

SIPCAM

**CONSOLIDATED FINANCIAL STATEMENTS
2013**

SIPCAM

CONSOLIDATED FINANCIAL STATEMENTS as of 31 December 2013

SIPCAM

SIPCAM S.p.A.

Management and Offices

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Registered Office

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20123 Milan
Joint-stock company
Share capital
Euro 9.930.000,00
wholly paid-up
Register of Companies Milan
Tax-payers' code 00777490152
Econ.-Adm. Repertory Milan 343650
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Board

	office
Gagliardini Nadia	P
Caccia Dominioni Gerolamo	VP
Affaba Giovanni	MD
Ciocca Francesco	C
Ciocca Paolo	C
Gagliardini Giorgio	C
Liviero Roberto	C

Board of auditors

	office
Domenici Clemente	P
Celli Massimo	RA
De Giorgi Giorgio	RA
Salom Maurizio	AA
Ratti Francesco	AA

Report of the Board of Directors on the management

Dear shareholders,

The market of conventional agro-pharmaceutical products, that is to say not including the genetically modified seeds, has reached in 2013, according to the valuations supplied by the survey company Philips McDougall, a value of about 52,7 billion US\$ (at distribution level), with an increase of 11,2% with respect to 2012.

The sections of the insecticides (+12%) and herbicides (+11,5%) have shown the highest growth, leaving the fungicides section slightly below the average (+10,4%). The factors that have mainly contributed to the growth of the market value have been the price of the Glyphosate herbicide (that represents on its own about 10% of the entire market value) and has stabilized itself on a higher level with respect to the previous year and the maintenance of the high prices for the most important agricultural products and the consolidation of the American Dollar.

Good weather conditions have generally promoted the use of agro-pharmaceutical products in the second semester, thus contributing to the substantial disposal of the stock surplus produced last year at the distribution channels.

The European market in 2013 has confirmed itself on a value of about US\$ 13,6 billion (+9,5,6% with respect to 2012); more particularly, the market has been supported by the delayed start of the winter season influencing the sowing times in northern Europe, producing however favorable weather conditions in southern Europe. East-central Europe has been disadvantaged by a rigid winter, but has benefitted from favorable weather conditions during the summer and better economic conditions.

The North-American market, with a turnover of about 9,9 billion US\$ (+7,8% with respect to 2012), has had a delayed start of season that has mainly influenced the sowing times of corn and soy; however, during the summer months, favorable growing conditions have allowed the recovery of the cultivations in the “corn belt” of the United States and in Canada.

The highest growth of the market has been realized in South-America (+26,9%, more than 14,5 billion US\$) with regard to 2012, becoming the first market worldwide. The main factors have been the economic growth and the high prices of the cultivations resulting from the growing demand of corn, soy and sugar cane. This in spite of a rainy start of the season and despite of the fact that the inflation and the commercial conditions were particularly difficult.

The Asian market, with its 12,6 thousand US\$ (+1,3% with respect of 2012) drops to the third position worldwide after Latin America and Europe. China, Indonesia and India remain the main motors of the Asiatic market in terms of local currency, in spite of the impact of the floods in the south of China and, more in general, of the monsoons of a more than average intensity; unlike those countries, Australia however had to cope with the effects of drought.

Finally, among the factors affecting the local market, the price decrease of palm oil and the price increase of glyphosate have to be taken into account. The Japanese market that has shown a stable recovery after the fall in 2011 caused by the effects of the tsunami, results to be growing with regard to the local currency but not in terms of American dollars.

In 2013 the number of acquisitions of products or of branch companies has been significantly lower with respect to the last years and is concentrated on the purchase, by the principal multinationals of the branch, of medium-small companies specialized in the segment of the biological agro-pharmaceutical products. Furthermore, none of the finalized operations in 2013 has been of relevant importance in view of the consolidation of the branch.

It seems that the international financial crisis, especially in the United States and in the northern European countries has reduced its negative effects, while we are assisting a stabilization of the growth rates in countries of recent industrialization (BRICS).

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

In this European context, in 2013, 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, especially Nihon Nohyaku. The results have been satisfying and confirm the strategic validity of the European alliance with Sumi Agro and Nihon Nohyaku as minority shareholders in Sipcam Europe, initiating its second year of existence with good economic results. Simultaneously the subsidiary Sumi Agro Ltd has also achieved positive results.

The result of the Brazilian company, Sipcam UPL Brasil S.A., has been influenced by a good trend of the sales allowing to account higher margins with respect to the previous year. Vice versa the losses on exchanges rates as a result of a strong devaluation of the local currency with respect to the American dollar have influenced in a negative way the result of the company.

The Argentinian company Agromax S.A., although it had to face a difficult political and economic national situation, has achieved essentially break-even 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 obtained in distribution from the Japanese partners.

The development and registration activities in China have been continued as planned, through the subsidiaries of Sipcam Asia S.r.l. 2013 has been the first selling year of agro-pharmaceutical products because the first registrations of agro-pharmaceutical products have been obtained that have supported the sales of special fertilizers, started in 2012.

In the accounting period 2013, Your Group has realized sales amounting to Euro 254 million against Euro 243 million of the previous year (+ 4,5%). The net operating margin of the accounting period is positive and amounts Euro 16,9 million after amortizations amounting to Euro 6,7 million, and with respect to the result of Euro 15,7 million of 2012 it has slightly increased.

The net profit of the group has been Euro 1,2 million with respect to Euro 2,4 million of 2012, after payment of taxes regarding the accounting period of Euro 2,1 million.

This result is affected by considerable losses on exchange rates against the devaluation of the American and Australian dollar amounting to Euro 4,0 million with respect to Euro 1,3 million of the previous year.

We report a substantial stability of the current assets against an increase of stock amounting to about Euro 10,1 million and an equal decrease (9,7 million) of credits towards clients. The net financial position of the Group decreases of about Euro 8,4 millions, especially caused by loans received for the construction of the plants dedicated to the production of energy out of biogas.

PURCHASES

The total value of purchases realized has been about 170 million Euro, against 151 Euro in 2012; 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 2013, 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 8,3 million Euro in tangible assets of which 4,6 million Euro coming from the Company Cervignano Energia Società Agricola a r.l., entered into the consolidation area in the present accounting period, more than 0,5 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	2013	2012
Oxon Italia S.p.A.	8,0	6,5
Others	<u>0,2</u>	<u>0,3</u>
Total	8,2	6,8
Purchases from allied companies	2013	2012
Oxon Italia S.p.A.	<u>39,1</u>	<u>46,2</u>
Total	39,1	46,2
Credits towards allied companies	2013	2012
Oxon Italia S.p.A.	<u>4,8</u>	<u>4,9</u>
Total	4,8	4,9
Debts towards allied companies	2013	2012
Oxon Italia S.p.A.	<u>19,2</u>	<u>24,4</u>
Total	19,2	24,4

EMPLOYMENT, INTERNAL RELATIONS AND INDUSTRIAL RELATIONS.

Personnel inscribed as of 31/12/2013 amounts in total to 533 persons of which 44 managers, 283 cadres/staff and 206 workman.

TREND OF THE PRINCIPAL ALLIED COMPANIES

Oxon Italia S.p.A has realized proceeds to the amount of 129,7 million Euro and the profits of the accounting period has been 34 million Euro.

IMPORTANT FACTS TAKEN PLACE AFTER THE CLOSE OF THE ACCOUNTING PERIOD

In the first months of 2014 the bond debt has been completed, issued in November of 2013 with the subscription of the remaining lacking sum of Euro 0,4 million.

In the month of March the previous bond debt of Euro 3,25 million expiring on 31/03/2014 for a period of more than two years. Contemporarily another bond debt has been issued up to 1 million Euro due on 31/03/2016 against a yearly gross rate of 9%, the loan consist of 40 bonds with a nominal value of Euro 25 thousand and on today's date it is completely subscribed.

In the month of May, based on the proposal by Isagro, the Group Leader has finalized a sales operation with a value of Euro 1,8 million of the shares possessed by the Company in Holdisa S.r.l., with payment of the amount due by means of assignment of Isagro Development Shares.

Finally, the Group Leader is finalizing con UPL the purchase of the remaining 50% of the shares in the Brazilian Joint-Venture Sipcam UPL Brasil from the other shareholder. In the end various operations have been realized, of which some are already in an advanced finalization phase aimed at the achievement of new sources of finance.

EVOLUTION OF THE MANAGEMENT

The trend of the sales in the first part of 2014 show a positive trend, especially in southern Europe and in Australia, thanks to particularly favorable weather conditions. The Argentinian market suffers because of the persisting political economic instability and the Brazilian market is selling out the high stock level in the distribution channel.

