTIES</u>			<u>10.088.273</u>	<u>1.394.804</u>
<i>CAPITAL AND RESERVES OF THIRD PARTIES</i>			<i>9.169.546</i>	<i>1.164.339</i>
<i>PROFIT(LOSS) OF THE ACCOUNTING PERIOD BELONGING TO THIRD PARTIES</i>			<i>918.727</i>	<i>230.465</i>
<u>B) RISKS AND EXPENSES FUNDS</u>			<u>2.709.546</u>	<u>2.991.623</u>
1) PENSION FUNDS AND SIMILAR OBLIGATIONS			444.361	399.168
2) FUNDS FOR TAXES (also for deferred taxes)			375.550	679.887
3) OTHER FUNDS			1.889.635	1.912.568
<u>C) SEVERANCE INDEMNITY SUBORDINATE EMPLOYMENT</u>			<u>3.044.822</u>	<u>3.411.593</u>
D) DEBTS	Current	Previous	<u>180.452.312</u>	<u>191.059.635</u>
Falling Due After The End Of The Next Accounting Period	<u>16.455.673</u>	<u>25.704.903</u>		
1) OBLIGATIONS	3.250.000	3.250.000	3.250.000	3.250.000
4) DEBTS TO BANKS:	13.205.673	22.338.271	87.242.275	96.522.593
5) DEBTS TO OTHER FINANCIERS	0	116.632	296.179	134.632
6) ADVANCES	0	0	324.224	119.040

			as of 31-12-2012	as of 31/12//2011
7) DEBTS TO SUPPLIERS	0	0	52.978.266	53.913.016
8) DEBTS CONSISTING OF CREDIT INSTRUMENTS:	0	0	0	42.513
10) DEBTS TO ALLIED COMPANIES	0	0	24.379.272	23.595.026
12) FISCAL DEBTS:	0	0	4.025.798	2.399.951
13) DEBTS TO SOCIAL SECURITY INSTITUTIONS	0	0	1.185.259	1.159.731
14) OTHER DEBTS	0	0	6.771.039	9.923.133
<u>E) ACCRUED LIABILITIES AND DEFERRED INCOME</u>			<u>3.574.284</u>	<u>3.189.722</u>
1) ACCRUED LIABILITIES AND DEFERRED INCOME			3.574.284	3.189.722
TOTAL LIABILITIES AND IDEAL PART OF NET ASSETS			269.753.669	269.539.070
SECURITIES GRANTED FOR SURETIES			26.862.816	19.479.847
SECURITIES GRANTED FOR ENDORSEMENTS			32.673.071	2.521.458
COLLATERAL SECURITIES GRANTED			49.440.000	49.440.000
OTHER SUSPENSE ACCOUNTS			25.811.007	31.329.825
LEASE/RENTAL OBLIGATIONS			1.365.256	1.728.192
CONTRACT DERIVATIVES			23.336.748	28.016.517
OUTSTANDING PORTFOLIO			1.109.003	1.585.116

PROFIT AND LOSS ACCOUNT	as of 31-12-2012	as of 31/12/2011
<u>A) PRODUCTION VALUE</u>	<u>251.301.544</u>	<u>232.063.782</u>
1) PROCEEDS OF SALES AND SERVICES	243.494.073	219.873.955
2) VARIATIONS IN STOCKS OF WORK-IN-PROCESS, SEMI-FINISHED AND FINISHED PRODUCTS	-1.448.094	8.630.380
4) INCREASE FIXED ASSETS FOR INTERNAL WORK	26.095	35.729
5) OTHER PROCEEDS AND REVENUES	9.229.470	3.523.718
<u>B) PRODUCTION COSTS</u>	<u>235.564.686</u>	<u>225.489.349</u>
6) RAW, SUBSIDIARY AND CONSUMABLE MATERIALS AND GOODS	150.834.437	148.625.054
7) SERVICES	36.397.045	32.548.624
8) FOR ENJOYMENT OF GOODS OF THIRD PARTIES	2.451.643	2.444.703
9) EMPLOYMENT:	31.401.739	30.519.442
a) WAGES AND SALARIES	22.660.946	21.517.475
b) SOCIAL CHARGES	6.030.349	6.043.985
c) SEVERANCE INDEMNITY	849.220	865.092
d) PENSIONS AND SIMILAR	433.575	485.491
e) OTHER COSTS	1.427.649	1.607.399
10) AMORTIZATIONS AND DEVALUATIONS	7.425.681	6.972.517
a) AMORTIZATIONS OF INTANGIBLE FIXED ASSETS	2.643.479	2.483.004
b) AMORTIZATIONS OF TANGIBLE FIXED ASSETS	3.518.308	3.408.133
c) OTHER DEVALUATIONS OF ASSETS	806	693
d) DEVALUATION OF CREDITS INCLUDING IN THE FLOATING ASSETS AND OF THE AVAILABLE LIQUID ASSETS	1.263.088	1.080.687
11) VARIATIONS IN STOCKS OF RAW, SUBSIDIARY AND CONSUMABLE MATERIALS AND GOODS	801.389	-951.881
12) PROVISIONS FOR RISKS	24.000	5.000
13) OTHER PROVISIONS	219.481	142.704
14) VARIOUS OPERATING EXPENSES	6.009.271	5.183.186
DIFFERENCE BETWEEN VALUE AND COSTS OF PRODUCTION	15.736.858	6.574.433
<u>C) FINANCIAL INCOME AND EXPENSES</u>	<u>-10.518.922</u>	<u>-11.870.122</u>
15) INCOME FROM PARTICIPATIONS	95.850	288.368
	Current	Previous
Allied Companies	0	5.000
16) OTHER FINANCIAL INCOME	2.205.522	5.072.458

			as of 31-12-2012	as of 31/12/2011
a) FROM CREDITS ENTERED AS FIXED ASSETS			28.695	34.254
	Current	Previous		
Allied Companies	11.211	11.792		
b) FROM TIED UP SECURITIES OTHER THAN PARTICIPATIONS			11.220	0
d) FINANCIAL INCOME OTHER THAN MENTIONED ABOVE:			2.165.607	5.038.204
	Current	Previous		
Allied Companies	223.676	36.069		
17) INTEREST AND OTHER EXPENSES			11.521.464	15.335.610
	Current	Previous		
Allied Companies	115.552	266.428		
17- bis) (PROFITS) AND LOSSES ON EXCHANGES			-1.298.830	-1.895.338
<u>D) VALUE-ADJUSTMENT OF FINANCIAL ASSETS</u>			<u>-107.920</u>	<u>51.357</u>
18) REVALUATIONS			570.240	485.000
a) OF PARTICIPATIONS			570.240	485.000
19) DEVALUATIONS			678.160	433.643
a) OF PARTICIPATIONS			678.160	433.643
<u>E) EXTRAORDINARY INCOME AND EXPENSES</u>			<u>979.326</u>	<u>1.169.013</u>
20) PROCEEDS			2.822.115	3.775.813
	Current	Previous		
Capital Gains Due To Transfers Not Entered At N. 5	2.298.493	3.275.032		
21) EXPENSES	Current	Previous	1.842.789	2.606.800
Capital Loss Due To Transfers Not Entered At N. 14	0	494.735		
Taxes Concerning Previous Accounting Periods	538.955	76.337		
RESULT BEFORE TAXES			6.089.342	-4.075.319
22) INCOME TAX OF THE ACCOUNTING PERIOD			2.817.533	1.457.671
a) Current Taxes			3.009.779	1.772.931
b) Deferred Taxes			338.661	197.722
c) Anticipated Taxes			-530.907	-512.982
<i>PROFIT (LOSS) OF THE ACCOUNTING PERIOD</i>			<i>2.353.082</i>	<i>-5.763.455</i>
<i>PROFIT (LOSS) OF THE ACCOUNTING PERIOD APPORTIONED TO THIRD PARTIES</i>			<i>918.727</i>	<i>230.465</i>

FORMATION CRITERIA AND CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP

The present Consolidated Financial Statements of the Group, of which the present 'Note' forms integrative part according to art. 2423 sub-section 1 Civil Code and art. 38 Law decree 127/91, corresponds to the results of the up-dated accounting entries of the companies of the "Group" and has been drawn up in accordance with art. 2324 – 2423 ter – 2424 – 2424 bis – 2425 – 2425 bis C.C. in conformity with the principles of drawing-up in accordance with which is stated in art. 2423 bis C.C. and of valuation in accordance with the provisions of art. 2426 C.C., integrated by the accounting principles issued by the National Council of business consultants and auditors and by the OICI document issued on 27/09/2004 by the Italian Accounting Organism.

The consolidated financial statements consist of the statements of assets and liabilities, of the profit-and-loss account, of the integrative note and are provided with the relation on the management. We specify that the Group Leader Sipcam S.p.A. has contributed the business branch marketing and sales on 20 December 2011, and the relative effects are effective from the first of January 2012 and the research center Emilio Gagliardini has been transferred, registered by deed on the 4th of October 2012. In the current accounting period the participation of the Group Leader in the company Sipcam Italia S.p.A. has been contributed to the company Sipcam Europe S.p.A. while this last mentioned company has been the beneficiary on behalf of the company Sipcam Nederland Holding N.V. of the contribution and of the sale of the participations of the remaining distribution companies at European level.

That reorganization has also entailed the entering into the shareholding of Sipcam Europe S.p.A. of two minority partners, Sumitomo Corporation and Nihon Nohyaku.

Moreover we specify that the Group Leader Sipcam S.p.A. has approved of the intent, with memorandum of 13/06/2012 to join, starting from the accounting period 2012, the national consolidation provided for in the articles 117 to 129 of *TUIR* [Consolidation Act Income Tax] with the subsidiary Sipcam Italia S.p.A. The main effect of this possibility offered by the national tax system is to determine the taxes due by the parent company referring to a taxable basis corresponding to the algebraic sum of the positive and negative taxable income of the companies of the group.

THE CONSOLIDATION PRINCIPLES

The following main consolidation criteria are adopted:

- By the linear integration method are consolidated all those Italian and foreign companies in which the Group Leader holds more than 50% of the shares, except for those with an insignificant contribution, entered at the item "participations in non consolidated companies of the group". For the foreign companies the exchange rates used for the conversion of the financial statements in account currency have been as follows:

- for the items of net assets: the historical exchange rates of formation;
- for the items of the statement of assets and liabilities: the current exchanges at the date of close of the accounting period;
- for the items of the profit-and-loss account: the average exchange rates of the accounting period.

The exchange differences arising from the conversion of the financial statements of the foreign companies are ascribed at the entry of the net assets "conversion reserves".

The exchange rates used, reproduced in Euro, are as follows:

American dollar	year average = 0,7783/end period	= 0,7579
Pound sterling	year average = 1,2332/end period	= 1,2253
Swiss franc	year average = 0,8297/end period	= 0,8284
Australian dollar	year average = 0,8060/end period	= 0,7867
Brazilian Real	year average = 0,3986/end period	= 0,3699
Argentinean Peso	year average = 0,1712/end period	= 0,1542

The conversion balance, originated from the difference between the net assets converted at the historical exchange rates and the assets and liabilities of the profit-and-loss account converted at the exchanges rates of the end of the period, is entered at the category "Other reserves" of the consolidated net assets, item "Conversion reserve (difference)".

The value of the participations held in the companies consolidated with the method of the linear integration has been eliminated in accordance with the relative value of net assets.

The negative differences between the two values have been brought together in the entry "Consolidation reserve", or the appropriate amount in anticipation of unfavorable economic results, in a fund for risks and

expenses, while positive differences have been allocated to specific assets of the purchased companies and for the remaining part, if justified by the income capacity of the consolidated companies, to constitute the item “consolidation difference”.

The value of the consolidation difference is amortized in a period of ten years.

The credit, debit, cost and profit entries for transactions between the consolidated companies have been eliminated. Further, profits included in de goods at stock and deriving from obligations within the group. Possible dividends distributed by consolidated companies have been written off at the moment of consolidation.

The quote of net assets belonging to third parties is displayed in a special entry of the liabilities and the result of the accounting period of third parties has been displayed in the profit-and-loss account.

To the financial statements of the consolidated companies has been applied the same criterion of drawing up as the criterion used by the Group Leader and where necessary appropriate adjustments have been carried out.

VALUATION CRITERIA APPLIED TO THE VALUATION OF THE ENTRIES OF THE FINANCIAL STATEMENTS, TO VALUE ADJUSTMENTS AND TO VALUE CONVERSIONS NOT ORIGINALLY EXPRESSED IN CURRENCY IN FORCE IN OUR COUNTRY

For consolidation, financial statements of the accounting periods of the approved subsidiary companies have been used. The valuation criteria applied for the drawing up of the present consolidated financial statements are all in accordance with the provisions of art. 2426 C.C. and, more precisely, these criteria coincide with those used by the Group Leader Sipcarn S.p.A.