The activities in China are in line with the positive budget targets. We believe, supported by the first European results, that with the stabilization of the market conditions in Brazil. the positive budget results can be fulfilled.

REPORT ON PRIVACY

In compliance with Legislative Decree 196 of 30/06/2003, we inform You 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)

2013	2012
1,8%	3,4%

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

2013	2012
6,3%	6,3%

Financial independency (net worth on total receivables)

2013	2012
24,7%	25,9%

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 of the Group 2014-2017 (the “Project”) that forecasts a positive economic result for the whole period and that highlights a situation of financial needs connected with the financing of working capital and expected investments. The directors have already started, and plan on finalizing in the coming months, various operations for the settlement of new financing lines aimed to satisfy the financial needs expected in the project in order to provide the Group with a patrimonial-financial structure in coherence with the provisions of expected financial balance.

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 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 regarding agreements of a remaining amount of Euro 1,5 million, 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 guarantees 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 adjustments.

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 2014

The Board Of Directors

CONSOLIDATED FINANCIAL STATEMENTS AS OF 31/12/2013 - SIPCAM GROUP

STATEMENT OF ASSETS AND LIABILITIES

	As of 31-12-2013	As of 31-12-2012
ASSETS	<u>273.899.064</u>	<u>269.753.669</u>
A) CREDITS GRANTED TO SHAREHOLDERS FOR PAYMENTS DUE	0	0
B) FIXED ASSETS	<u>70.375.164</u>	<u>67.688.121</u>
Current Previous		
of which granted in financial leasing 0 0		
B) FIXED ASSETS	10.242.824	12.353.370
1) COSTS OF PLANTS AND EXPANSION	436.872	540.154
2) RESEARCH, DEVELOPMENT AND ADVERTISING COSTS	5.679.358	5.924.694
3) FEES FOR INDUSTRIAL PATENTS & EXPLOITATION OF INTELLECTUAL PROPERTY	151.594	149.681
4) CONCESSIONS, PERMITS, TRADEMARKS AND SIMILAR FEES	941.628	1.142.480
5) CONSOLIDATION DIFFERENCE	1.978.624	3.068.516
7) OTHER	1.054.748	1.527.845
II- TANGIBLE FIXED ASSETS	40.816.434	36.511.953
1) LAND AND BUILDINGS	21.151.426	22.228.706
2) PLANTS AND MACHINERY	15.091.314	9.676.185
3) INDUSTRIAL AND COMMERCIAL EQUIPMENT	2.022.344	2.261.436
4) OTHER GOODS	1.501.042	1.631.469
5) CURRENT FIXED ASSETS AND ADVANCES	1.050.308	714.157
III- LONG-TERM INVESTMENTS	19.315.906	18.822.798
1) PARTICIPATIONS IN:	15.116.412	14.728.798
<i>PARTICIPATIONS IN NON CONSOLIDATED COMPANIES OF THE GROUP</i>	<i>181.382</i>	<i>65.400</i>
b) ALLIED COMPANIES	8.639.387	7.923.226
d) OTHER COMPANIES	6.295.643	6.740.172
2) CREDITS:	1.573.494	1.468.000
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
4) OWN SHARES	2.626.000	2.626.000

	As of 31-12.2013	as of 31-12.2012
C) FLOATING ASSETS	<u>202.721.899</u>	<u>201.352.015</u>
I – STOCK	58.556.544	48.494.275
1) RAW, SUBSIDIARY AND CONSUMABLE MATERIALS	18.726.615	14.048.529
2) WORK-IN-PROCESS AND SEMI-FINISHED PRODUCTS	286.443	476.505
4) FINISHED PRODUCTS AND GOODS	35.076.400	28.998.464
5) ADVANCES	4.467.086	4.970.777
II- CREDITS	127.543.181	135.921.503
	Current	Previous
Sums falling due after the end of the next accounting period	0	0
1) TO CLIENTS	0	0
<i>TOWARDS NOT CONSOLIDATED COMPANIES OF THE GROUP</i>	0	0
3) TO ALLIED COMPANIES	0	0
4 bis) FISCAL CREDITS	0	0
4 ter) ANTICIPATED TAXES	0	0
5) TO OTHERS	0	0
III FINANCIAL ASSETS NOT BEING FIXED ASSETS	716	716
6) OTHER SECURITIES	716	716
IV – LIQUID ASSETS	16.621.458	16.935.521
1) BANK AND POSTAL DEPOSITS	15.898.691	16.111.462
2) CHECKS	646.895	729.831
3) MONEY AND VALUES ON HAND	75.872	94.228
<u>D) ACCRUALS AND DEFERRALS</u>	<u>802.001</u>	<u>713.533</u>
1) ACCRUALS AND DEFERRALS	802.001	713.5330
TOTAL ASSETS	273.899.064	269.753.669

	As of 31-12-2013		as of 31-12-2012	
LIABILITIES AND IDEAL PARTS OF NET ASSETS			<u>273.899.064</u>	<u>269.753.669</u>
<i>A) TOTAL NET ASSETS</i>			<i><u>78.385.235</u></i>	<i><u>79.972.705</u></i>
<i>NET ASSETS OF THE GROUP</i>			<i><u>67.737.375</u></i>	<i><u>69.884.432</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	2.262.530
IV – LEGAL RESERVE			892.190	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	1	-2	5.211.101	5.211.097
VIII – PROFIT (LOSS) BROUGHT FORWARD			37.417.593	35.152.789
<i>PROFIT (LOSS) OF THE ACCOUNTING PERIOD OF THE GROUP</i>			<i>1.190.782</i>	<i>2.353.082</i>
<i>CONVERSION RESERVES</i>			<i>-1.232.995</i>	<i>2.086.456</i>
<i>CONSOLIDATION RESERVES</i>			<i>4.378.676</i>	<i>4.396.290</i>
<u>NET ASSETS OF THIRD PARTIES</u>			<u>10.647.860</u>	<u>10.088.273</u>
<i>CAPITAL AND RESERVES OF THIRD PARTIES</i>			<i>9.863.409</i>	<i>9.169.546</i>
<i>PROFIT(LOSS) OF THE ACCOUNTING PERIOD BELONGING TO THIRD PARTIES</i>			<i>784.451</i>	<i>918.727</i>
<u>B) RISKS AND EXPENSES FUNDS</u>			<u>2.746.304</u>	<u>2.709.546</u>
1) PENSION FUNDS AND SIMILAR OBLIGATIONS			493.427	444.361
2) FUNDS FOR TAXES (also for deferred taxes)			818.182	375.550
3) OTHER FUNDS			1.434.695	1.889.635
<u>C) SEVERANCE INDEMNITY SUBORDINATE EMPLOYMENT</u>			<u>2.892.050</u>	<u>3.044.822</u>
D) DEBTS	Current	Previous	<u>185.458.211</u>	<u>180.452.312</u>
Falling Due After The End Of The Next Accounting Period	<u>24.880.420</u>	<u>16.455.673</u>		
1) OBLIGATIONS	4.825.000	3.250.000	4.825.000	3.250.000
4) DEBTS TO BANKS:	19.495.420	13.205.673	89.265.725	87.242.275
5) DEBTS TO OTHER FINANCIERS	560.000	0	4.790.157	296.179
6) ADVANCES	0	0	76.381	324.224

			As of 31-12-2013	as of 31-12-2012
7) DEBTS TO SUPPLIERS	0	0	58.637.515	52.978.266
10) DEBTS TO ALLIED COMPANIES	0	0	19.222.043	24.379.272
12) FISCAL DEBTS:	0	0	2.280.027	4.025.798
13) DEBTS TO SOCIAL SECURITY INSTITUTIONS	0	0	1.177.397	1.185.259
14) OTHER DEBTS	0	0	5.183.966	6.771.039
<u>E) ACCRUED LIABILITIES AND DEFERRED INCOME</u>			<u>4.417.264</u>	<u>3.574.284</u>
1) ACCRUED LIABILITIES AND DEFERRED INCOME			4.417.264	3.574.284
TOTAL LIABILITIES AND IDEAL PART OF NET ASSETS			273.899.064	269.753.669
SECURITIES GRANTED FOR SURETIES			22.834.692	26.862.816
SECURITIES GRANTED FOR ENDORSEMENTS			31.653.190	32.673.071
COLLATERAL SECURITIES GRANTED			39.440.000	49.440.000
OTHER SUSPENSE ACCOUNTS			23.413.199	25.811.007
LEASE/RENTAL OBLIGATIONS			1.359.362	1.365.256
CONTRACT DERIVATIVES			18.928.571	23.336.748
OUTSTANDING PORTFOLIO			2.879.847	1.109.003
FACTOR ON TRANSFERS WITH RECOURSE			245.419	0

PROFIT AND LOSS ACCOUNT	as of 31-12-2013	as of 31-12-2012
<u>A) PRODUCTION VALUE</u>	<u>266.927.775</u>	<u>251.301.544</u>
1) PROCEEDS OF SALES AND SERVICES	254.366.627	243.494.073
2) VARIATIONS IN STOCKS OF WORK-IN-PROCESS, SEMI-FINISHED AND FINISHED PRODUCTS	8.918.443	-1.448.094
4) INCREASE FIXED ASSETS FOR INTERNAL WORK	86.408	26.095
5) OTHER PROCEEDS AND REVENUES	3.556.297	9.229.470
<u>B) PRODUCTION COSTS</u>	<u>250.020.768</u>	<u>235.564.686</u>
6) RAW, SUBSIDIARY AND CONSUMABLE MATERIALS AND GOODS	169.662.299	150.834.437
7) SERVICES	36.993.605	36.397.045
8) FOR ENJOYMENT OF GOODS OF THIRD PARTIES	2.600.012	2.451.643
9) EMPLOYMENT:	31.166.613	31.401.739
a) WAGES AND SALARIES	23.088.816	22.660.946
b) SOCIAL CHARGES	5.667.301	6.030.349
c) SEVERANCE INDEMNITY	806.409	849.220
d) PENSIONS AND SIMILAR	242.512	433.575
e) OTHER COSTS	1.361.575	1.427.649
10) AMORTIZATIONS AND DEVALUATIONS	8.480.257	7.425.681
a) AMORTIZATIONS OF INTANGIBLE FIXED ASSETS	2.631.517	2.643.479
b) AMORTIZATIONS OF TANGIBLE FIXED ASSETS	4.043.967	3.518.308
c) OTHER DEVALUATIONS OF ASSETS	726	806
d) DEVALUATION OF CREDITS INCLUDING IN THE FLOATING ASSETS AND OF THE AVAILABLE LIQUID ASSETS	1.804.047	1.263.088
11) VARIATIONS IN STOCKS OF RAW, SUBSIDIARY AND CONSUMABLE MATERIALS AND GOODS	-4.191.493	801.389
12) PROVISIONS FOR RISKS	0	24.000
13) OTHER PROVISIONS	60.609	219.481
14) VARIOUS OPERATING EXPENSES	5.248.866	6.009.271
DIFFERENCE BETWEEN VALUE AND COSTS OF PRODUCTION	16.907.007	15.736.858
<u>C) FINANCIAL INCOME AND EXPENSES</u>	<u>-11.837.536</u>	<u>-10.518.922</u>
15) INCOME FROM PARTICIPATIONS	157.739	95.850
16) OTHER FINANCIAL INCOME	2.710.876	2.205.522

			As of 31-12-2013	as of 31-12-2012
a) FROM CREDITS ENTERED AS FIXED ASSETS			20.340	28.695
	Current	Previous		
Allied Companies	11.156	11.211		
b) FROM TIED UP SECURITIES OTHER THAN PARTICIPATIONS			0	11.220
d) FINANCIAL INCOME OTHER THAN MENTIONED ABOVE:			2.690.536	2.165.607
	Current	Previous		
Allied Companies	186.362	223.676		
17) INTEREST AND OTHER EXPENSES			10.689.133	11.521.464
	Current	Previous		
Allied Companies	157.780	115.552		
17- bis) (PROFITS) AND LOSSES ON EXCHANGES			-4.017.018	-1.298.830
<u>D) VALUE-ADJUSTMENT OF FINANCIAL ASSETS</u>			<u>-538.713</u>	<u>-107.920</u>
18) REVALUATIONS			108.765	570.240
a) OF PARTICIPATIONS			108.765	570.240
19) DEVALUATIONS			647.478	678.160
a) OF PARTICIPATIONS			647.478	678.160
<u>E) EXTRAORDINARY INCOME AND EXPENSES</u>			<u>-433.452</u>	<u>979.326</u>
20) PROCEEDS			1.629.000	2.822.115
	Current	Previous		
Capital Gains Due To Transfers Not Entered At N. 5	1.562.770	2.298.493		
21) EXPENSES	Current	Previous	2.062.452	1.842.789
Capital Loss Due To Transfers Not Entered At N. 14	3.042	0		
Taxes Concerning Previous Accounting Periods	1.007.285	538.955		
RESULT BEFORE TAXES			4.097.306	6.089.342
22) INCOME TAX OF THE ACCOUNTING PERIOD			2.122.073	2.817.533
a) Current Taxes			2.629.768	3.009.779
b) Deferred Taxes			129.296	338.661
c) Anticipated Taxes			-636.991	-530.907
<i>PROFIT (LOSS) OF THE ACCOUNTING PERIOD</i>			<i>1.190.782</i>	<i>2.353.082</i>
<i>PROFIT (LOSS) OF THE ACCOUNTING PERIOD APPORTIONED TO THIRD PARTIES</i>			<i>784.451</i>	<i>918.727</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. joins 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 involved.

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 = 0,7530/end period	= 0,7251
Pound sterling	year average = 1,1774/end period	= 1,1995
Swiss franc	year average = 0,8123/end period	= 0,8146
Australian dollar	year average = 0,7258/end period	= 0,6484
Brazilian Real	year average = 0,3486/end period	= 0,3070
Argentinean Peso	year average = 0,1374/end period	= 0,1112

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 Sipcam 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 toxic 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. The registration of products se assets are amortized over a period of five years and the trademarks over ten 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 31/12/2013 results to be equal to Euro 1.847,-

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 132,-.

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 31/12/2013, 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 31/12/2013, 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 two changes with respect to the previous year:

Subsidiaries

- The company Sipcam Jardin S.L. leaves the consolidation area being considered of modest economic and patrimonial contribution;
- The company Cervignano Energia Società Agricola a r.l. joins the consolidation area not being considered anymore of modest economic and patrimonial contribution pursuant to the beginning of activities;

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: **SIPCAM 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 1.190.000.-
Status: Italian subsidiary
Directly held shares: 68,77%

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 S.p.A.**
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 8.080.403,-
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 81.460,-
Status: foreign subsidiary
Indirectly held shares: 100% by Sipcam 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 Sipcam 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 843.545,-
Status: foreign subsidiary
Indirectly held shares: 65% by Sipcam 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 Sipcam Nederland Holding N.V.

Company: **AGROMAX S.A.**

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

Share capital: Ars 390.000,- = Euro 43.386,-

Status: foreign subsidiary

Indirectly held shares: 74,87% by Sipcam Nederland Holding N.V.

Subsidiary companies held indirectly through 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.

Subsidiary companies held indirectly through Biosviluppo S.r.l.

Company: **CERVIGNANO ENERGIA S.A. a.r.l.**

Registered office: Milan – Via Ausonio, 4

Share capital: Euro 60.000,-

Shares held: 94%

Estimate on financial statements: Euro 56.400,-

Indirectly held shares: 64,64% by Biosviluppo S.r.l.

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 44.549.361,-

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.

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

LIST OF THE SUBSIDIARY COMPANIES CONSOLIDATED WITH THE EQUITY METHOD

Allied companies held indirectly through Sipcam Inagra S.A.

Company: **SIPCAM JARDIN S.L.**

Registered office: Valencia (Spain) Calle Prof. Bertran Baguena 5

Share capital: Euro 9.231,-

Status: foreign subsidiary

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

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 31/12/2013: Euro 1.204.243,-

Book value: Euro 386.903,-

Directly held shares: 35%

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 31/12/2013: Euro 54.912.602,-
Status: allied company
Indirectly held shares: 14,179%

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

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

Registered office: Room 1102, 88 Guangxin Road, Putuo District, Shanghai (People's Republic of China)
Net assets as of 31/12/2013: Cny 10.253.304,-
Status: allied company
Indirectly held shares: 50,00%

Company: **SIPCARN CROP. SCIENCE (WUXI) Co. Ltd**

Registered office: Floor 9, Block E, No 9, East Outer Ring Road, Jiangyin City, Wuxi City, Jiangsu Province, China (People's Republic of China)
Net assets as of 31/12/2013: Cny 10.000.000,-
Status: allied company
Indirectly held shares: 50,00%

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 31/12/2013: Euro 180.392,-
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 31/12/2013: Euro (590.414),-
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 0,-
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 1.000,-
Indirectly held shares: 99% through Sipcarn Nederland Holding N.V.