INTANGIBLE ASSETS

Intangible assets, consisting of costs whose utility is not used up in one accounting period, but exhibit their economic benefits during more accounting periods, have been entered at the buying or production price with relative additional expenses and systematically amortized with regard to their remaining utilization possibilities. The depreciation plan applied at “constant installments” is determined with regard to the remaining utilization possibilities. If necessary, the cost is adjusted for lasting value losses that will be restored in case the reasons causing the devaluation stop to exist.

The values included in the intangible fixed assets of the statement of assets and liabilities result to be coherent with the accounting principle issued by the National Council of Business Consultants and Auditors.

Costs of plants and extensions

These costs have been entered to the statement of assets and liabilities on the basis of the buying price and amortized within a period of five years.

Research, development and advertising costs

The research and development costs aimed at the study of new products or production processes are made for the development and introduction of new registrations in new countries.

The nature of these costs is as follows:

- these are caused by costs for new legislative provisions of extraordinary nature, issued in various countries to modify parameters of toxicologic nature;
- these are caused by costs for activities carried out to obtain new product registrations in new countries.

The values concerning intangible assets entered to the statements of the assets are coherent with the accounting principles issued on this matters, as they regard expenses made for specific identifiable and measurable projects, supported by economic and technical means and resources recoverable through future proceeds.

These costs, if made with means and personnel of the company, are entered on the basis of the production cost. If these costs regard services rendered by third parties, they are entered on the basis of the buying price and are amortized over a period of five years. Advertising costs are entirely paid in the accounting period in which they are made.

Concessions, permits, trademarks and similar fees.

Costs made for the registration of trademarks, costs made to obtain the product registration in various countries in order to be able to activate their commercialization, are entered to the assets of the statement of assets and liabilities at the buying price with possible additional expenses. The assets have been amortized

systematically with regard to their remaining utilization possibility. These assets are amortized over a period of five years.

Patent fees

The fees for the exploitation of intellectual property, concessions, permits and trademarks are entered to the statement of assets and liabilities on the basis of the buying price and amortized over a period of five years.

Consolidation difference

The entry consolidation difference includes the positive difference between the buying price of the participation share and the corresponding value ascribed to the relative fraction of net assets.

The consolidation difference is amortized over a period of ten years.

This period is believed to be representative by the economic utility of the assets entered, on the basis of income and development expectations. The income prospects, also supported by forecast plans, are to such an extent that the amortization installments are deemed to be absorbable with regard to that balance sheet entry.

The values regarding the consolidation difference entered in the present consolidated financial statements regard: (Euro/000)

1) Purchase in the accounting period 2006 of 45% of the company Sipcam Isagro Brasil S.A. by the allied company Oxon Italia S.p.A., causing a consolidation difference entry of about Euro 9.486,-. The remaining value as of 31/12/2012 results to be equal to Euro 2.796,-

2) Purchase of the Argentinean company Agromax S.A., previously held by J.V. Sipcam Isagro International S.r.l. In 2011, in occasion of the liquidation of Sipcam Isagro International S.r.l., taken place after the breaking up of the aforesaid alliance with the Isagro group, this participation has been transferred to Sipcam Nederland Holding N.V. with a share of 74,87% and with a remaining goodwill equal to Euro 273,--.

The Columbian company Barpen Internacional, on the other hand, has been entirely transferred to Isagro S.p.A., getting therefore out of the consolidation perimeter of the Sipcam group.

Current fixed assets and advances

The expenses made for projects or operations with a long term nature and value, of which the utility has not been concretized at the close of the financial statements, are entered at the production cost and will be amortized in the accounting period in which the assets will be used.

Other fixed assets

The expenses of long term nature, not explicitly anticipated in the statements are entered at the price paid.

Their amortization is carried out with the technique of the direct allocation to the account within a variable period depending on the term of validity of the various underlying contracts.

TANGIBLE ASSETS

Tangible assets are entered at the buying or production price and relative additional expenses, adjusted with the amortization installments and monetary revaluation carried out in pursuance of special laws. The amortization has been systematically carried out and in every accounting period, with regard to the remaining utilization possibility of every single asset.

If necessary, the cost is adjusted for lasting value losses that are restored in case the reasons causing the devaluation stop to exist.

The maintenance and reparation costs, not susceptible of prolonging useful lifetime, productivity or security of the assets, are entirely paid in the accounting period in which these have been made.

The percentages applied for the amortization process, subdivided per category, result to be as follows:

- Buildings: 3%
- Light constructions: 10%
- General plants: 10%
- Scarcely corrosive plants: 12%
- Office equipment: 40%
- Vehicles: 25%
- Means of transport: 25%
- Normal office furniture: 12%

- Electric and electronic machines: 20%

LONG-TERM INVESTMENTS

Participations in companies not consolidated with the method of linear integration have been valued as follows:

- a) according to the equity method: those participations in which the Group Leader owns directly or indirectly a percentage equal or superior to 20%, except for those participations with an insignificant contribution;
- b) according to the equity method: those participations in which the share held is inferior to 20%, but whose contribution results to be significant. With regard to these participations result however important interest with the Group, producing a remarkable influence;
- c) at the devaluated cost in case of lasting value losses: all participations with shares held inferior to 20% and of scarce significance.

CREDITS

Credits are entered according to the estimated salvage value resulting from the difference between the nominal value and the fund credit devaluation determined in order to meet hypothetical insolvencies.

STOCK, SECURITIES AND FINANCIAL ASSETS NOT BEING FIXED ASSETS

The stock of raw materials, semi-finished and finished products, securities and financial assets not being fixed assets are entered at the buying or production price, as these values are not superior to the estimated salvage value at the end of the accounting period. The stock of obsolete or low handling articles is valued by adjusting the value of those articles to the estimated salvage value.

The determination criteria of the stock costs are as follows:

- Raw materials, subsidiary materials and consumable goods are valued at the buying price including additional expenses with application of the method of the "the weighted average cost".
- Semi-finished goods and finished products are valued at production cost including the cost of materials used and direct and indirect industrial expenses with application of the method of the "the weighted average cost".

ACCRUALS AND DEFERRALS

Accruals and deferrals are calculated according to the principle of pro-tempore accountancy in compliance with the provision ex art. 2424 bis C.C.

LIQUID ASSETS

Liquid assets are entered at their nominal value.

EXCHANGE RATES

The conversions of the financial statements of the foreign companies included in the consolidation area have been explained in the paragraph of the adopted criteria. Hereinafter we specify the treatment modalities of the values concerning credits and debts acquired in foreign currency:

- a) Services purchased at the exchange rate of the invoice date
- b) Products purchased at the exchange rate of the day of customs clearance for the transactions outside the EC
- c) Products purchased at the exchange rate of the invoice date for the transactions within the EC
- d) Supply of goods and services to foreign countries at the exchange rate of the date of issue of the relative invoice.

DEBTS

Debts are entered at their nominal value. Debts with an expiry date within the next twelve months after the date of reference of the present financial statements have been classified as “current”; other debts have been classified at medium and long term.

FUNDS FOR RISKS AND EXPENSES

Funds for risks and expenses include, in observance of the principles of accrual basis accounting and prudence, provisions carried out in order to cover certain or probable losses or debts, of which the amount or the date of emergence could not yet be determined.

SEVERANCE INDEMNITY SUBORDINATE EMPLOYMENT

This fund covers the amount accrued on behalf of the employees as of 31/12/2012, on the basis of the provisions of the laws and of the contracts in force.

TAXES AND FUND FOR DEFERRED TAXES

Taxes have been calculated according to the regulations in force with respect to the single consolidated companies. Taxes are registered to fiscal debts if payable, to other credits if receivable.

Deferred taxes reflect the fiscal effects arising from the differences of temporary nature between the fiscal values of the assets and liabilities and the corresponding balance sheet values as well as the affects arising from the consolidation entries.

In compliance with the accounting principle n. 25 of the business consultants and auditors, besides deferred taxes concerning all the entries that caused them, also anticipated taxes have also been taken into consideration, on the basis of temporary differences between the value ascribed to these assets and liabilities according to civil law criteria and the value ascribed to these assets and liabilities for fiscal purposes.

Particularly, anticipated taxes are recorded only as far as there is a reasonable certainty of a total future recovery.

SUSPENSE ACCOUNTS

Liabilities and securities are indicated in the suspense accounts at their contractual value. Risks for which the emergence of future debts is a probability are recorded in the explanatory notes and allocated to the risk funds according to the congruency criteria. The risks for which the emergence of a debt is only a possibility are indicated in the notes to the financial statement. According to the relevant accounting principles, they do not proceed to specific allocations to risk funds. Risks of remote nature are not taken into account.

Derivatives on interest rates (interest rate swap)

The Group Leader has drawn up financial derivatives for the use of structured products called “interest rate swap” for general risk covering related to fluctuations of the interest rates.

On the basis of these contracts, contracting parties engage their selves to pay or collect determined amounts at fixed dates in accordance with the differential of various interest rates.

The differential of the interest rate is entered at the financial expenses or proceeds.

Liabilities existing at the end of the accounting period are entered to the suspense accounts at the nominal value of reference in case the nature of coverage is noticeable by the risk of an increase of the interest rates.

However, if those transactions do not have a coverage nature, the possible negative “mark to market” has been entirely charged to the profit-and loss account.

PROCEEDS AND REVENUES

Proceeds from sales of goods have been entered at the moment of property transfer, which normally is identified with the delivery or forwarding of the goods, in consideration of contractual supply clauses. The revenues for services rendered have however been registered on the moment of their conclusion, issuing the invoice thereof.

Finally, revenues of financial nature have been entered on the basis of accrual basis accounting. We remark that the indicated valuations have been determined in view of the continuation of the company's activities.

COSTS AND EXPENSES

The costs and expenses are entered according to the accrual basis accounting criterion.

REFERENCE DATA OF THE CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP

The present Financial Statements of the Group have been drawn up with reference to the date of 31/12/2012, coinciding with the date of close of the financial statements of the accounting period of the mother company and its subsidiaries.

CONSOLIDATION AREA

The consolidation area has been subjected to the following changes with respect to the previous year:

Subsidiaries

- The following companies will be sub-consolidated, starting from the current accounting period, by means of the sub-holding of participations Sipcarn Europe S.p.A.: Sipcarn Italia S.p.A., Sipcarn UK Ltd, Sipcarn Hellas Ltd, Sipcarn Portugal Lda, Sipcarn Benelux S.p.r.l. and Sipcarn Iberia S.A.;
- Cession of 10% of the participation of Sipcarn Europe S.p.A. to Sumi Agro Europe Limited in exchange for the joint participation in the company Sumi Agro Limited of Sipcarn S.p.A..
- Reduction of further 10 percent points in the participation in Sipcarn Europe S.p.A. in consequence of the purchase through payment of capital increase and relative share premium on the part of Nihon Nohyaku.

LIST OF THE PARTICIPATIONS CONSOLIDATED WITH THE LINE-BY-LINE METHOD

Company: **S.I.P.C.A.M. S.p.A.**

Registered office:: Milan – Via Carroccio n. 8

Share capital: Euro 9.930.000 paid in full

Status: Group Leader

Direct subsidiary companies

Company: **SIPCARN NEDERLAND HOLDING N.V.**

Registered office: 4837 BN Breda (The Netherlands) – Burgemeester De Manlaan 2

Share capital: Euro 6.515.000

Status: foreign subsidiary

Directly held shares: 100%

Company: **BIOSVILUPPO S.r.l.**
Registered office: Milan – Via Carroccio n. 8
Share capital: Euro 1.000.000.-
Status: Italian subsidiary
Directly held shares: 68%

Company: **SIPCAM ASIA S.r.l.**
Registered office: Milan – Via Carroccio n. 8
Share capital: Euro 50.000.-
Status: Italian subsidiary
Directly held shares: 100%

Company: **GRUPPO SIPCAM EUROPE**
Registered office: Milan – Via Carroccio n. 8
Share capital: Euro 36.945.300,-
Status: Italian subsidiary
Directly held shares: 80%

Company: **OBRAS LATIN AMERICA Ltda**
Registered office: Avenida Paulista 1294 San Paolo - Brazil
Share capital: Real 26.322.720,- = Euro 9.736.174,-
Status: foreign subsidiary
Directly held shares: 95,03% and indirectly 4,97% through Obras S.r.l.

Indirect subsidiary companies through Sipcam Nederland Holding N.V.

Company: **SIPCAM MANAGEMENT SERVICES S.A.**
Registered office: Lugano (Switzerland) – Via Soldino n. 22
Share capital: Chf 100.000 = Euro 82.836,-
Status: foreign subsidiary
Indirectly held shares: 100% by Sipcarn Nederland Holding N.V.

Company: **SIPCAM INAGRA S.A.**
Registered office: Valencia (Spain) – C. Prof. Beltran Baguena 5
Share capital: Euro 1.442.400,-
Status: foreign subsidiary
Indirectly held shares: 100% by Sipcarn Nederland Holding N.V.