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 Caldera n. 21

Net assets of the Group as of 30/06/2013: Euro 5.844.000,-

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 31/12/2013: Euro (34.353),-

Book value: Euro 168.995,-

Directly held shares: 18,34%

Company: **SUMI AGRO LIMITED**

Registered office: Vinters’ Place 68 Upper Thames Street – London (United Kingdom)

Net assets as of 31/12/2013: Euro 49.722.000,-

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 437,- and have been decreased with respect to the previous accounting period with Euro 103,-, 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 5.679,- and have been decreased with respect to the previous accounting period with Euro 246,-, 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	2013	2012
Sipcam S.p.A.	172	445
Sipcam Europe Group	1.242	844
Sipcam UPL Brasil S.A.	2.996	3.294
Sipcam Pacific Pty Ltd	1.269	1.330
Others	<u>0</u>	<u>12</u>
Total	5.679	5.925

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 2.996,- and Euro 1.269,-- regarding Sipcam Pacific Australia Pty Ltd and Euro 1.242,-- regarding the Sipcam Europe Group and Euro 172,-- regarding the Group Leader Sipcam S.p.A..

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

- Insecticides/Mite destructors	165
- Biologic insecticides	<u>7</u>
Total	172

Industrial patent fees and exploitation of intellectual property

These costs amount to Euro 152,- and have been increased with respect to the previous accounting period with Euro 2,-, amortizations deducted.

The remaining value is allocated to the following companies:

Company	2013	2012
Sipcam Pacific Pty Ltd	101	77
Sipcam Inagra S.A.	30	47
Sipcam UPL Brasil S.A.	<u>21</u>	<u>26</u>
Total	152	150

Concessions, permits, trademarks and similar fees

These costs amount to Euro 942,- have been decreased with respect to the previous accounting period with Euro 200,-, amortizations deducted.

The detailed composition of the entry is as follows:

Company	2013	2012
Sipcam S.p.A.	202	271
Sipcam Europe Group	36	14
Sipcam Inagra S.A.	42	55
Sipcam Pacific Pty Ltd	<u>662</u>	<u>802</u>
Total	942	1.142

Consolidation difference

This entry amounts to Euro 1.979,- and has been decreased with respect to the previous accounting period with Euro 1.089,- in consequence of the effect of the amortization of the accounting period.

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
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S.N.H. N.V. Sipcaml UPL Brasil S.A.	9.486	(6.691)	(948)	1.847
S.N.H. N.V. Agromax S.A.	555	(282)	(141)	132
TOTAL	10.041	0	(6.973)	1.979

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

Other fixed assets

These assets amount to Euro 1.055- and have been decreased with respect to the previous accounting period with Euro 473,-. The amount results to be allocated as follows:

Company	2013	2012
Sipcam S.p.A.	172	230
Sipcam Nederland Holding N.V.	810	1.170
Biosviluppo S.r.l.	44	88
Others	<u>29</u>	<u>40</u>
Total	1.055	1.528

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.; as well as the file of an agriculture pharmaceutical product taken over from the liquidation of J.V. Isagro Sipcam International S.r.l. within Sipcam Nederland Holding N.V. and finally the feasibility studies on the Biosviluppo project with regard to the company of the same name.

TANGIBLE FIXED ASSETS

Land and buildings

The entry amounts to Euro 21.151,- and has been decreased with respect to the previous accounting period with Euro 1.079,-. We specify that the decrease for the amount of Euro 65,- is caused by the Group Leader Sipcam S.p.A. and for the amount of Euro 130,- by the Spanish subsidiary Sipcam Inagra S.A. regarding improvements made after deduction of amortizations of the period. The transactions of the accounting period are as follows:

- Inclusion in the consolidation area of Cervignano Energia	12
- Transfers / Devaluations	(34)
- Purchases of the accounting period	195
- Reclassifications	25
- Amortizations of the accounting period	(792)
- Conversion difference	<u>(485)</u>
Total	(1.079)

The entry results to be allocated to the following companies, proprietors of the respective production sites, warehouses and commercial offices with the exception of Cervignano Energia:

Company	2013	2012
Sipcam S.p.A.	12.991	13.377
Sipcam Europe Group	713	763
Sipcam UPL Brasil S.A.	2.320	2.927
Cervignano Energia Soc. Agricola a r.l.	11	0
Sipcam Inagra S.A.	<u>5.116</u>	<u>5.162</u>
Total	21.151	22.229

Plants and machinery

These assets amount to Euro 15.091,- and have been increased with Euro 5.415,-, amortizations deducted. The amount results to be allocated to the following manufacturing companies:

Company	2013	2012
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Sipcam S.p.A.	5.137	4.754
Sipcam UPL Brasil S.A.	1.953	2.417
Sipcam Inagra S.A.	2.665	2.505
Cervignano Energia Soc. Agricola a r.l.	<u>5.336</u>	<u>0</u>
Total	15.091	9.676

The adjustments in the accounting period 2013 have been as follows:

- Inclusion in de consolidation area of Cervignano Energia	4.571
- Purchases of the accounting period	3.624
- Transfers / Devaluations	(90)
- Utilization amortization fund	87
- Reclassifications	4
- Amortization of the accounting period	(2.395)
- Conversion difference	(386)
Total	5.415

Industrial and commercial equipment

This entry amounts to Euro 2.022,- and has been decreased with respect to the previous accounting period with Euro 238,- amortizations deducted. The composition of the entry is as follows:

Company	2013	2012
Sipcam S.p.A.	88	35
Sipcam Europe Group	23	30
Sipcam UPL Brasil	1.112	1.365
Sipcam Inagra S.A.	740	830
Cervignano Energia Soc. Agricola a r.l.	59	0
Others	<u>0</u>	<u>1</u>
Total	2.022	2.261

The adjustments in the accounting period 2013 have been as follows:

- Inclusion in de consolidation area of Cervignano Energia	65
- Purchases of the accounting period	251
- Transfers / Devaluations	(18)
- Utilization amortization fond	18
- Reclassifications	92
- Amortizations of the accounting period	(437)
- Conversion difference	<u>(209)</u>
Total	(238)

Other goods

This entry amounts to Euro 1.501,- and has been decreased with respect to the previous accounting period with Euro 130,-, amortizations deducted.

The amount results to be allocated to the following companies:

Company	2013	2012
Sipcam S.p.A.	28	40
Sipcam Europe Group	592	738
Sipcam Inagra S.A.	238	284
Sipcam Pacific Pty Ltd	331	411
Sipcam UPL Brasil	170	65
Others	<u>142</u>	<u>93</u>
Total	1.501	1.631

In this entry internal fittings and furniture, electric and electronic machines, internal means of transport, vehicles and cars owned are included, as well as all 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 1.050,- and has been increased with respect to the previous accounting period with Euro 336,-.

The amount results to be allocated as follows:

Company	2013	2012
Sipcam S.p.A.	703	576
Sipcam UPL Brasil S.A.	336	130
Sipcam Inagra S.A.	10	7
Others	<u>1</u>	<u>1</u>
Total	1.050	714

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 Europe Group	Sipcam UpI Brasil	Sipcam Pacific Australia	Cervignano Energia Soc. Agr.	Others	TOTALS
Historical cost	4	43		20	1.020		32	1.119
Conversion differences					161			161
Amortization fund	(4)	(43)		(5)	(656)		(32)	(740)
Balance as of 31/12/2012	0	0		15	525	0	0	540
Income/Expenses (cons. area)							87	87
Purchases accounting period								0
Transfers/devaluations								0
Utilization amort. fund								0
Reclassifications								0
Amortizations accounting period				(6)	(102)		(6)	(114)
Conversion differences					(76)			(76)
Total	0	0		9	347	0	81	0

Costs for research, development and advertising

Description	Sipcam S.p.A.	Sipcam Inagra S.A.	Sipcam Europe Group	Sipcam UpI Brasil	Sipcam Pacific Australia	Cervignano Energia Soc. Agr.	Others	TOTALS
Historical cost	8.133	256	1.161	3.702	1.498		499	15.249
Conversion differences				24	239			263
Amortization fund	(7.688)	(256)	(317)	(432)	(407)		(487)	(9.587)
Balance as of 31/12/2012	445	0	844	3.294	1.330	0	12	5.925
Income/Expenses (cons. area)								0
Purchases accounting period	132		800	316	353			1.601
Transfers/devaluations	(603)						(12)	(615)
Utilization amort. fund	246							246
Reclassifications								0
Amortizations accounting period	(48)		(402)	(61)	(203)			(714)
Conversion differences				(553)	(211)			(764)
Total	172	0	1.242	2.996	1.269	0	0	5.679

Fees for industrial patents

Description	Sipcam S.p.A.	Sipcam Inagra S.A.	Sipcam Europe Group	Sipcam UpI Brasil	Sipcam Pacific Australia	Cervignano Energia Soc. Agr.	Others	TOTALS
Historical cost		562		12	103		36	713
Conversion differences				19	23			42
Amortization fund		(515)		(5)	(49)		(35)	(604)
Balance as of 31/12/2012	0	47	0	26	77	0	1	151
Income/Expenses (cons. area)								0
Purchases accounting period					45			45
Transfers/devaluations								0
Utilization amort. fund								0
Reclassifications								0
Amortizations accounting period		(17)			(9)			(26)
Conversion differences				(5)	(13)			(18)
Total	0	30	0	21	100	0	1	152

Concessions, permits, trademarks and similar fees

Description	Sipcam S.p.A.	Sipcam Inagra S.A.	Sipcam Europe Group	Sipcam Upl Brasil	Sipcam Pacific Australia	Cervignano Energia Soc. Agr.	Others	TOTALS
Historical cost	2.203	219	27	15	609		6	3.079
Conversion differences					193			193
Amortization fund	<u>(1.932)</u>	<u>(164)</u>	<u>(14)</u>	<u>(15)</u>			<u>(5)</u>	<u>(2.130)</u>
Balance as of 31/12/2012	271	55	13	0	802	0	1	1.142
Income/Expenses (cons. area)								0
Purchases accounting period	46	13	43					102
Transfers/devaluations								0
Utilization amort. fund								0
Reclassifications								0
Amortizations accounting period	(115)	(26)	(21)					(162)
Conversion differences					(140)			(140)
Total	202	42	35	0	662	0	1	942

Consolidation difference

Description	Sipcam S.p.A.	Sipcam Inagra S.A.	Sipcam Europe Group	Sipcam Upl Brasil	Sipcam Pacific Australia	Cervignano Energia Soc. Agr.	Others	TOTALS
Historical cost	10.489							10.489
Conversion differences								0
Amortization fund	<u>(7.420)</u>							<u>(7.420)</u>
Balance as of 31/12/2012	3.069	0	0	0	0	0	0	3.069
Income/Expenses (cons. area)								0
Purchases accounting period								0
Transfers/devaluations								0
Utilization Amort. fund								0
Reclassifications								0
Amortizations accounting period	(1.090)							(1.090)
Conversion differences								0
Total	1.979	0	0	0	0	0	0	1.979

Current assets and advances

Description	Sipcam S.p.A.	Sipcam Inagra S.A.	Sipcam Europe Group	Sipcam Upl Brasil	Sipcam Pacific Australia	Cervignano Energia Soc. Agr.	Others	TOTALS
Historical cost								0
Conversion differences								0
Amortization fund								0
Balance as of 31/12/2012	0	0	0	0	0	0	0	0
Income/Expenses (cons. area)								0
Purchases accounting period								0
Transfers/devaluations								0
Utilization Amort. fund								0
Reclassifications								0
Amortizations accounting period								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 Europe Group	Sipcam Upl Brasil	Sipcam Pacific Australia	Cervignano Energia Soc. Agr.	Others	TOTALS
Historical cost	3.096	26	52				2.030	5.204
Conversion differences								0
Amortization fund	<u>(2.866)</u>	<u>(26)</u>	<u>(13)</u>				<u>(772)</u>	<u>(3.677)</u>
Balance as of 31/12/2012	230	0	39	0	0	0	1.258	1.527
Income/Expenses (cons. area)								0
Purchases accounting period	50						2	52
Transfers/devaluations								0
Utilization Amort. fund								0
Reclassifications								0
Amortizations accounting period	(108)		(12)				(405)	(525)
Conversion differences								0
Total	172	0	27	0	0	0	855	1.054
TOTAL INTANGIBLE ASSETS	2.525	72	1.313	3.364	2.031	81	857	10.243

TRANSACTIONS TANGIBLE ASSETS

Land and buildings

Description	Sipcam S.p.A.	Sipcam Inagra S.A.	Sipcam Europe Group	Sipcam Upl Brasil	Sipcam Pacific Australia	Cervignano Energia Soc. Agr.	Others	TOTALS
Historical cost	15.434	8.417		813	2.387			27.051
Conversion differences					1.342			1.342
Amortization fund	<u>(2.057)</u>	<u>(3.255)</u>		<u>(50)</u>	<u>(801)</u>			<u>(6.163)</u>
Balance as of 31/12/2012	13.377	5.162		763	2.928	0	0	22.230
Income/Expenses (cons. area)							12	12
Purchases accounting period	65	130						195
Revaluation								0
Transfers/devaluations					(34)			(34)
Utilization amort. fund								0
Reclassifications					25			25
Amortizations accounting period	(451)	(176)		(50)	(114)		(1)	(792)
Conversion differences					(485)			(485)
Total	12.991	5.116		713	2.320	0	11	21.151

Plants and machinery

Description	Sipcam S.p.A.	Sipcam Inagra S.A.	Sipcam Europe Group	Sipcam Upl Brasil	Sipcam Pacific Australia	Cervignano Energia Soc. Agr.	Others	TOTALS
Historical cost	37.475	9.200			3.257			49.932
Conversion differences					194			194
Amortization fund	<u>(32.722)</u>	<u>(6.695)</u>			<u>(1.033)</u>			<u>(40.450)</u>
Balance as of 31/12/2012	4.753	2.505		0	2.418	0	0	9.876
Income/Expenses (cons. area)							4.571	4.571
Purchases accounting period	1.456	920			124		1.124	3.624
Transfers/devaluations		(90)						(90)
Utilization amort. fund		87						87
Reclassifications					4			4
Amortizations accounting period	(1.073)	(757)			(206)		(359)	(2.395)
Conversion differences					(386)			(386)
Total	5.136	2.665		0	1.954	0	5.336	15.091

Industrial and commercial equipment

Description	Sipcam S.p.A.	Sipcam Inagra S.A.	Sipcam Europe Group	Sipcam Upl Brasil	Sipcam Pacific Australia	Cervignano Energia Soc. Agr.	Others	TOTALS
Historical cost	3.023	4.009	45	1.863	2		149	9.091
Conversion differences				46			1	47
Amortization fund	<u>(2.988)</u>	<u>(3.179)</u>	<u>(16)</u>	<u>(544)</u>	<u>(2)</u>		<u>(149)</u>	<u>(6.878)</u>
Balance as of 31/12/2012	35	830	29	1.365	0	0	1	2.260
Income/Expenses (cons. area)							65	65
Purchases accounting period	90	78	20	55			8	251
Transfers/devaluations		(18)						(18)
Utilization amort. fund		18						18
Reclassifications				92				92
Amortizations accounting period	(37)	(168)	(26)	(191)		(14)	(1)	(437)
Conversion differences				(209)				(209)
Total	88	740	23	1.112	0	59	0	2.022

Other assets

Description	Sipcam S.p.A.	Sipcam Inagra S.A.	Sipcam Europe Group	Sipcam Upl Brasil	Sipcam Pacific Australia	Cervignano Energia Soc. Agr.	Others	TOTALS
Historical cost	2.147	1.271	1.187	642	483		271	6.000
Conversion differences				74	121		2	197
Amortization fund	<u>(2.106)</u>	<u>(988)</u>	<u>(450)</u>	<u>(354)</u>	<u>(188)</u>		<u>(220)</u>	<u>(4.306)</u>
Balance as of 31/12/2012	40	283	737	362	416	0	53	1.891
Income/Expenses (cons. area)								0
Purchases accounting period		22	54	57	114	1	115	363
Transfers/devaluations	(1)	1			(122)		(23)	(145)
Utilization amort. fund	1				82		18	101
Reclassifications				82				82
Amortizations accounting period	(12)	(68)	(199)	(28)	(82)		(33)	(422)
Conversion differences				(303)	(77)		11	(369)
Total	28	238	592	170	331	1	141	1.501

Current fixed assets

Description	Sipcam S.p.A.	Sipcam Inagra S.A.	Sipcam Europe Group	Sipcam Upl Brasil	Sipcam Pacific Australia	Cervignano Energia Soc. Agr.	Others	TOTALS
Historical cost	576	7	1	130				714
Income/Expenses (cons. area)								0
Purchases accounting period	703	3	1	432				1.139
Transfers/devaluations								0
Utilization amort. fund								0
Reclassifications to other goods				(204)				(204)
Writing-off def. allocations acc.per.	(576)							(576)
Amortizations accounting period								0
Conversion differences				(22)				(22)
Total	703	10	2	336	0	0	0	1.051
TOTAL TANGIBLE ASSETS	18.946	8.769	1.330	5.892	331	5.407	141	40.816
TOTAL GENERAL	21.471	8.841	2.643	9.256	2.362	5.488	998	51.059