Company: **SIPCAM PACIFIC AUSTRALIA Pty Ltd**
Registered office: 23 – 31 Gheringhap Street – Geelong, Victoria 3226
Share capital: Aud 1.301.000 = Euro 1.023.442,-
Status: foreign subsidiary
Indirectly held shares: 65% by Sipcarn Nederland Holding N.V.

Company: **OBRAS S.r.l.**
Registered office: Milan, Via Carroccio n. 8
Share capital: Euro 20.000,-
Status: Italian subsidiary
Indirectly held shares: 100% by Sipcarn Nederland Holding N.V.

Company: **AGROMAX S.A.**

Registered office: Rosario Norte – 2000 Santa Fe (Argentina)

Share capital: Ars 390.000,- = Euro 60.126,-

Status: foreign subsidiary

Indirectly held shares: 74.87% by Sipcam Nederland Holding N.V.

Subsidiary companies held indirectly through Sipcam Inagra S.A.

Company: **SIPCAM JARDIN**

Registered office: Valencia (Spain) - Calle Profesor Beltràn Bàguena, 5, planta 7, despacho 2

Share capital: Euro 9.231,-

Status: foreign subsidiary

Indirectly held shares: 55% by Sipcam Inagra S.A.

Company: **AGROQUALITA' FRANCE Eurl**

Registered office: Paris – 44 Quai de Jemmapes

Share capital: Euro 20.000,-

Status: foreign subsidiary

Indirectly held shares: 100% by Sipcam Inagra S.A.

LIST OF THE SUBSIDIARY COMPANIES CONSOLIDATED WITH THE PRO-RATA METHOD

Company: **SIPCAM UPL BRASIL S.A.**

Registered office: Uberaba (MG) Brazil – Rua Igarapava, 599 – DI III

Share capital: Real 145.124.000,- = Euro 53.678.059,-

Status: foreign subsidiary

Shares held: 50% of which 9,37% directly, 8,29% indirectly through Obras S.r.l. and 32,34% through Obras Latin America Ltda Brasile.

The company mentioned above has been consolidated with the pro-rata method, being object to co-participation.

LIST OF THE ALLIED COMPANIES CONSOLIDATED WITH THE EQUITY METHOD

Hereinafter the consolidated participations, valued with the equity method, have been specified:

Company: **SERBIOS S.r.l.**

Registered office: Badia Polesine (RO) – Via E. Fermi n. 112

Net assets as of 31/12/2011: Euro 1.105.000,-

Book value: Euro 386.903,-

Directly held shares: 35%

The data reported above refer to the financial statements of the accounting period 2011.

Allied companies indirectly held through Sipcarn Nederland Holding N.V.

Company: **OXON ITALIA S.p.A.**

Registered office: Milan – Via Carroccio n. 8

Net assets as of 31/12/2012: Euro 54.926.192,-

Status: allied company

Indirectly held shares: 14,179%

The company is considered allied in virtue of its participation in de Group Leader.

Allied companies indirectly held through Sipcarn Asia S.r.l.

Company: **SIPCARN AGRO CHINA Co. Ltd**

Registered office: Room 1102, 8 Guangxin Road, Putuo District, Shanghai (People's Republic of China)

Net assets as of 31/12/2012: Cny 7.790.657,-

Status: allied company

Indirectly held shares: 50,00%

Company indirectly allied through Biosviluppo S.r.l.

Allied companies indirectly held through Biosviluppo S.r.l

Company: **SERRAVALLE ENERGIA Società Agricola a r.l.**

Registered office: Milan – Via Ausonio n. 4

Net assets as of 31/12/2012: Euro 407.285,-

Status: allied company

Indirectly held shares: 40,00%

Company: **MANTOVA ENERGIA Società Agricola a r.l.**

Registered office: Milan – Via Ausonio n. 4

Net assets as of 31/12/2012: Euro (815),-

Status: allied company

Indirectly held shares: 40,00%

LIST OF THE NON CONSOLIDATED SUBSIDIARIES VALUED AT COST PRICE

The following participations regard subsidiary companies and are valued with the cost method in view of their modest economic and patrimonial contribution.

Company: **SIPCARN AGRO COMERCIAL DE CHILE Ltda**

Registered office: Santiago de Chile – Catedral 1009, Apt. 1108

Net assets as of 31/12/2006: Clp 6.881.000 equal to Euro 9.424,-

Book value through Sipcarn Nederland Holding N.V. Euro 4.000,-

Indirectly held shares: 90% through Sipcarn Nederland Holding N.V.

Company: **SIPCARN AGRO COLOMBIA Limitada**

Registered office: Calle 103 n. 34-43 Santa Fé di Bogota - Colombia

Book value through S. Nederland H. N.V. Euro 2.000,-

Indirectly held shares: 90% through Sipcarn Nederland Holding N.V.

Company: **SIPCARN AGRICOLA SA**

Registered office: Cerrito 836 Piso 3ro – Buenos Aires

Book value Euro 2.000,-

Indirectly held shares: 99% through Sipcarn Nederland Holding N.V.

Company: **CERVIGNANO ENERGIA Società Agricola a r.l.**
Registered office: Milan – Via Ausonio, 4
Share capital: Euro 60.000,-
Shares held: 94%
Valuation in financial statements: Euro 56.400,-
Indirectly held shares: 94% through Biosviluppo S.r.l.

LIST OF THE ALLIED PARTICIPATIONS VALUED AT COST PRICE

Hereinafter the allied companies valued at cost price are listed.

Company: **TRANSPORTAI Ltda**
Registered office: Lisbon (Portugal) – Av. 24 Julho, 54
Book value: Euro 17.000,-
Indirectly held shares: 30% through Sipcam Europe Group

Company: **HOLDISA S.r.l.**
Registered office: Milan – Via Felice Casati n. 20
Net assets of the Group as of 30/06/2012: Euro 5.889.000,-
Book value: Euro 2.289.078,-
Directly held shares: 10%

Company: **PHYTEUROP S.A.**
Registered office: Levallois – Perret Cedex (France) – 35, Rue d’Alsace
Book value: Euro 86.000,-
Indirectly held shares: 1% through Sipcam Nederland Holding N.V.

Company: **ITAL-AGRO S.r.l.**
Registered office: Salerano sul Lambro (LO) – Via Vittorio Veneto n. 81
Net assets as of 31/12/2012: Euro 509.000,-
Book value: Euro 165.995,-
Directly held shares: 18,34%
Indirectly held shares: 15% through Sipcam Jardin

Company: **GOWAN ITALIA S.p.A.**
Registered office: Faenza (RA) – Via Morgagni 68
Net assets as of 31/08/2012: Euro 5.919.000,-
Book value: Euro 447.212,-
Indirectly held shares: 15%

Company: **SUMI AGRO LIMITED**
Registered office: Vinters’ Place 68 Upper Thames Street - London
Net assets as of 31/12/2012: 46.313.000,-
Book value: Euro 3.720.000,-
Directly held shares: 10%

CONSISTENCY OF THE ITEMS OF THE ASSETS, LIABILITIES AND NET ASSETS

Values are displayed as follows, for reasons of commodity indicated in Euro/000, except where otherwise specified:

TRANSACTION OF FIXED ASSETS

INTANGIBLE FIXED ASSETS

Costs for plants and expansion

These costs amount to Euro 540,- and have been decreased with respect to the previous accounting period with Euro 190,-, amortizations deducted. The most relevant amount regards the company Sipcam UPL Brasil S.A.

Costs for research, development and advertising

These costs amount to Euro 5.925,- and have been increased with respect to the previous accounting period with Euro 617,-, amortizations deducted.

The entry, including costs for research and development, is subdivided as follows with respect to the companies included in the consolidation area:

Company	2012	2011
Sipcam S.p.A.	445	831
Sipcam Europe Group	844	0
Sipcam UPL Brasil S.A.	3.294	3.370
Sipcam Pacific Pty Ltd	1.330	1.095
Others	<u>12</u>	<u>12</u>
Total	5.925	5.308

The remaining amount of the research and development costs to be amortized regard costs made for studies for the preparation of new formulas and toxicological studies to allow the development and commercialization in the various countries. Those studies are requested by special laws and regulations imposing the update of the various parameters as a necessary condition for the commercialization of the products.

The most significant values regard Sipcam UPL Brasil S.A. for Euro 3.294,- and Euro 1.330,- regarding Sipcam Pacific Australia Pty Lyd and Euro 844,- regarding the Sipcam Europe Group.

The projects regarding the Group Leader can be summarized as follows:

- Insecticides/Mite destructors	80
- Biologic insecticides	<u>366</u>
Total	445

Industrial patent fees and exploitation of intellectual property

These costs amount to Euro 150,- and have been decreased with respect to the previous accounting period with Euro 14,-, amortizations deducted.

The remaining value is allocated to the following companies:

Company	2012	2011
Sipcam Pacific Pty Ltd	77	71
Sipcam Inagra S.A.	47	64
Sipcam UPL Brasil S.A.	26	28
Others	<u>0</u>	<u>1</u>
Total	150	164

Concessions, permits, trademarks and similar fees

These costs amount to Euro 1.142,- have been increased with respect to the previous accounting period with Euro 88,-, amortizations deducted.

The detailed composition of the entry is as follows:

Company	2012	2011
Sipcam S.p.A.	271	250
Sipcam Europe Group	14	0
Sipcam Inagra S.A.	55	0
Sipcam Pacific Pty Ltd	802	776
Others	<u>0</u>	<u>28</u>
Total	1.142	1.054

Consolidation difference

This entry amounts to Euro 3.069,- and has been decreased with respect to the previous accounting period with Euro 1.089,- in consequence of the combined effect of the amortization of the accounting period and the net amount between the lowering of the remaining goodwill previously regarding Sipcam Isagro International (voluntarily liquidated) and the goodwill created in the accounting period regarding the Argentinian company Agromax S.A..

The following table shows the composition of the item “consolidation difference”

Buying company	Company bought	Historical value Consolidation Difference	Increase Decrease	Initial Fund	Amortization Accounting period Rectifications	Final Value
S.N.H. N.V.	Sipcam UPL Brasil S.A.	9.486		(5.742)	(948)	2.796
S.N.H. N.V.	Agromax S.A.	555		(141)	(141)	273
TOTAL		10.041	0	(5.883)	(1.089)	3.069

We confirm that the current value of goodwill is superior to the residual book value.

Other fixed assets

These assets amount to Euro 1.528- and have been decreased with respect to the previous accounting period with Euro 495,-. The amount results to be allocated as follows:

Company	2012	2011
Sipcam S.p.A.	230	360
Sipcam Nederland Holding N.V.	1.170	1.530
Biosviluppo S.r.l.	88	131
Others	<u>40</u>	<u>1</u>
Total	1.528	2.022

The entry regards additional expenses concerning the obtainment of medium- and long-term loans, the purchase of management software and other long-term utility costs mainly incurred by the Group Leader Sipcam S.p.A.; the amount deriving from Biosviluppo S.r.l. regard feasibility studies, while the amount deriving from Sipcam Nederland Holding N.V. regard the file of a agriculture pharmaceutical product taken over from the liquidation of J.V. Isagro Sipcam International S.r.l.

TANGIBLE FIXED ASSETS

Land and buildings

The entry amounts to Euro 22.229,- and has been increased with respect to the previous accounting period with Euro 35,-. We specify that the registered increase for the amount of Euro 131,- is caused by the Group Leader Sipcam S.p.A. and for the amount of Euro 63,- by the Spanish subsidiary Sipcam Inagra S.A. The transactions of the accounting period are as follows:

- Purchase of the accounting period	183
- Amortization of the accounting period	(795)
- Conversion differences	<u>647</u>
Total	35

The composition of the entry results to be as follows:

Company	2012	2011
Sipcam S.p.A.	13.377	13.719
Sipcam Europe Group	763	0
Sipcam UPL Brasil S.A.	2.927	2.386
Sipcam Portugal	0	812
Sipcam Inagra S.A.	<u>5.162</u>	<u>5.277</u>
Total	22.229	22.194

Plants and machinery

These assets amount to Euro 9.676,- and have been increased with Euro 191,-, amortizations deducted. The amount results to be allocated to the following companies:

Company	2012	2011
Sipcam S.p.A.	4.754	4.713
Sipcam UPL Brasil S.A.	2.417	2.717
Sipcam Inagra S.A.	2.505	2.055
Total	9.676	9.485

The adjustments in the accounting period 2012 have been as follows:

- Purchases of the accounting period	2.199
- Reclassifications	118
- Amortization of the accounting period	(1.836)
- Conversion differences	(290)
Total	(191)

Industrial and commercial equipment

This entry amounts to Euro 2.261,- and has been increased with respect to the previous accounting period with Euro 50,- amortizations deducted. The composition of the entry is as follows:

Company	2012	2011
Sipcam S.p.A.	35	100
Sipcam Europe Group	30	0
Sipcam UPL Brasil	1.365	1.129
Sipcam Inagra S.A.	830	941
Others	<u>1</u>	<u>41</u>
Total	2.261	2.211

The adjustments in the accounting period 2012 have been as follows:

- Purchases of the accounting period	205
- Amortization of the accounting period	(445)
- Reclassifications	456
- Conversion differences	(121)
- Alienations/provision	<u>(45)</u>
Total	50

Other goods

This entry amounts to Euro 1.631,- and have been decreased with respect to the previous accounting period with Euro 132,-, amortizations deducted.