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 2013

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	6.893.600	19.000		(48.000)	6.864.000
Sipcam Asia S.r.l.	Sipcam Agro China	50,00	462.809	(327.957)		479.184	614.036
Sipcam Asia S.r.l.	Wuxi Crop	50,00		87.765		596.927	684.692
Sipcam S.p.A.	Serbios S.r.l.	35,00	386.903				386.903
Biosviluppo S.r.l.	Serravalla Energia	40,00	162.914	(139.802)		49.044	72.156
Biosviluppo S.r.l.	Mantova Energia	40,00	0				0
Total allied companies consolidated with the Equity Method			7.906.226	(360.994)	0	1.077.155	8.622.387

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			7.923.226	(360.994)	0	1.077.155	8.639.387

PARTICIPATIONS IN COMPANIES OF THE GROUP ACCOUNTING PERIOD 2013

Consolidated with the equity method

Participant	Participated company	% possess	Value as of 31/12/2012	Transactions 2013	Value as of 31/12/2013
Sipcam Inagra S.A.	Sipcam Jardin	55,00	0	177.382	177.382
			0	177.382	177.382

Consolidated at cost price

Participant	Participated company	% possess	Value as of 31/12/2012	Transactions 2013	Value as of 31/12/2013
S.N.H. N.V.	Sipcam Southern Africa		0		0
	Sipcam Agro Chile	90,00	4.000	(4.000)	0
	Sipcam Agro Colombia	90,00	2.000		2.000
	Sipcam Magyarorszag	95,00	0		0
	Sipcam Agricola S.A.	99,00	2.000	(1.000)	1.000
	Sipcam East Africa	60,00	1.000		1.000
			9.000	(5.000)	49.000
TOTAL COMPANIES OF THE GROUP			9.000	172.382	181.382

PARTICIPATIONS IN OTHER COMPANIES ACCOUNTING PERIOD 2013

Consolidated at cost price

Participant	Participated company	% possess	Value as of 31/12/2012	Transactions 2013	Value as of 31/12/2013
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.	14,67	165.995	3.000	168.995
	Cassa Rurale Art.		4.907		4.907
	Laudense BCC				
	Bcc Barlassina			155	155
	Gowan Italia S.p.A.	15,00	447.212	(447.212)	0
	Sumi Agro Japan	10,00	3.719.790		3.719.790
			6.631.630	(444.057)	6.187.573
S.N.H. N.V.	Phyteurop S.A.	1,00	86.000		86.000
Sipcam UPL Brasil	Campo impo		2.774	(472)	2.302
Sipcam Inagra S.A.	Inagra Algeria Sarl		19.768		19.768
PARTICIPATION IN OTHER COMPANIES			6.740.172	(444.529)	6.295.643

FINANCIAL CREDITS

These credits amount to Euro 1.573,- and have been increased with respect of the previous accounting period with Euro 105-. The composition of the entry is as follows:

	2013	2012
Financial credits towards allied companies		
Sipcam Nederland Holding N.V.	642	635
Biosviluppo S.r.l.	<u>931</u>	<u>360</u>
Total	1.573	995
Financial credits towards subsidiaries and non-consolidated companies		
Biosviluppo S.r.l.	0	470
Total	0	470
Financial credits towards other companies		
Sipcam S.p.A.	0	3
Total	0	3
Total general	1.573	1.468

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 642,-- 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 Soc. Agricola a r.l. for Euro 411,- and loan granted to Mantova Energia Soc. Agricola a r.l. for Euro 520,--, in total Euro 931,-.

STOCK

This item regards raw materials, finished products and merchandise amounting to Euro 58.557,- and have been increased with respect to the previous accounting period with Euro 10.063,-. We notice a substantial increase of the closing stock regarding Sipcam S.p.A., and regarding the subsidiaries of the Sipcam Europe Group, Sipcam UPL Brasil S.A. and Sipcam Inagra S.A.

This relevant increase is justified, with regard to the Italian companies, by the preparation of the launch of a new product with expected sale in the first months of 2014, with regard to the Spanish company by the increase of turnover while, with regard to the Brazilian company, it is owed to the temporarily difficulties on its market because of an excess of product in the distribution channel

Company	2013	2012	Difference
Sipcam S.p.A.	7.625	4.525	3.100
Sipcam Europe Group	28.788	22.934	5.854
Sipcam Inagra S.A.	7.440	5.483	1.957
Agroqualità France Eurl	145	155	(10)
Sipcam UPL Brasil S.A.	8.294	6.539	1.755
Sipcam Pacific Pty Ltd	4.441	6.377	(1.936)
Sipcam Jardin	0	648	(648)
Agromax S.A.	1.483	1.833	(350)
Cervignano Energia	341	0	341
TOTAL	58.557	48.494	10.063

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

Description	2013	2012
Raw materials	18.272	14.049
Semi-finished products	286	477
Finished products	39.544	33.968
Total	58.557	48.494

The value results to be rectified by a fund of obsolete products equal to Euro 700,-, 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 97.991,- and have been decreased with respect to the previous accounting period with Euro 9.368,- which compensates, in terms of decrease of the working capital, the increase of the stock specified above.

In the following table the composition of the credits of the accounting period 2013 and of the previous accounting period is displayed:

COMPANY	2013	2012	Difference
Sipcam S.p.A.	5.465	7.370	(1.905)
Sipcam Europe Group	53.276	58.795	(5.519)
Sipcam Inagra S.A.	2.200	2.208	(8)
Agroqualità France Eurl	1.165	774	391
Sipcam UPL Brasil S.A.	25.493	26.763	(1.270)
Sipcam Pacific Pty Ltd	4.310	5.759	(1.449)

Sipcam Jardin	0	246	(246)
Agromax S.A.	5.702	5.440	262
Cervignano Società Agricola a r.l.	380	0	380
Others	<u>0</u>	<u>4</u>	<u>(4)</u>
Total	97.991	107.359	(9.368)

The credit amounts towards clients has been entered after deduction of the relative fund devaluation credits. Its value amounts in total to € 3.022,-.

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

Company	Balance as of 31/12/12	Increase	Utilization	Conversion Difference	Balance as of 31/12/13
Sipcam S.p.A.	2.325	200	(397)		2.128
Sipcam Inagra S.A.	60				60
Sipcam UPL Brasil S.A.	1.758		(676)	(298)	784
Agromax S.A.	<u>63</u>	<u>5</u>		<u>(18)</u>	<u>50</u>
TOTAL	4.206	205	(1.073)	(316)	3.022

Towards not consolidated companies of the group

These credits amount to Euro 62,- and regard exclusively credits of the subsidiary Sipcam Inagra S.A towards Sipcam Jardin, which company, as previously indicated, has left the consolidation area in the current accounting period.

Towards allied companies

These credits amount to Euro 4.800,- and have been decreased with Euro 83,-. These credits are mainly composed of credits towards Oxon Italia S.p.A.

Taxes

These credits amount to Euro 13.068,- and have been increased with respect to the previous accounting period with Euro 1.941,-.

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

Company	2013	2012	Difference
Sipcam S.p.A.	4.014	2.986	1.028
Sipcam Europe Group	177	80	97
Sipcam UPL Brasil S.A.	7.322	7.497	(175)
Agromax S.A.	408	469	(61)
Cervignano Società Agricola a r.l.	1.026	0	1.026
Others	<u>121</u>	<u>95</u>	<u>26</u>
TOTAL	13.068	11.127	1.941

We specify that the VAT credit of the Group Leader Sipcam S.p.A., regarding the refund demanded for the accounting period 2012, amounting to Euro 1.300,- has been anticipated by a factoring company for 80% of the amount.

Anticipated taxes

These credits amount to Euro 8.505,- and have been decreased with Euro 309,-.

The amounts refer to the following companies:

Company	2013	2012
Sipcam S.p.A.	2.574	2.155
Sipcam Europe Group	444	246
Sipcam UPL Brasil S.A.	5.042	6.295
Sipcam Pacific Pty Ltd	147	0
Others	<u>298</u>	<u>118</u>
Total	8.505	8.814

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 2012	profit-and-loss account debits	credits	Balance 2013
For devaluation credits	27,50%	612	(82)	28	558
For allowances clients	27,50%	109			109
For devaluation stock	31,40%	196		16	212
For file Monsanto	31,40%	174	(59)		115
Not deductible interest payable	27,50%	576		586	1.162
Unpaid interest payable	27,50%	6	(6)	15	15
For future risks etc.	27,50%	475	(72)		403
Exchange differences	27,50%	7	(7)		0
Total		2.155	(226)	645	2.574

Towards others

These taxes amount to Euro 3.117 with a decrease with respect to the previous accounting period of Euro 495,-. 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	2013	2012	Difference
Sipcam S.p.A.	388	1.069	(681)
Sipcam Europe Group	840	994	(154)
Sipcam Inagra S.A.	888	914	(26)
Sipcam UPL Brasil S.A.	545	303	242
Sipcam Pacific Pty Ltd	61	74	(13)
Agromax S.A.	31	117	(86)
Cervignano Società Agricola a r.l.	320	0	320
Others	<u>44</u>	<u>141</u>	<u>(97)</u>
Total	3.117	3.612	(495)

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

Description	2013	2012
Bail bonds	150	119
Advances to suppliers and credit notes receivable	627	1.011
Public bodies	819	886
Personnel	180	196
Others	<u>1.341</u>	<u>1.400</u>
TOTAL	3.117	3.612

FINANCIAL ACTIVITIES NOT BEING FIXED ASSETS

Other securities

This entry amounts to Euro 0,1,-.