The amount results to be allocated to the following companies:

Company	2012	2011
Sipcam S.p.A.	40	411
Sipcam Europe Group	738	0
Sipcam Inagra S.A.	284	326
Sipcam Pacific Pty Ltd	411	352
Sipcam Portugal Lda	0	96
Sipcam UPL Brasil	65	75
Sipcam Iberia S.A.	0	419
Others	<u>93</u>	<u>83</u>
Total	1.631	1.762

In this entry are included internal fittings and furniture, electric and electronic machines, internal means of transport, vehicles and cars owned, as well as equipment possessed by the companies operating in the special granulated branch of fertilizers for the dispersion hereof.

Current fixed assets

This entry amounts to Euro 714,- and has been decreased with respect to the previous accounting period with Euro 807,-.

The amount results to be allocated as follows:

Company	2012	2011
Sipcam S.p.A.	576	1.091
Sipcam UPL Brasil S.A.	130	160
Sipcam Inagra S.A.	7	270
Others	<u>1</u>	<u>0</u>
Total	714	1.521

@Hereinafter analytical drawn-up tables are exposed, showing for each company the type of transaction of the movements occurred in the accounting period

TRANSACTIONS INTANGIBLE ASSETS

Costs of plants and extension

Description	Sipcam S.p.A.	Sipcam Inagra S.A.	Sipcam Portugal	Sipcam Europe Group	Sipcam Upl Brasil	Sipcam Pacific Australia	Others	TOTALS
Historical cost	4	43			1.020		52	1.119
Conversion differences					176			176
Amortization fund	<u>(4)</u>	<u>(43)</u>			<u>(486)</u>		<u>(32)</u>	<u>(565)</u>
Balance as of 31/12/2011	0	0	0	0	710		20	730
Income/Expenses (cons. area)				20			(20)	0
Purchases accounting period								0
Transfers/devaluations								0
Utilization amort. fund								0
Reclassifications								0
Amortizations accounting period				(5)	(170)			(175)
Rounding off								0
Conversion differences					(15)			(15)
Total	0	0	0	15	525	0	0	540

Costs for research, development and advertising

Description	Sipcam S.p.A.	Sipcam Inagra S.A.	Sipcam Portugal	Sipcam Europe Group	Sipcam Upl Brasil	Sipcam Pacific Australia	Others	TOTALS
Historical cost	8.344	256			3.321	1.163	499	13.583
Conversion differences					427	200		627
Amortization fund	<u>(7.513)</u>	<u>(256)</u>			<u>(378)</u>	<u>(268)</u>	<u>(487)</u>	<u>(8.902)</u>
Balance as of 31/12/2011	831	0	0	0	3.370	1.095	12	5.308
Income/Expenses (cons. area)								0
Purchases accounting period	365			1.161	381	359		2.266
Transfers/devaluations	(576)					(24)		(600)
Utilization amort. fund								0
Reclassifications								0
Amortizations accounting period	(175)			(317)	(54)	(139)		(685)
Rounding off								0
Conversion differences					(403)	39		(364)
Total	445	0	0	844	3.294	1.330	12	5.925

Fees for industrial patents

Description	Sipcam S.p.A.	Sipcam Inagra S.A.	Sipcam Portugal	Sipcam Europe Group	Sipcam Upl Brasil	Sipcam Pacific Australia	Others	TOTALS
Historical cost		562			12	93	36	703
Conversion differences					21	20		41
Amortization fund		<u>(498)</u>			<u>(5)</u>	<u>(42)</u>	<u>(35)</u>	<u>(580)</u>
Balance as of 31/12/2011	0	64	0	0	28	71	1	164
Income/Expenses (cons. area)								0
Purchases accounting period						10		10
Transfers/devaluations								0
Utilization amort. fund								0
Reclassifications								0
Amortizations accounting period		(17)				(7)		(24)
Rounding off								0
Conversion differences					(2)	3		1
Total	0	47	0	0	26	77	1	151

Concessions, permits, trademarks and similar fees

Description	Sipcam S.p.A.	Sipcam Inagra S.A.	Sipcam Portugal	Sipcam Europe Group	Sipcam Upl Brasil	Sipcam Pacific Australia	Others	TOTALS
Historical cost	2.055	152			15	609	33	2.864
Conversion differences						167		167
Amortization fund	<u>(1.805)</u>	<u>(152)</u>			<u>(15)</u>		<u>(5)</u>	<u>(1.977)</u>
Balance as of 31/12/2011	250	0	0	0	0	776	28	1.054
Income/Expenses (cons. area)				27			(27)	0
Purchases accounting period	148	67						215
Transfers/devaluations								0
Utilization amort. fund								0
Reclassifications								0
Amortizations accounting period	(127)	(12)		(14)				(153)
Rounding off								0
Conversion differences						26		26
Total	271	55	0	13	0	802	1	1.142

Consolidation difference

Description	Sipcam S.p.A.	Sipcam Inagra S.A.	Sipcam Portugal	Sipcam Europe Group	Sipcam Upl Brasil	Sipcam Pacific Australia	Others	TOTALS
Historical cost	10.489							10.489
Conversion differences								0
Amortization fund	<u>(6.331)</u>							<u>(6.331)</u>
Balance as of 31/12/2011	4.158	0	0	0	0	0	0	4.158
Income/Expenses (cons. area)								0
Purchases accounting period								0
Transfers/devaluations								0
Utilization Amort. fund								0
Reclassifications								0
Amortizations accounting period	(1.089)							(1.089)
Rounding off	(1)							(1)
Conversion differences								0
Total	3.068	0	0	0	0	0	0	3.068

Current assets and advances

Description	Sipcam S.p.A.	Sipcam Inagra S.A.	Sipcam Portugal	Sipcam Europe Group	Sipcam Upl Brasil	Sipcam Pacific Australia	Others	TOTALS
Historical cost					35			35
Conversion differences								0
Amortization fund								<u>0</u>
Balance as of 31/12/2011	0	0	0	0	35	0	0	35
Income/Expenses (cons. area)								0
Purchases accounting period								0
Transfers/devaluations								0
Utilization Amort. fund								0
Reclassifications					(35)			(35)
Amortizations accounting period								0
Rounding off								0
Conversion differences								0
Total	0	0	0	0	0	0	0	0

Other fixed assets

Description	Sipcam S.p.A.	Sipcam Inagra S.A.	Sipcam Portugal	Sipcam Europe Group	Sipcam UpI Brasil	Sipcam Pacific Australia	Others	TOTALS
Historical cost	3.137	26					2.030	5.193
Conversion differences								0
Amortization fund	<u>(2.777)</u>	<u>(26)</u>					<u>(368)</u>	<u>(3.171)</u>
Balance as of 31/12/2011	360	0	0	0	0	0	1.662	2.022
Income/Expenses (cons. area)								0
Purchases accounting period	12			52				64
Transfers/devaluations	(53)							(53)
Utilization Amort. fund	11							11
Reclassifications								0
Amortizations accounting period	(100)			(13)			(404)	(517)
Rounding off								0
Conversion differences								0
Total	230	0	0	39	0	0	1.258	1.527
TOTAL INTANGIBLE COSTS	4.014	102	0	911	3.845	2.209	1.272	12.353

TRANSACTIONS TANGIBLE ASSETS

Land and buildings

Description	Sipcam S.p.A.	Sipcam Inagra S.A.	Sipcam Portugal	Sipcam Europe Group	Sipcam UpI Brasil	Sipcam Pacific Australia	Others	TOTALS
Historical cost	15.327	8.354	1.311		2.374			27.366
Conversion differences					680			680
Amortization fund	<u>(1.608)</u>	<u>(3.077)</u>	<u>(449)</u>		<u>(668)</u>			<u>(5.852)</u>
Balance as of 31/12/2011	13.719	5.277	812	0	2.386	0	0	22.194
Income/Expenses (cons. area)			(812)	812				0
Purchases accounting period	131	63			13			207
Transfers/devaluations	(24)							(24)
Utilization amort. fund								0
Reclassifications								0
Amortizations accounting period	(449)	(178)		(50)	(133)			(810)
Rounding off								0
Conversion differences					662			662
Total	13.377	5.162	0	762	2.928	0	0	22.229

Plants and machinery

Description	Sipcam S.p.A.	Sipcam Inagra S.A.	Sipcam Portugal	Sipcam Europe Group	Sipcam UpI Brasil	Sipcam Pacific Australia	Others	TOTALS
Historical cost	36.366	8.179			3.071			47.616
Conversion differences					468			468
Amortization fund	<u>(31.653)</u>	<u>(6.124)</u>			<u>(822)</u>			<u>(38.599)</u>
Balance as of 31/12/2011	4.713	2.055	0	0	2.717	0	0	9.845
Income/Expenses (cons. area)								0
Purchases accounting period	1.109	1.021			69			2.199
Transfers/devaluations								0
Utilization amort. fund								0
Reclassifications					117			117
Amortizations accounting period	(1.069)	(571)			(211)			(1.851)
Rounding off								0
Conversion differences					(274)			(274)
Total	4.753	2.505	0	0	2.418	0	0	9.676

Industrial and commercial equipment

Description	Sipcam S.p.A.	Sipcam Inagra S.A.	Sipcam Portugal	Sipcam Europe Group	Sipcam UpI Brasil	Sipcam Pacific Australia	Others	TOTALS
Historical cost	3.167	3.902	161		1.368	2	188	8.788
Conversion differences					160		1	161
Amortization fund	<u>(3.067)</u>	<u>(2.961)</u>	<u>(160)</u>		<u>(399)</u>	<u>(2)</u>	<u>(149)</u>	<u>(6.738)</u>
Balance as of 31/12/2011	100	941	1	0	1.129	0	40	2.211
Income/Expenses (cons. area)			(1)	36			(35)	0
Purchases accounting period	40	116		10	39			205
Transfers/devaluations	(184)	(9)					(4)	(197)
Utilization amort. fund	143	9						152
Reclassifications					456			456
Amortizations accounting period	(64)	(227)		(16)	(145)			(452)
Rounding off								0
Conversion differences					(114)			(114)
Total	35	830	0	30	1.365	0	1	2.261

Other assets

Description	Sipcam S.p.A.	Sipcam Inagra S.A.	Sipcam Portugal	Sipcam Europe Group	Sipcam UpI Brasil	Sipcam Pacific Australia	Others	TOTALS
Historical cost	2.653	1.267	154	790	333	396	686	6.279
Conversion differences					74	104	2	180
Amortization fund	<u>(2.242)</u>	<u>(941)</u>	<u>(58)</u>	<u>(270)</u>	<u>(332)</u>	<u>(148)</u>	<u>(186)</u>	<u>(4.177)</u>
Balance as of 31/12/2011	411	326	96	520	75	352	502	2.282
Income/Expenses (cons. area)			(96)				(419)	(515)
Purchases accounting period		4		415	20	181	4	624
Transfers/devaluations	(507)			(17)		(94)		(618)
Utilization amort. fund	148			13		52		213
Reclassifications								0
Amortizations accounting period	(12)	(47)		(193)	(22)	(92)	(34)	(400)
Rounding off								0
Conversion differences					28	17		45
Total	40	283	0	738	101	416	53	1.631

Current fixed assets

Description	Sipcam S.p.A.	Sipcam Inagra S.A.	Sipcam Portugal	Sipcam Europe Group	Sipcam UpI Brasil	Sipcam Pacific Australia	Others	TOTALS
Historical cost	1.091	270			160			1.521
Income/Expenses (cons. area)								0
Purchases accounting period	576			1	130			707
Transfers/devaluations								0
Utilization amort. fund								0
Reclassifications to other goods								0
Writing-off def. allocations acc.per.	(1.091)	(263)			(160)			(1.514)
Amortizations accounting period								0
Conversion differences								0
Total	576	7	0	1	130	0	0	714
TOTAL TANGIBLE ASSETS	18.781	8.787	0	1.531	6.942	416	54	36.511
TOTAL GENERAL	22.796	8.890	0	2.442	10.787	2.625	1.326	48.865

LONG-TERM INVESTMENTS

Participations

The transactions taken place in the balance of the participations have been displayed in the paragraph regarding the consolidation area.

The main transactions of the year refer to revaluations and devaluations for profit/loss shares of the accounting period and to reclassifications regarding the transfer of participation shares.

Hereinafter summarizing tables are exposed uniting and showing the values of the participations in the following way.

- Participations in allied and consolidated companies;
 - with the equity method
 - with the cost method
- Participations in non consolidated companies of the group
- Participations in other companies

PARTICIPATIONS IN ALLIED COMPANIES ACCOUNTING PERIOD 2012

Consolidated with the equity method

Participant	Participated company	% possess	Initial value net assets	Profits (losses)	Dividends Paid	Purchases/Sales/Conversion reserve	Final net assets
S.N.H. N.V.	Oxon Italia S.p.A.	14,18	6.477.800	490.000		(74.200)	6.893.600
Sipcam Asia S.r.l.	Sipcam Agro China	50,00	712.752	(719.160)		469.217	462.809
Sipcam S.p.A.	Serbios S.r.l.	35,00	328.577	58.326			386.903
Biosviluppo S.r.l.	Serravalla Energia	40,00	40.000	122.914			162.914
Biosviluppo S.r.l.	Mantova Energia	40,00	40.000	(40.000)			0
Total allied companies consolidated with the Equity Method			7.599.129	(87.920)	0	395.017	7.906.226

Consolidated at cost price

Participant	Participated company	% possess	Initial value net assets	Profits (losses)	Dividends paid	Purchases/Sales/Conversion reserve	Final net assets
Sipcam Europe Group	Trasportai	30,00	17.000				17.000
Total allied at cost price			17.000	0	0	0	17.000
Total participated companies			7.616.129	(87.920)	0	395.017	7.923.226

**PARTICIPATIES IN NON CONSOLIDATED COMPANIES OF THE GROUP
ACCOUNTING PERIOD 2012**

Participant	Participated company	% possess	Value as of 31/12/2011	Transactions 2012	Value as of 31/12/2012
Sipcam S.p.A.	Benelux	1,00	200	(200)	0
			200	(200)	0
Sipcam Europe S.p.A.	Benelux	99,00	19.800	(19.800)	0
			19.800	(19.800)	0
S.N.H. N.V.	Sipcam Agro Chile	90,00	14.000	(10.000)	4.000
	Sipcam Agro Colombia	90,00	2.000		2.000
	Sipcam Magyarorszag	95,00	5.000	(5.000)	0
	Sipcam Agricola S.A.	99,00	1.000	1.000	2.000
	Sipcam East Africa	100,00	1.000		1.000
			23.000	(14.000)	9.000
Biosviluppo S.r.l.	Cavignano soc. agricola	94,00	56.400		56.400
			56.400	0	56.400
TOTAL NON CONSOLIDATED COMPANIES OF THE GROUP			99.400	(34.000)	65.400

PARTICIPATIONS IN OTHER COMPANIES ACCOUNTING PERIOD 2012

Consolidated at cost price

Participant	Participated company	% possess	Value as of 31/12/2011	Transactions 2012	Value as of 31/12/2012
Sipcam S.p.A.	Holdisa S.r.l.	10,00	2.289.078		2.289.078
	Coop. Terre Emerse r.l.	0,01	4.648		4.648
	Ital-Agro S.r.l.	18,34	165.995		165.995
	Cassa Rurale Art.		4.907		4.907
	Laudense BCC				
	Gowan Italia S.p.A.	15,00	447.212		447.212
	Sumi Agro Japan	10,00		3.719.790	3.719.790
			2.911.840	3.719.790	6.631.630
S.N.H. N.V.	Phyteurop S.A.	1,00	86.000		86.000
Sipcam UPL Brasil	Campo impo		3.104	(330)	2.774
Sipcam Inagra S.A.	Inagra Algerie Sarl			19.768	19.768
TOTAL ALLIED AT COST PRICE			3.000.944	3.739.228	6.740.172

FINANCIAL CREDITS

These credits amount to Euro 1.468,- and have been increased with respect of the previous accounting period with Euro 430-. The composition of the entry is as follows:

Financial credits towards allied companies	2012	2011
Sipcam Nederland Holding N.V.	635	625
Biosviluppo S.r.l.	360	210
Total	995	835
Financial credits towards subsidiaries and non consolidated companies		
Biosviluppo S.r.l.	470	0
Total	470	0
Financial credits towards other companies		
Sipcam S.p.A.	3	203
Total	3	203
Total general	1.468	1.038

The most significant values entered in this balance-item consist of:

- 1) Rest of the loan originally granted by Sipcam Nederland Holding N.V. to Oxonfin S.A., incorporated in Oxon Italia S.p.A., for Euro 635,-- at an interest rate equal to the Euroribor quotation plus one percentage point.
- 2) Residual loan granted by Biosviluppo S.r.l. to Serravalle Energia for Euro 160,- and loan granted to Mantova Energia Agricola a s.l. for Euro 200,--.
- 3) Loan granted by Biosviluppo S.r.l. to Cervignano Energia Società Agricola a r.l. for Euro 470,-.
- 4) Loan granted by Sipcam S.p.A. to the company Italogro S.r.l. for Euro 3,- at an interest rate of 5%.

STOCK

This item regards raw materials, finished products and merchandise amounting to Euro 48.494,- and have been decreased with respect to the previous accounting period with Euro 443,-. We notice a substantial decrease of the closing stock regarding the Group Leader Sipcam S.p.A., counterbalanced by the increase taken place within the Sipcam Europe Group, caused by the transfer of the company branch in Sipcam Italia S.p.A.

We do not notice particular differences in the other companies of the Group.

Company	2012	2011	Difference
Sipcam S.p.A.	4.525	17.523	(12.998)
Sipcam Europe Group	22.934	0	22.934
Sipcam U.K. Ltd	0	456	(456)
Sipcam Portugal Lda	0	876	(876)
Sipcam Iberia S.A.	0	6.644	(6.644)
Others	0	469	(469)
Sipcam Inagra S.A.	5.483	6.208	(725)
Agroqualità France Eurl	155	370	(215)
Sipcam UPL Brasil S.A.	6.539	6.789	(250)
Sipcam Pacific Pty Ltd	6.377	6.772	(395)
Sipcam Jardin	648	478	170
Agromax S.A.	<u>1.833</u>	<u>2.352</u>	<u>(519)</u>
TOTAL	48.494	48.937	(443)

In the following table the value of the stock and its variations per class of articles is displayed:

Description	2012	2011
Raw materials	14.049	13.691
Semi-finished products	477	7.955
Finished products	<u>33.968</u>	<u>27.291</u>
	48.494	48.937

The value results to be rectified by a fund of obsolete products equal to Euro 650,-, exclusively with regard to Sipcam S.p.A., while the remaining companies readjust directly the value of those materials.

CREDITS

Towards third clients

These credits amount to Euro 107.359,- and have been increased with respect to the previous accounting period with Euro 5.202,-

In the following table the composition of the credits of the accounting period 2012 and of the previous accounting period is displayed:

COMPANY	2012	2011	Difference
Sipcam S.p.A.	7.370	50.758	(43.388)
Sipcam Europe Group	58.795	0	58.795
Sipcam U.K. Ltd	0	2.039	(2.039)
Sipcam Inagra S.A.	2.208	1.873	335
Sipcam Iberia S.A.	0	8.752	(8.752)
Sipcam Portugal Lda	0	1.120	(1.120)
Agroqualità France Eurl	774	405	369
Sipcam UPL Brasil S.A.	26.763	23.160	3.603
Sipcam Pacific Pty Ltd	5.759	7.192	(1.433)
Sipcam Jardin	246	176	70
Sipcam Hellas Ltd	0	1.092	(1.092)
Agromax S.A.	5.440	5.114	326
Others	<u>4</u>	<u>476</u>	<u>(472)</u>
Total	107.359	102.157	5.202

The credit amounts towards clients has been entered after deduction of the relative fund devaluation credits. Its value amounts in total to € 4.206,-.

The transactions of the accounting period, itemized for each company, have been as follows:

Company	Balance as of 31/12/11	Increase	Utilization	Conversion Difference	Balance as of 31/12/12
Sipcam S.p.A.	2.782	300	(757)		2.325
Sipcam Inagra S.A.	64		(4)		60
Sipcam Iberia S.A.	507			(507)	0
Sipcam Portugal Lda	485			(485)	0
Sipcam UPL Brasil S.A.	1.728	214		(184)	1.758
Agromax S.A.	<u>30</u>	<u>37</u>		<u>(4)</u>	<u>63</u>
TOTAL	5.596	551	(761)	(1.180)	4.206

Towards not consolidated companies of the group

These credits amount to Euro 126,- and regard exclusively credits of the subsidiary Biosviluppo S.r.l. towards Cervignano Energia S.A. a r.l.

Towards allied companies

These credits amount to Euro 4.883,- and have been decreased with Euro 3.220,-. These credits are mainly composed of credits towards Oxon Italia S.p.A.

Taxes

These credits amount to Euro 11.127,- and have been decreased with respect to the previous accounting period with Euro 1.843,-.

The transactions of the accounting period, itemized for each company, have been as follows:

Company	2012	2011	Difference
Sipcam S.p.A.	2.986	5.036	(2.050)
Sipcam Europe Group	80	0	80
Agroqualità France Eurl	0	347	(347)
Sipcam UPL Brasil S.A.	7.497	6.990	507
Sipcam Hellas Ltd	0	20	(20)
Agromax S.A.	469	466	3
Others	<u>95</u>	<u>111</u>	<u>(16)</u>
TOTAL	11.127	12.970	(1.843)

We specify that the VAT credit of the Group Leader Sipcam S.p.A., regarding the accounting period 2008, amounting to Euro 3.000, has been reimbursed on 12/06/2012 and therefore the debt towards the factoring company that anticipated it for 80% has been contextually paid off.

We highlight furthermore the entry of the credit towards the revenue deriving from the reimbursement claim because of non-deduction of Regional Tax on productive activities from the Tax on company profits regarding the expenses for the assimilated personal employed of the Group Leader Sipcam S.p.A. for the years from 2007 to 2011.

Anticipated taxes

These credits amount to Euro 8.814,- and have been decreased with Euro 3.059,-.

The amounts refer to the following companies:

Company	2012	2011
Sipcam S.p.A.	2.155	1.840
Sipcam Europe Group	246	0
Sipcam UPL Brasil S.A.	6.295	9.679
Sipcam Pacific Pty Ltd	0	241
Others	<u>118</u>	<u>112</u>
Total	8.814	11.872

The anticipated taxes with regard to Sipcam UPL Brasil S.A. refer mainly to temporary differences on devaluation of commercial credits and closing stock.

The anticipated taxes regarding the Group leader regard:

Description	Tax rate	Company leader Sipcam S.p.A.			
		Balance 2011	profit-and-loss account	Balance 2012	
			debits	credits	
For devaluation credits	27,50%	655	(98)	55	612
For allowances clients	27,50%	104	(7)	11	108
For devaluation stock	31,40%	259	(63)	0	196
For future risks	31,40%	0	0	175	175
For future risks	27,50%	822	(90)	332	1.064
Total		1.840	(258)	573	2.155

Towards others

These taxes amount to Euro 3.612 with a decrease with respect to the previous accounting period of Euro 1.667,-. The value shown in the financial statements include the credits of those entries not explicitly connected to transactions of a merely commercial nature. The most significant values regard the companies listed below:

Company	2012	2011	Difference
Sipcam S.p.A.	1.069	1.081	(12)
Sipcam Europe Group	994	0	994
Sipcam Hellas Ltd	0	1.217	(1.217)
Sipcam Inagra S.A.	914	1.308	(394)
Sipcam UPL Brasil S.A.	303	1.322	(1.019)
Sipcam Pacific Pty Ltd	74	71	3
Agromax S.A.	117	126	(9)
Others	<u>141</u>	<u>154</u>	<u>(13)</u>
Total	3.612	5.279	(1.667)

The values of major effect composing the entry are indicated as follows:

Description	2012	2011
Bail bonds	119	110
Advances to suppliers and credit notes receivable	1.011	2.016
Public bodies	886	1.335
Personnel	196	168
Others	<u>1.400</u>	<u>1.650</u>
TOTAL	3.612	5.279

FINANCIAL ACTIVITIES NOT BEING FIXED ASSETS

Other securities

This entry amounts to Euro 0,1,-.

LIQUID ASSETS

These assets amount to Euro 16.936,- and regard bank deposits and values in cash.
The composition of this entry is shown in the following table:

Company	2012	2011
Sipcam S.p.A.	1.196	3.587
Sipcam Europe Group	5.376	0
Biosviluppo S.r.l.	11	4
Sipcam Nederland Holding N.V.	143	402
Sipcam U.K. Ltd	0	310
Sipcam Pacific Pty Ltd	1.705	1.764
Sipcam Management Service	361	460
Sipcam Inagra S.A.	473	1.316
Sipcam Iberia S.A.	0	548
Sipcam Portugal Lda	0	467
Sipcam UPL Brasil S.A.	5.509	3.821
Agroqualità France Eurl	363	85
Agromax S.A.	1.478	750
Others	<u>321</u>	<u>708</u>
Total	16.936	14.222

The amount consists of bank deposits on call for Euro 16.112,- and cash liquids for Euro 824,-.