LIQUID ASSETS

These assets amount to Euro 16.621,- and regard bank deposits and values in cash.

The amount consists of bank deposits on call for Euro 15.899,- and cash liquids for Euro 722,-

The composition of this entry is shown in the following table:

Company	2013	2012
Sipcam S.p.A.	597	1.196
Sipcam Europe Group	5.425	5.376
Biosviluppo S.r.l.	8	11
Sipcam Nederland Holding N.V.	114	143
Sipcam Pacific Pty Ltd	1.916	1.705
Sipcam Management Service	274	361
Sipcam Inagra S.A.	360	473
Sipcam UPL Brasil S.A.	6.007	5.509
Agroqualità France Eurl	347	363
Agromax S.A.	894	1.478
Others	<u>679</u>	<u>321</u>
Total	16.621	16.936

ACCRUED INCOME AND DEFERRED CHARGES

This entry amounts to Euro 802,-- and has been decreased with Euro 88,-.
The composition of the value is as follows:

Company	2013	2012
Sipcam SpA	417	503
Sipcam Europe Group	189	16
Sipcam Nederland Holding N.V.	9	8
Sipcam Pacific Pty Ltd	158	174
Others	<u>29</u>	<u>13</u>
TOTAL	802	714

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

Loans: A first issue by the Group Leader reserved to shareholders and managers amounting to Euro 3.250,- with initial expiry date 31/03/2012 has been prolonged to 31/03/2014, at the annual gross rate equal to 9%. The loan is formed by 130 bonds with a unitary nominal value of Euro 25,-. Later, in the month of March 2014, the loan has been prolonged for another period of two years at the same economic conditions. Furthermore, the Group Leader has issued another loan in November 2013 for a maximum amount of Euro 2.000,- with expiry date as of 31/12/2015, also at the annual gross rate of 9%. On 31 December 2013 this loans has been subscribed for Euro 1.575 and is formed by 63 bonds with a unitary nominal value of Euro 25,-.

Debts towards banks and other financiers

These debts amount to Euro 94.056,- and have been increased with respect to the previous accounting period with Euro 6.517,-. The composition of the short term and medium term financial debt towards banks and other financiers is as follows:

Description	2013	2012	Difference
Banks short term	69.771	74.037	(4.266)
Other financiers short term	<u>4.230</u>	<u>296</u>	<u>3.934</u>
Total	74.001	74.333	(332)
Banks medium and long term	19.495	13.206	6.289
Other financiers medium and long term	<u>560</u>	<u>0</u>	<u>560</u>
Total	20.055	13.206	6.849
Total general	94.056	(87.539)	6.517

Short term

These debts amount to Euro 74.001,- and have been decreased with respect to the previous year with Euro 332,-.

Hereinafter a table is reproduced specifying the amount of short term debts in the accounting periods 2013 and 2012, divided per company.

Company	2013	2012	Difference
Sipcam S.p.A.	9.197	13.920	(4.723)
Sipcam Europe Group	31.478	28.144	3.334
Sipcam Inagra S.A.	8.230	6.695	1.625
Sipcam Pacific Pty Ltd	3.304	3.994	(690)
Sipcam UPL Brasil S.A.	20.197	20.044	153
Agromax S.A.	1.190	1.401	(211)
Others	<u>315</u>	<u>135</u>	<u>180</u>
Total	74.001	74.333	(332)

Medium and long term

These debts amount to Euro 20.055,- and the value displayed in the financial statements regards mainly debts contracted by the Group Leader Sipcam S.p.A., and regard also the effect of the inclusion in the consolidation area of the debt of Cervignano Energia Società Agricola a r.l., as specified below.

Regarding the Group Leader we point out that in the accounting period the Group Leader has provided for the reclassification among short term debts of the amount of Euro 500,- regarding the medium and long term quota of two loans, apportioned by a primary credit institution, because they exceeded the limits foreseen by the related covenants with regard to the relationship net financial position/EBITDA. This institution, however, have not notified penalties as regards to the increase of the spreads applied or the anticipated restitution of that loan.

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

Year	Amount
2015	4.334
2016	3.514
2017	2.865
2018	2.018
Beyond	<u>585</u>
Total	13.316

Net financial status

The following table displays the net financial position of the Group, with an increase with respect to the previous accounting period, mainly because of the entrance in the consolidation area of the company Cervignano Energia Società Agricola a r.l. and of the relative medium long term debt achieved for the construction of the plant for electric energy production from sustainable sources:

Description	2013	2012	Difference
Financial credits	1.573	1.468	105
Liquid assets	<u>16.621</u>	<u>16.936</u>	<u>(315)</u>
Total	18.194	18.404	(210)
Debenture bond	(4.825)	(3.250)	(1.575)
Financial debts towards other financiers	(4.790)	(296)	(4.494)
Debts towards banks	<u>(89.266)</u>	<u>(87.242)</u>	<u>(2.024)</u>
Total	(98.881)	(90.788)	(8.093)
Total general	(80.687)	(72.384)	(8.083)

Towards third suppliers

These debts amount to Euro 58.714,- with an increase with respect to the previous accounting period of Euro 5.412,-. 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	2013	2012	Difference
Sipcam S.p.A.	12.073	10.728	1.345
Sipcam Europe Group	12.377	13.852	(1.475)
Agromax S.A..	6.789	7.279	(490)
Sipcam Pacific Pty Ltd	1.526	3.289	(1.763)
Sipcam Inagra S.A.	4.322	4.072	250
Sipcam UPL Brasil S.A.	20.366	13.565	6.801
Cervignano Società Agricola a r.l.	1.123	0	1.123
Others	<u>138</u>	<u>156</u>	<u>(379)</u>
Total	58.714	53.302	5.412

Debts towards allied companies

These debts amount to Euro 19.222,- with a decrease with regard to the previous accounting period of Euro 5.157,-.

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

Company	2013	2012	Difference
Sipcam S.p.A.	1.523	382	1.141
Sipcam Europe Group	7.073	5.338	1.735
Sipcam Pacific Pty Ltd	2.585	3.506	(921)
Sipcam Inagra S.A.	165	0	165
Sipcam UPL Brasil S.A.	3.492	9.697	(6.205)
Obras Latin America	4.384	5.435	(1.051)
Others	<u>0</u>	<u>21</u>	<u>(21)</u>
Total	19.222	24.379	(5.157)

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 2.280,-.

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	2013	2012
Sipcam S.p.A.	808	1.950
Sipcam Europe Group	716	1.194
Sipcam Pacific Pty Ltd	182	256
Sipcam Inagra. S.A.	120	268
Sipcam UPL Brasil S.A.	204	216
Agroqualità France	52	0
Others	<u>198</u>	<u>142</u>
Total	2.280	4.026

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

Social security contributions

This item amounts to Euro 1.177 and the amount of Euro 498,- at the expense of the Group Leader Sipcam S.p.A.

Other debts

These debts amount to Euro 5.184,- and has been decreased with respect to the previous accounting period with Euro 1.587,-. 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	2013	2012
Sipcam S.p.A.	629	916
Sipcam Europe Group	1.934	3.165
Sipcam Inagra S.A.	1.146	991
Sipcam UPL Brasil S.A.	1.256	1.345
Others	<u>219</u>	<u>354</u>
Total	5.184	6.771

The composition of the other debts is as follows:

Description	2013	2012
Debts towards personnel	3.470	3.199
Discounts and allowances to be liquidated	352	1.700
Insurance premiums fallen due	53	52
Others	<u>1.309</u>	<u>1.820</u>
Total	5.184	6.771

The most relevant amount is determined by debts towards personnel for quotes of deferred retribution.