ACCRUED INCOME AND DEFERRED CHARGES

This entry amounts to Euro 714,- and has been decreased with Euro 258,-.
The composition of the value is as follows:

Company	2012	2011
Sipcam SpA	503	698
Sipcam Europe Group	16	0
Sipcam Nederland Holding N.V.	8	60
Sipcam Pacific Pty Ltd	174	187
Others	<u>13</u>	<u>30</u>
TOTAL	714	975

In this entry are included deferred charges for maintenance fees, subscriptions for magazines, interest receivable, insurance contracts and, and to record all those costs having monetary expression in the accounting period to the financial statements in compliance with the correct principles of competence.

DEBTS

Loans

With Minutes of the Board of Directors dated 24/03/2009, the Group Leader has issued a bond loan reserved to shareholders and managers amounting to Euro 3.250,- with expiry date 31/03/2012 at the annual gross rate equal to 9%, the loan is formed by 130 bonds with a unitary nominal value of Euro 25,-.

As pointed out in the annual report of the Group Leader Sipcam S.p.A., in the course of the month of March 2012, the obligational loan has been prolonged with another two-year period.

Debts towards banks and other financiers

These debts amount to Euro 87.539,- and have been decreased with respect to the previous accounting period with Euro 9.119,-. The composition of the short term and medium term financial debt towards banks and other financiers is as follows:

Description	2012	2011	Difference
Banks short term	74.037	73.175	862
Other financiers short term	<u>296</u>	<u>18</u>	<u>278</u>
Total	74.333	73.193	1.140
Banks medium and long term	13.206	23.348	(10.142)
Other financiers medium and long term	<u>0</u>	<u>117</u>	<u>(117)</u>
Total	<u>13.206</u>	<u>23.465</u>	<u>(10.259)</u>
Total general	(87.539)	96.658	(9.119)

Short term

These debts amount to Euro 74.333,- and have been increased with respect to the previous year with Euro 1.140,-.

Hereinafter a table is reproduced specifying the amount of short term debts in the accounting periods 2012 and 2011, divided per company.

Company	2012	2011	Difference
Sipcam S.p.A.	13.920	40.536	(26.616)
Sipcam Europe Group	28.144	0	28.144
Sipcam Iberia S.A.	0	2.772	(2.772)
Sipcam Inagra S.A.	6.695	4.811	1.884
Sipcam Pacific Pty Ltd	3.994	1.151	2.843
Sipcam UPL Brasil S.A.	20.044	22.739	(2.695)
Agromax S.A.	1.401	1.037	364
Others	<u>135</u>	<u>147</u>	<u>(12)</u>
Total	74.333	73.193	1.140

Medium and long term

These debts amount to Euro 13.206,- and the value displayed in the financial statements regards debts contracted by the Group Leader Sipcam S.p.A. Regarding the Group Leader we point out that in the previous accounting period the Group Leader has reclassified in the short term debts amounting to Euro 1.750,- regarding a medium and long loan at the end of the accounting period, apportioned by a primary credit institution, having exceeded the limits foreseen by the related covenant with regard to the relationship net financial position/EBITDA. This institution, however, has not notified penalties in regards to the increase of the spreads applied or the anticipated restitution of that loan. In the year 2012 the same reclassification has been maintained for the remaining amount present at the end of the accounting period for Euro 1.250,- and

for another loan apportioned by a different credit institution for the remaining quota at the end of the accounting period a further reclassification of Euro 1.250,- has been made. Until today, also for this latest loan, the apportioning credit institution has not notified any communication.

The amortization scheme of the medium and long term debts of the Group Leader entered in the financial statements is as follows:

Year	Amount
2014	3.703
2015	3.545
2016	2.634
2017	1.931
Beyond	<u>1.072</u>
Total	12.885

Net financial status

The following table displays the net financial position of the Group, with a significant decrease with respect to the previous accounting period:

Company	2012	2011	Difference
Financial credits	1.468	1.038	430
Liquid assets	<u>16.936</u>	<u>14.222</u>	<u>2.714</u>
Total	18.404	15.260	3.144
Debenture bond	(3.250)	(3.250)	0
Financial debts towards other financers	(296)	(135)	(161)
Debts towards banks	<u>(87.242)</u>	<u>(96.522)</u>	<u>9.280</u>
Total	(90.788)	(99.907)	9.119
Total general	(72.384)	(84.647)	12.263

Towards third suppliers

These debts amount to Euro 53.302,- with a decrease with respect to the previous accounting period of Euro 730,-. The composition of the entry of this accounting period and of the previous accounting period is displayed in the following table, divided per company:

Company	2012	2011	Difference
Sipcam S.p.A.	10.728	23.693	(12.965)
Sipcam Europe Group	13.852	0	13.852
Agromax S.A..	7.279	7.225	54
Sipcam U.K. Ltd	0	97	(97)
Sipcam Pacific Pty Ltd	3.289	4.023	(734)
Sipcam Inagra S.A.	4.072	4.850	(778)
Sipcam Portugal Lda	0	916	(916)
Sipcam UPL Brasil S.A.	13.565	11.798	1.767
Sipcam Iberia S.A.	0	493	(493)
Sipcam Hellas Ltd	0	451	(451)
Sipcam Jardin	361	0	361
Others	<u>156</u>	<u>486</u>	<u>(330)</u>
Total	53.302	54.032	(730)

Debts towards allied companies

These debts amount to Euro 24.379,- with an increase with regard to the previous accounting period of Euro 784,-.

The composition of the entry of the accounting period and of the previous accounting period is shown by the following table.

Company	2012	2011	Difference
Sipcam S.p.A.	382	1.385	(1.003)
Sipcam Europe Group	5.338	0	5.338
Sipcam UK Ltd	0	641	(641)
Sipcam Pacific Pty Ltd	3.506	6.940	(3.434)
Sipcam Inagra S.A.	0	619	(619)
Sipcam Iberia S.A.	0	153	(153)
Sipcam UPL Brasil S.A.	9.697	6.887	2.810
Obras Latin America	5.435	6.170	(735)
Sipcam Hellas Ltd	0	620	(620)
Others	<u>21</u>	<u>180</u>	<u>(159)</u>
Total	24.379	23.595	784

The most relevant values are the debts of several companies of the Group towards the allied company Oxon Italia S.p.A.

Other debts

Taxes

This entry amounts to Euro 4.026,-.

The composition of the entry of the accounting period and the previous accounting period is shown in the following table with specification of the most relevant values.

Company	2012	2011
Sipcam S.p.A.	1.950	607
Sipcam Europe Group	1.194	0
Sipcam UK Ltd	0	297
Sipcam Pacific Pty Ltd	256	194
Sipcam Inagra S.A.	268	271
Sipcam Iberia S.A.	0	305
Sipcam UPL Brasil S.A.	216	146
Sipcam Portugal Ida	0	58
Sipcam Hellas Ltd	0	81
Agroqualità S.A.	0	358
Others	<u>142</u>	<u>83</u>
Total	4.026	2.400

The entry regards values concerning taxes of the accounting period and advance withholding tax payable.

Social security contributions

This item amounts to Euro 1.185,- and it is for Euro 525,- chargeable to the Group Leader Sipcam S.p.A.

Other debts

These debts amount to Euro 6.771,- and has been decreased with respect to the previous accounting period with Euro 3.152,-. The composition of the entry of the accounting period and the previous accounting period is shown in the following table, with specification of the most relevant values.

Company	2012	2011
Sipcam S.p.A.	916	3.529
Sipcam Europe Group	3.165	0
Sipcam U.K. Ltd	0	204
Sipcam Inagra S.A.	991	792
Sipcam Iberia S.A.	0	1.037
Sipcam UPL Brasil S.A.	1.345	3.568
Others	<u>354</u>	<u>793</u>
Total	6.771	9.923

The composition of the other debts is as follows:

Description	2012	2011
Debts towards personnel	3.199	3.248
Discounts and allowances to be liquidated	1.700	5.368
Insurance premiums fallen due	52	46
Others	<u>1.820</u>	<u>1.261</u>
Total	6.771	9.923

The most relevant amount is determined by both debts towards personnel for quotes of deferred retribution, and discounts and allowances to be liquidated in favor of clients as premiums end of season, mainly imputable to the Group Leader Sipcarn S.p.A. and to the associated company Sipcarn UPL Brasil S.A and to the Sipcarn Europe Group

ACCRUED LIABILITIES AND DEFERRED INCOME

This entry amounts to Euro 3.574,- and has been increased with respect to the previous accounting period with Euro 384,-, and is divided as follows:

Company	2012	2011
Sipcarn S.p.A.	349	575
Sipcarn Europe Group	1.027	0
Sipcarn U.K. Ltd	0	163
Sipcarn Pacific Pty Ltd	1.010	741
Sipcarn Inagra S.A.	448	421
Sipcarn Iberia S.A.	0	487
Sipcarn Portugal Lda	0	243
Sipcarn UPL Brasil S.A.	306	307
Sipcarn Nederland Holding N.V.	103	58
Others	<u>331</u>	<u>195</u>
Total	3.574	3.190

The amounts indicated above refer to commissions, interest payable and finally to the 14th month quote and relative contributions

FUNDS FOR RISKS AND CHARGES

SEVERANCE INDEMNITY

This entry amounts to Euro 3.045,- and regards mainly the Group Leader and the Sipcarn Europe Group:

Company	2012	2011
Sipcarn S.p.A.	1.762	3.408
Sipcarn Europe Group	1.283	0
Sipcarn Hellas Ltd	<u>0</u>	<u>4</u>
Total	3.045	3.412

The transactions of the accounting period have been as follows:

- Initial balance	3.407
- Provisions of the accounting period	2.094
- Utilizations	<u>(2.456)</u>
Total	3.045

Pensions and similar obligations

This entry amounts to Euro 444,- and consists exclusively of the value of the financial statements of the Group Leader and of the Sipcam Europe Group. In this fund indemnities are allocated as provided for by the contracts in force in Italy with commercial agents and representatives.

Fund for deferred taxes

The fund covering future debts towards the revenue for deferred taxed, in compliance with the fiscal regulations in force, amount to Euro 375,- and has been decreased with respect to the previous accounting period with Euro 305,-. The table displaying the values is as follows:

Company	Balance 31/12/11	Adjustments 2012	Balance 31/12/12
Sipcam S.p.A.	0	21	21
Sipcam Europe Group	0	59	59
Sipcam Nederland Holding N.V.	11	123	134
Sipcam Inagra S.A..	49	0	49
Sipcam Pacific Pty Ltd	241	(141)	100
Sipcam UPL Brasil S.A.	442	(383)	59
Total financial statements	<u>743</u>	<u>(321)</u>	<u>422</u>
Taxes stock	(63)	16	(47)
Total adjustments	<u>(63)</u>	<u>16</u>	<u>(47)</u>
Total general	<u>680</u>	<u>(305)</u>	<u>375</u>

OTHER FUNDS

These funds amount to Euro 1.890 and have been decreased with respect to the previous accounting period with Euro 23,-. The amount regard the following companies:

Company	2012	2011
Sipcam S.p.A.	1.242	1.203
Sipcam Management Service	108	219
Sipcam Pacific Pty Lid	466	343
Sipcam UPL Brasil S.A.	43	113
Others	<u>31</u>	<u>34</u>
Total	1.890	1.912

The fund mainly consists of the amount of the Group Leader Sipcam S.p.A. of Euro 1.242,- and has been allocated appropriately in the years past completely covering the negative “mark to market” of the same amount of a transaction structured by means of the use of derivatives dedicated to cover generically the risk of a rise of the interest percentages.

In the course of the year the substantial stability of the market rates has caused that the valuation of the aforesaid transaction has not varied in a considerable way.

The transactions of the accounting period have been as follows:

Balance as of 31/12/2011	Euro	1.204
Allocation	Euro	150
Utilization	Euro	(112)
Balance as of 31/12/2012	Euro	1.242

AMOUNT AND NATURE OF THE OBLIGATIONS AND OF THE SUSPENSE ACCOUNTS

The composition of the suspense accounts entered in the present financial statements and exclusively referred to the Group Leader, as requested by art. 2427 C.C., results to be as follows.

Securities granted for sureties

This item amounts to Euro 26.863,-- and consist of:

Direct sureties on behalf of allied companies

These items amount to Euro 22.647,- and are issued:

- in favor of Banco Votarantim S.A. on behalf of Sipcam UPL Brasil S.A. for 17.000,- Brazilian Reais, equal to Euro 6.288,-;
- in favor of Iccrea Banca for Euro 4.000,- on behalf of Oxon Italia S.p.A.
- in favor of Monte dei Paschi di Siena for Euro 3.339,- on behalf of Serravalle Energia Soc. Agr.;
- in favor of Banca Popolare di Intra for Euro 1.000,- on behalf of Oxon Italia S.p.A.;
- in favor of Banca Popolare di Bari for Euro 6.250,- on behalf of Mantova Energia Soc. Agr.;
- in favor of Banca Popolare di Bari for Euro 1.500,- on behalf of Oxon Italia S.p.A.

Indirect sureties on behalf of others

This item amounts to Euro 4.216,- and they are issued by Credit institutions and Insurance Companies in guarantee of tax payments and of the bond bail regarding the demand for VAT refund equal to Euro 3.357,-.

Other securities granted

These securities amount to Euro 32.612,- and are on behalf of:

- the subsidiary Sipcam Pacific Australia Pty Ltd represented by a patronage letter for USA Dollars 2.000,-;
- the subsidiary Agromax represented by patronage letters for USA Dollars 1.500,-;
- the indirect subsidiary Cervignano Energia Soc. Agr. in favor of Banca Popolare di Bari for Euro 6.070,-;
- the indirect subsidiary Sipcam Italia S.p.A. in favor of various credit institutions for the total amount of Euro 23.832,-;
- in favor of the participated company Ital-Agro S.r.l., represented by patronage letters for Euro 60,-
- in favor of UTIF, represented by securities of the Company in deposit for Euro 1,-.

Collateral securities granted

These securities amount to Euro 49.440,- and cover a remaining medium long term debt, of which at the end of the accounting period remains Euro 9.813,-. They consist of senior and junior mortgages in favor of Mediocredito Italiano, Unicredit Banca, Banca Intesa Mediocredito and Interbanca S.p.A., Banca Popolare di Novara and Banca Nazionale del Lavoro.

Other suspense accounts

Lease and rental obligations

This item amounts to Euro 1.365,- and regard long term lease contracts for vehicles for Euro 1.129,- and for Euro 236,- for the leasing of equipment of the data processing Centre of information systems.

Outstanding portfolio

This entry amounts to Euro 1.109,- and regards the outstanding portfolio clients.

Derivatives on interest rates

As of 31 December 2012 numerous transactions are in course that have been carried out in the last years in derivatives on interest rates. Noteworthy is the transaction realized with an underlying notional of Euro 11 million that, as the characteristic of full coverage of this transaction is not entirely classifiable, its relative negative "mark to market" has been entirely recorded in the profit-and-loss account. In order to further protect the company from the risk of an increase of the interest rates, medium and long term loans stipulated in the course of the year and in the previous years with variable rates have been covered by the "cap"

purchase that is IRS (interest rate swap) consenting to set a ceiling to the risk of an increase of the interest rates, or to define the interest rate.

In the following table the existing transactions are summarized:

Contract	expiry date	notional	fair value
Swap	30/09/2013	Euro 0,5 ML	(12)
Swap	31/12/2013	Euro 0.9 ML	(22)
Swap	30/06/2015	Euro 1,25 ML	(11)
Swap	30/06/2015	Euro 1,25 ML	(46)
Swap	18/01/2017	Euro 11 ML	(1.091)
Swap	30/06/2018	Euro 8,5 ML	(536)

VARIATION OF THE ENTRIES OF NET ASSETS

The net assets of the Group resulting from the consolidated financial statements amount to Euro 69.884,- and have been increased with respect to the previous accounting period with Euro 2.393,-. The following tables show:

- the transactions of net assets of the consolidated financial statements with respect to the previous accounting period;
- the transactions of connection between the result of the Group Leader Sipcam S.p.A. and the consolidated result, as well as the reconciliation between its net assets and the consolidated net assets.

Description	NET ASSETS						
	Initial balance as of 31/12/2011	Increase/Decrease net assets	Destination result	Dividends	Conversion of the values and adjustment transactions	Result of the period	Consolidated net assets as of 31/12/2012
Share capital	9.930						9.930
Reserve share-premium	5.062						5.062
Revaluation reserve	8.137		(5.875)				2.262
Legal reserve	805						805
Other reserves	5.211						5.211
Reserves for own shares on hand	2.626						2.626
Conversion reserve	3.523				(1.437)		2.086
Consolidation reserve	2.921				1.475		4.396
Profits to new account	35.039		112		2		35.153
Result of the accounting period	<u>(5.763)</u>		<u>5.763</u>			<u>2.353</u>	<u>2.353</u>
TOTAL	67.491	0	0	0	40	2.353	69.884

Reconciliation of the result of the accounting period of the Group Leader SIPCAM S.p.A. with the consolidated result of the group

Profits S.I.P.C.A.M. S.p.A.	1.750
Adjustment evaluation on statutory financial statements participations in net assets	(2.774)
Amortizations consolidation difference	(1.090)
Profits subsidiary and allied companies	4.390
Margins between the companies of the group	93
Other adjustments	0
Deferred taxes	<u>(16)</u>
Loss/Profit of the Group	2.353

Reconciliation of the net assets of the accounting period of the Group Leader SIPCAM S.p.A. with the consolidated result of the group

Description	Balance as of 31/12/2011	Profits 2012	Other adjustments	Total
Net assets of S.I.P.C.A.M. S.p.A.	61.871	1.750	0	63.621
Adjustment evaluation on statutory financial statements participations in net assets	(30.357)	(2.774)	0	(33.131)
Consolidation difference	4.158	(1.090)	0	3.068
Difference between the book values of the subsidiary and allied companies	28.501	4.390	1.476	34.367
Margins between the companies of the group	(267)	93	0	(174)
Deferred taxes	63	(16)	0	47
Conversion reserve	<u>3.523</u>	<u>0</u>	<u>(1.437)</u>	<u>2.086</u>
Net assets of the group	67.492	2.353	39	69.884

Assets of third parties

This item amounts to Euro 10.088,- and has been increased with regard to the previous accounting period with Euro 8.693,-. The variations are shown in the following table.

NET ASSETS OF THIRD PARTIES						
Company	Percentage	Initial balance as of 31/12/2011	Profit 2012	Increase Decrease	Dividends	Net assets
Sipcam Pacific Pty Ltd	35,00%	913	257			1.170
Sipcam Portugal Lda	5,00%	94	0	(94)		0
Sipcam Jardin	45,00%	129	16			145
Agromax S.A.	25,13%	118	52			170
Sipcam Europe Group	20,00%	0	591	7.868		8.459
Biosviluppo S.r.l.	32,00%	<u>141</u>	<u>3</u>			<u>144</u>
Total		1.395	919	7.774	0	10.088

PROFIT-AND LOSS ACCOUNT

Hereinafter the values are reproduced regarding the consolidated profit-and-loss account, drawn up for reasons of commodity in Euro/000, except where otherwise specified:

Production value

Description	Prospect regarding the production value		
	2012	2011	Difference
Proceeds for sales and services	243.494	219.874	23.620
Variations of the stocks of products	(1.448)	8.630	(10.078)
Capitalized costs	26	36	(10)
Other proceeds	<u>9.229</u>	<u>3.524</u>	<u>5.705</u>
Total	251.301	232.064	19.237

Proceeds of sales and services

The value of the sales and services amount to Euro 243.494,- and have been increased with respect of the previous accounting period with Euro 23.620,-, equal to 10,8%. In detail:

Company	2012	2011	Difference	% Diff.
Sipcam S.p.A.	22.593	90.852	(68.259)	(75%)
Sipcam Europe Group	117.146	0	117.146	100%
Sipcam Italia S.p.A..	0	428	(428)	(100%)
Sipcam UK Ltd	0	3.627	(3.627)	(100%)
Sipcam Pacific Pty Ltd	23.303	21.465	1.838	9%
Sipcam Inagra S.A.	7.071	31.968	(24.897)	(78%)
Sipcam Iberia S.A.	0	11.527	(11.527)	(100%)
Sipcam Portugal Lda	0	5.250	(5.250)	(100%)
Sipcam Hellas Ltd	0	2.991	(2.991)	(100%)
Agroqualità France Eurl	3.927	2.494	1.433	57%
Sipcam Jardin	1.519	1.388	131	9%
Sipcam UPL Brasil S.A.	55.448	37.170	18.278	49%
Agromax S.A.	12.373	10.714	1.659	15%
Others	<u>114</u>	<u>0</u>	<u>114</u>	<u>100%</u>
Total	243.494	219.874	23.620	10,74%

The sales divided according to the geographic areas result to be as follows:

Description	2012	2011
Italy	90.019	91.280
Spain-Portugal	48.271	50.133
Great Britain	5.610	3.627
Brasil	55.448	37.170
Australia	23.303	21.465
Argentina	12.373	10.714
Others	<u>8.470</u>	<u>5.485</u>
Total	243.494	219.874

Variations of the stock

The stock of semi-finished and finished products shows a decrease, equal to Euro 1.448,-

Capitalized costs

These costs amount to Euro 26,- and regard internal labor destined to the research and development activities. These costs are imputable to the Sipcam Europe Group.

Other proceeds and profits

This item amounts to Euro 9.229,- and has been increased with respect to the previous accounting period with Euro 5.705,-. The composition of the amount is as follows:

Company	2012	2011	Difference
Sipcam S.p.A	7.403	3.256	4.147
Sipcam Europe Group	1.222	0	1.222
Sipcam Iberia S.A..	0	105	(105)
Sipcam Pacific Pty Ltd	0	16	(16)
Sipcam Inagra S.A.	115	0	115
Others	<u>489</u>	<u>147</u>	<u>342</u>
Total	9.229	3.524	5.705

Hereinafter the most significant items of the proceeds are reproduced that compose this amount:

Description	2012	2011
Rentals receivable	304	91
Recovery of the operative costs towards allied companies	3.779	652
Recovery various costs	3.989	2.597
Sales various materials	228	0
Others	<u>929</u>	<u>184</u>
Total	9.229	3.524

PRODUCTION COSTS

Prospect concerning the production costs			
Description	2012	2011	Difference
Purchases of raw materials and consumer goods	150.834	148.625	2.209
Services rendered	36.397	32.549	3.848
Utilization of goods of third parties	2.452	2.445	7
Labor costs	31.402	30.519	883
Amortizations	6.163	5.892	271
Devaluations	1.264	1.085	179
Variation stock raw materials	801	(952)	1.753
Provisions for risks	243	143	100
Other operating expenses	<u>6.009</u>	<u>5.183</u>	<u>826</u>
Total	235.565	225.489	10.076

From the comparative analysis with respect to the previous accounting period the increase of the production costs results particularly related to the increase of services rendered, that however is proportionally inferior to the increase of sales.

Purchases of raw materials and consumer goods

The value of the purchases, equal to Euro 150.834,- shows a relevant increase with respect to the previous accounting period with Euro 2.209,-. The composition of the entry per company is as follows:

Company	2012	2011	Difference
Sipcam S.p.A.	20.811	53.844	(33.033)
Sipcam Europe Group	36.700	0	36.700
Sipcam UK Ltd	0	1.554	(1.554)
Sipcam Pacific Pty Ltd	16.868	19.666	(2.798)
Sipcam Inagra S.A.	29.267	32.305	(3.038)
Sipcam Iberia S.A.	0	366	(366)
Sipcam Portugal Lda	0	2.824	(2.824)
Sipcam UPL Brasil S.A.	38.517	27.389	11.128
Agromax S.A.	8.193	8.747	(554)
Others	<u>478</u>	<u>1.930</u>	<u>(1.452)</u>
Total	150.834	148.625	2.209

Costs of services

The costs of services amount to Euro 36.397,- and have been increased with respect to the previous accounting period with Euro 3.848,-. The amounts of the costs for services divided per company are reproduced in the following table:

Company	2012	2011	Difference
Sipcam S.p.A.	9.539	16.993	(7.454)
Sipcam Europe Group	14.473	0	14.473
Sipcam Pacific Pty Ltd	2.194	2.286	(92)
Sipcam Inagra S.A.	4.095	5.473	(1.378)
Sipcam Iberia S.A.	0	812	(812)
Sipcam UPL Brasil S.A.	2.992	3.070	(78)
Sipcam UK Ltd	0	422	(422)
Sipcam Portugal Lda	0	428	(428)
Agromax S.A.	1.893	1.748	145
Others	<u>1.211</u>	<u>1.317</u>	<u>(106)</u>
Total	36.397	32.549	3.848

The composition divided per entry of costs is as follows:

Description	2012	2011	Difference
External processing	1.989	3.068	(1.079)
Maintenance	1.922	1.982	(60)
Retributions autonomous and sp. Labor	9.586	4.922	4.664
Commercial sales expenses	7.847	8.224	(377)
Sales and additional expenses	1.596	1.765	(169)
Insurance premiums	1.036	1.010	26
Advertising costs	1.626	1.649	(23)
Utilities	3.296	2.729	567
Telephone and postal costs	674	744	(70)
Porter costs	785	870	(85)
Surveillance – Cleaning	616	668	(52)
Personnel management	588	613	(25)
Banking expenses	639	322	(317)
Directors and board	1.019	1.384	(365)
Other services	<u>3.178</u>	<u>2.599</u>	<u>579</u>
Total	36.397	32.549	3.848

The composition of the value of the director's fees and fees for auditor's of the Mother Company is as follows:

6 directors	Euro 434
3 auditors	Euro 109
Certified public accountant	Euro 52

Utilization of goods of third parties

These costs amount to Euro 2.452 and regard operative leasing transactions, long term rental contracts of vehicles and rentals payable. In the present financial statements the Group Leader shows value equal to Euro 776,-. The following table specifies the cost for utilization of goods of third parties:

Cost entries	2012	2011	Difference
Lease expenses vehicles	137	645	(508)
Rentals payable	140	142	(2)
Royalties	0	548	(548)
Other expenses	<u>499</u>	<u>594</u>	<u>(95)</u>
Total	776	1.929	(1.153)

The values of the other companies are as follows:

Company	2012	2011	Difference
Sipcam Pacific Pty Ltd	160	172	(12)
Sipcam Europe Group	1.280	0	1.280
Sipcam U.K. Ltd	0	45	(45)
Sipcam Management Service	30	30	0
Sipcam Inagra S.A.	72	118	(46)
Sipcam UPL Brasil S.A.	65	72	(7)
Others	<u>69</u>	<u>79</u>	<u>(10)</u>
Total	1.676	516	1.160

Labor costs

These costs amount to Euro 31.402,- and have been decreased with respect to the previous accounting period with Euro 882,-. The average number of personnel of the companies included in the consolidation area results to be consisting of:

Description	2012	2011
Management	43	43
Employees	306	302
Labor	<u>237</u>	<u>206</u>
Total	586	551

Amortizations

This entry amounts to Euro 6.162,- and consists of Euro 2.643,- being the value regarding the amortization of intangible assets and Euro 3.408,- regarding the amortization of the tangible assets.

The amortization value per company results to be subdivided as follows:

Company	2012	2011	Difference
Sipcam S.p.A.	3.085	3.420	(335)
Sipcam Europe Group	608	0	608
Sipcam Inagra S.A.	1.052	1.029	23
Sipcam UPL Brasil S.A.	735	770	(35)
Others	<u>682</u>	<u>673</u>	<u>9</u>
Total	6.162	5.892	270

In the previous tables the values regarding the amortizations per type of assets, tangible as well as intangible, are reproduced at the item tangible and intangible assets.

The total value of the amortization is the result of the constant application of the ordinary percentages redeemed coherent with the possible remaining utilization of the goods.

Devaluation of the floating assets

The value equal to Euro 1.263,- covers the estimated risks of non-realization of the commercial credits and consists of:

Company	2012
Sipcam S.p.A.	300
Sipcam Inagra S.A.	3
Sipcam UPL Brasil S.A.	239
Sipcam Europe Group	679
Agromax S.A.	<u>42</u>
Total	1.263

Variations of the raw material stock

The value of the variations of raw, subsidiary and consumer materials is increased in the accounting period with Euro 801,-. The composition of the total value of the variation is as follows:

Company	2012
Sipcam S.p.A.	394
Sipcam Inagra S.A.	892
Sipcam Europe Group	(1.172)
Sipcam UPL Brasil S.A.	772
Others	<u>(85)</u>
Total	801

Other provisions for risks

These provisions amount to Euro 24,- and cover the estimated value variations not considered in the previous items of the floating assets. These regard specifically the provision made by Sipcam Europe Group.

Other provisions

These allocations amount to Euro 219,-. The value regards mainly the Group Leader Sipcam S.p.A. and concerns allowances of clients due to representative agents in case of termination of the relation.

Other operative expenses

These costs amount to Euro 6.009- and have been increased with respect to the previous accounting period with Euro 826,-. The amount results to be divided as follows among the companies of the Group:

Company	2012	2011	Difference
Sipcam S.p.A.	1.730	2.404	(674)
Agromax S.A.	417	293	124
Sipcam Inagra S.A.	397	931	(534)
Sipcam Europe Group	2.415	253	2.162
Sipcam UPL Brasil S.A.	639	779	(140)
Sipcam Pacific Pty Ltd	241	190	51
Others	<u>170</u>	<u>333</u>	<u>(163)</u>
Total	6.009	5.183	826

The composition of the balances per item of costs is as follows

Item of costs	2012	2011	Difference
Costs for transfer, board and lodging	2.882	2.593	289
Representation costs	232	340	(108)
Taxes and duties	1.769	1.333	436
Membership fees	242	211	31
Others	<u>884</u>	<u>706</u>	<u>178</u>
Total	6.009	5.183	826

FINANCIAL PROCEEDS AND EXPENSES

The value of the financial proceeds and expenses displayed in the financial statements is subdivided as follows:

Description	2012	2011
Proceeds		
From participations	96	288
From credits entered at the fixed assets	29	34
From fixed securities not being participations	11	0
From financial credits	<u>2.165</u>	<u>5.038</u>
Total proceeds	2.301	5.360
Expenses		
Interest payable	<u>(11.521)</u>	<u>(15.335)</u>
Difference expenses and proceeds	(9.220)	(9.975)
Delta exchanges	<u>(1.299)</u>	<u>(1.895)</u>
Total expenses and proceeds	(10.519)	(11.870)

The composition of the amount of the financial proceeds per company is as follows:

Description	2012	2011
Sipcam S.p.A.	872	430
Sipcam UPL Brasil S.A.	1.109	4.296
Others	<u>184</u>	<u>312</u>
Total	2.165	5.038

The composition of the interest payable per company is as follows:

Company	2012	2011
Sipcam S.p.A.	2.291	4.379
Sipcam Pacific Pty Ltd	593	574
Sipcam Inagra S.A.	392	552
Sipcam Europe Group	2.998	147
Sipcam UPL Brasil S.A.	4.804	9.308
Others	<u>443</u>	<u>375</u>
Total	11.521	15.335

The composition of the item of the exchange differences per company are as follows.

Description	2012	2011
Sipcam S.p.A.	169	(128)
Sipcam Pacific Pty Ltd	186	494
Sipcam UPL Brasil S.A	(1.298)	(2.117)
Others	<u>(356)</u>	<u>(144)</u>
Total	(1.299)	(1.895)

VALUE ADJUSTMENTS OF FINANCIAL ACTIVITIES

The total value of the adjustments applied to the financial activities in application of the consolidation principles have been as follows:

Revaluations of participations	Euro	570
Devaluations of participations	<u>Euro</u>	<u>(678)</u>
Total	Euro	(108)

The revaluations and devaluations reproduced above have been carried out in order to adjust the value of the valued companies with the equity method as of 31/12/2012.

EXTRAORDINARY PROCEEDS AND EXPENSES

The total value of the extraordinary proceeds and expenses is equal to Euro 979,- and consists of:

Proceeds

Proceeds amount to Euro 2.822,- and consist of realized capital gains, of returns on purchases of previous accounting periods and of contingent assets.

We specify that:

- The Group Leader Sipcam S.p.A. has entered capital gains regarding the transfer of the Research Center Emilio Gagliardini to the company BT Bioteconologie S.r.l. and regarding goodwill for respectively Euro 145,- and Euro 450,-;
- The Group Leader Sipcam S.p.A. has entered contingent assets for the amount deriving from the reimbursement claim because of non-deduction of Regional Tax on productive activities from the Tax on company profits regarding the expenses for the assimilated personal for the years from 2007 to 2011.

Expenses

This item amount to Euro 1.843,- and consist of capital losses realized, of returns on sales of previous accounting periods and of contingent liabilities.

TAXES OF THE ACCOUNTING PERIOD

The value of the taxes of the accounting period represents the aggregated value of effective taxes of every single company included in the present financial statements adjusted by the effects of the deferred taxes of the accounting period and consists of:

- current taxes	Euro 3.010
- deferred taxes	Euro 339
- anticipated taxes	<u>Euro (531)</u>
Total	Euro 2.818

Pero, 28 May 2013

The Board of Directors

FINANCIAL STATEMENT (in thousands of euro)

Description	2012	2011
Initial liquid assets	14.222	15.265
Monetary flow from activities of the accounting period		
Profit/loss of the accounting period	2.353	(5.763)
Amortization intangible assets	2.643	2.483
Amortization tangible assets	3.259	3.408
Allocations to funds	1.068	1.008
Capital gains/losses from realization fixed assets	0	0
Revaluations/devaluations of participations	108	(51)
Revaluations/devaluations of tangible fixed assets	0	0
Utilization funds		
Severance indemnity	(1.215)	(1.129)
Others	(500)	(167)
Variation stock	443	(10.157)
Variation commercial credits	(2.107)	4.214
Variation other activities	6.570	(2.077)
Variation accrued income and deferred charges	258	(625)
Variation commercial debts	10	11.735
Variation other debts	(1.500)	2.931
Variation accrued liabilities and deferred income	384	603
Monetary flow from activities of the accounting period	11.774	6.413
Investment activities		
Purchase of assets	(2.597)	(3.022)
Sales of assets	0	0
Investments of intangible fixed assets	(1.525)	(1.159)
Long-term investments/disinvestments	(4.551)	461
	(8.673)	(3.720)
Monetary flow from loan activities		
Variation short term debts towards:		
Banks	(148)	(2.373)
Other financers	278	(71)
Variation medium/long term debts towards:		
Banks	(9.132)	(857)
Other financers	(116)	83
Variations assets		
Payments shareholders/increase share capital	0	0
Reserves	1.475	0
Net assets third parties and reserves	8.693	22
Dividends	0	0
	1.050	(3.196)
Revaluation tangible assets Law Decree 185 art. 16 C.C. 29/11/08	0	0
Variation conversion differences	(1.437)	(540)
Monetary flow of the period	2.714	(1.043)
Final liquid assets	16.936	14.222

RICONCILIATION BETWEEN FISCAL EXPENSES OF THE FINANCIAL STATEMENTS AND THEORETICAL FISCAL EXPENSES

Description	Income tax		Regional tax on productive activities		Total	
	Taxes	%	Taxes	%	Taxes	%
Theoretical taxes	1.674	27,50%	237	3,90%	1.912	31,40%
Increase	1.362	22,36%	114	1,87%	1.476	24,23%
Decreases	(1.248)	(20,50%)	(170)	(2,80%)	(1.418)	(23,30%)
Irrelevant costs with regard to the regional tax on productive activities			432	7,10%	432	7,10%
Effect variations fiscal percentage differences	(1.637)	(26,88%)	(232)	(3,81%)	(1.869)	(30,69%)
Effect variations for consolidation entries without fiscal effect	<u>2.002</u>	<u>32,87%</u>	<u>284</u>	<u>4,66%</u>	<u>2.286</u>	<u>37,54%</u>
Effective current and deferred taxes	2.154	35,34%	665	10,93%	2.818	46,29%

Theoretical taxable income corresponding to the result before taxes, equal to 6.089 thousand euro.

Ernst & Young

AUDITOR'S REPORT OF THE AUDITCOMPANY in compliance with art. 14 of Law Decree 27.1.2010, nr. 39

To the Shareholders of
Sipcam S.p.A.

1. We have concluded the audit of the consolidated financial statements of Sipcam S.p.A., closed on 31 December 2012. The responsibility for drawing up the financial statements resides with the directors of Sipcam S.p.A. The professional judgment on the financial statements as expressed in this report is our responsibility and is based on the audit.
2. Our examination has been conducted according to the principles issued by the National Council of business consultants and auditors and recommended by the Consob. In accordance with the aforesaid principles, the audit has been planned and carried out in order to obtain all components necessary to verify that the consolidated financial statements have not been vitiated by significant errors and that they, on the whole, result to be trustworthy. The audit procedure covers the examination on the basis of random sample checks of the evidence supporting the balance sheets and of the data contained in the financial statements. Furthermore, it involves an assessment of the adequacy and the correctness of the accounting criteria used and of the fairness of the estimates made by the directors. We believe that the work that has been carried out provides a reasonable basis for the expression of our professional judgment.

For the judgment regarding the consolidated financial statements of the previous accounting period, which data are presented for reasons of comparison, according to law requirements, we refer to the report issued by us on 26 June 2012.

- 3 The consolidated financial statements of the Sipcam Group. as of 31 December 2012, is in our opinion in compliance with the principles applied for the drawing up and is therefore clearly drawn up and it truthfully and correctly represents the economical and financial status and the economical result of the Company.
4. As reference to information we point out what is related in the management report at the paragraph "Liquidity risk" regarding the industrial project 2012-2015 that forecasts positive results for the entire project period and underlines a situation of financial stress connected with the significant needs of flowing capital. The Directors illustrate the actions specified to face the foreseen financial needs and the requirements on the basis of which they have drawn the financial statements in the prospective of the company continuation.
- 5 The responsibility of the drawing-up of the report on the management, in conformity of the provisions of law, competes to the directors of Sipcam S.p.A. It is our responsibility to express the judgment on the consistency of the report on the management with the financial statements, as requested by art. 2409-ter, sub-section 2, letter e), of the [Italian] Civil Code. Therefore, we have carried out the procedures indicated by the revision principle n. 001, issued by the National Council of business consultants and auditors. To our opinion the report on the management is coherent with the consolidated financial statements of the Sipcam Group as of 31 December 2012.

Milan, 12 June 2013

Reconta Ernst & Young S.p.A.

Renato Macchi
(Partner)