ACCRUED LIABILITIES AND DEFERRED INCOME

This entry amounts to Euro 4.417,- and has been increased with respect to the previous accounting period with Euro 843,-, and is divided as follows:

Company	2013	2012
Sipcam S.p.A.	380	349
Sipcam Europe Group	1.230	1.027
Sipcam Pacific Pty Ltd	1.133	1.010
Sipcam Inagra S.A.	898	448
Sipcam UPL Brasil S.A.	260	306
Sipcam Nederland Holding N.V.	92	103
Others	<u>424</u>	<u>331</u>
Total	4.417	3.574

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 2.892,- and regards mainly the Group Leader and the Sipcam Europe Group limited to the Italian company for debts towards personnel for severance indemnity:

Company	2013	2012
Sipcam S.p.A.	1.626	1.762
Sipcam Europe Group	1.266	1.283
Total	2.892	3.045

The transactions of the accounting period have been as follows:

- Opening balance	3.045
- Provisions of the accounting period	742
- Utilizations	<u>(895)</u>
Total	2.892

Pensions and similar obligations

This entry amounts to Euro 493,- and consists exclusively of the value of the financial statements of the Group Leader and of the Sipcam Europe Group for the Italian company. 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 818,- and has been increased with respect to the previous accounting period with Euro 443,-. The table displaying the values is as follows:

Company	Balance 31/12/12	Adjustments 2013	Balance 31/12/13
Sipcam S.p.A.	21		21
Sipcam Europe Group	59	4	63
Sipcam Nederland Holding N.V.	134		134
Sipcam Inagra S.A..	49	(11)	38
Sipcam Pacific Pty Ltd	100	394	494
Sipcam UPL Brasil S.A.	59	61	120
Total financial statements	<u>422</u>	<u>448</u>	<u>870</u>
Taxes stock	(47)	(5)	(52)
Total adjustments	<u>(47)</u>	<u>(5)</u>	<u>(52)</u>
Total general	375	443	818

OTHER FUNDS

These funds amount to Euro 1.435 and have been decreased with respect to the previous accounting period with Euro 455,-. The amount regard the following companies:

Company	2013	2012
Sipcam S.p.A.	829	1.242
Sipcam Management Service	130	108
Sipcam Pacific Pty Lid	398	466
Sipcam UPL Brasil S.A.	27	43
Others	<u>51</u>	<u>31</u>
Total	1.435	1.890

The fund mainly consists of the amount of the Group Leader Sipcam S.p.A. of Euro 829,- and has been allocated, as in the past years, completely covering the negative “mark to market” of the same amount of a transaction structured by means of the use of derivatives dedicated to generically cover the risk of a rise of the interest rates.

In the course of the year the substantial stability of the financial market has favored the reduction of the reference rates with a sensible improvement of the market to market of the aforesaid transaction.

The transactions of the accounting period have been as follows:

Balance as of 31/12/2012	Euro	1.242
Utilization	Euro	(413)
Balance as of 31/12/2013	Euro	829

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 and to the subsidiary Sipcam Italia S.p.A, included in the Sipcam Europe Group,., as requested by art. 2427 C.C., results to be as follows.

Securities granted for sureties

This item amounts to Euro 22.835,- and consist of:

Direct sureties on behalf of allied companies

These items amount to Euro 16.518,- and are issued:

- 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 3.075,- 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 6.520,- 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.;
- in favor of BCC di Sesto San Giovanni for Euro 318,- on behalf of Oxon Italia S.p.A.;
- in favor of BCC Laudense for Euro 105,- on behalf of Oxon Italia S.p.A..

Indirect sureties on behalf of parent companies

This item amounts to Euro 2.000,- and they are issued in favor of Iccrea Banca on behalf of the Group Leader Sipcam S.p.A.

Indirect sureties on behalf of others

These sureties amount to Euro 4.316,- 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,-, limited to the Group Leader.

Other securities granted

These securities amount to Euro 31.653,- and are on behalf of:

- 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 24.434,-;
- 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 39.440,- and cover a remaining medium long term debt, of which at the end of the accounting period remains Euro 9.111,-. They consist of senior and junior mortgages in favor of Mediocredito Italiano, Unicredit Banca, Banca Intesa Mediocredito ICCREA Banca Impresa and Banca Nazionale del Lavoro.

Other suspense accounts

Lease and rental obligations

This item amounts to Euro 1.359,- and regard long term lease contracts for vehicles for Euro 1.190,- for the Group Leader and for the subsidiaries of the Sipcam Europe Group and for Euro 169,- for the leasing of equipment of the data processing Centre of information systems, regarding Sipcam S.p.A..

Outstanding portfolio

This entry amounts to Euro 2.880,- and regards the outstanding portfolio clients.

Factoring for transfers with recourse

This entry amounts to Euro 245,- and regard credits transferred with recourse to the factoring company.

Derivatives on interest rates

As of 31 December 2013 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 Group Leader 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	30/06/2015	Euro 0,75 ML	(18)
Swap	30/06/2015	Euro 0,75 ML	(4)
Swap	18/01/2017	Euro 11 ML	(829)
Swap	30/06/2018	Euro 6,5 ML	(329)

VARIATION OF THE ENTRIES OF NET ASSETS

The net assets of the Group resulting from the consolidated financial statements amount to Euro 67.737,- and have been decreased with respect to the previous accounting period with Euro 2.147,-. 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						Consolidated net assets as of 31/12/2013
	Initial balance as of 31/12/2012	Increase/Decrease net assets	Destination result	Dividends	Conversion of the values and adjustment transactions	Result of the period	
Share capital	9.930						9.930
Reserve share-premium	5.062						5.062
Revaluation reserve	2.262						2.262
Legal reserve	805		87				892
Other reserves	5.211						5.211
Reserves for own shares on hand	2.626						2.626
Conversion reserve	2.086				(3.319)		(1.233)
Consolidation reserve	4.396				(19)		4.377
Profits to new account	35.153		2.266				37.419
Result of the accounting period	<u>2.353</u>		<u>(2.353)</u>			<u>1.191</u>	<u>1.191</u>
Total	69.884	0	0	0	(3.338)	1.191	67.737

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

Profits accounting period S.I.P.C.A.M. S.p.A.	1.944
Adjustment evaluation on statutory financial statements participations in net assets	(4.729)
Amortizations consolidation difference	(1.090)
Profits subsidiary and allied companies	6.182
Margins between the companies of the group	(21)
Other adjustments	(1.100)
Deferred taxes	<u>5</u>
Loss/Profit of the Group	1.191

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 31/12/2012	Profits 2013	Other adjustments	Total
Net assets of S.I.P.C.A.M. S.p.A.	63.621	1.944	0	65.565
Adjustment evaluation on statutory financial statements participations in net assets	(33.131)	(4.729)	0	(37.860)
Consolidation difference	3.068	(1.090)	0	1.978
Difference between the book values of the subsidiary and allied companies	34.367	5.082	(19)	39.430
Margins between the companies of the group	(174)	(21)	0	(195)
Deferred taxes	47	5	0	52
Conversion reserve	<u>2.086</u>	<u>0</u>	<u>(3.319)</u>	<u>(1.233)</u>
Net assets of the group	69.884	1.191	(3.338)	67.737

Assets of third parties

This item amounts to Euro 10.648,- and has been increased with regard to the previous accounting period with Euro 560,-. The variations are shown in the following table.

NET ASSETS OF THIRD PARTIES

Company	Percentage	Initial balance as of 31/12/2012	Profit 2013	Increase Decrease	Dividends	Net assets
Sipcam Pacific Pty Ltd	35,00%	1.170	158			1.328
Sipcam Jardin	45,00%	145		(145)		0
Cervignano Soc. Agricola a r.l.	35,36%		(193)	21		(172)
Agromax S.A.	25,13%	170	12			182
Sipcam Europe Group	20,00%	8.459	936	(7)	(300)	9.088
Biosviluppo S.r.l.	32,23%	<u>144</u>	<u>(129)</u>	<u>207</u>		<u>222</u>
Total		10.088	784	76	(300)	10.648

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

Prospect regarding the production value

Description	2013	2012	Difference
Proceeds for sales and services	254.367	243.494	10.873
Variations of the stocks of products	8.919	(1.448)	10.367
Capitalized costs	86	26	60
Other proceeds	<u>3.556</u>	<u>9.229</u>	<u>(5.673)</u>
Total	266.928	251.301	15.627

Proceeds of sales and services

The value of the sales and services amount to Euro 254.367,- and have been increased with respect of the previous accounting period with Euro 10.873,-, equal to 4,47%. In detail:

Company	2013	2012	Difference	% Diff.
Sipcam S.p.A.	24.086	22.593	1.493	7%
Sipcam Europe Group	124.887	117.146	7.741	7%
Sipcam Pacific Pty Ltd	21.101	23.303	(2.202)	(9%)
Sipcam Inagra S.A.	8.389	7.071	1.318	19%
Agroqualità France Eurl	4.639	3.927	712	18%
Sipcam UPL Brasil S.A.	57.899	55.448	2.451	4%
Agromax S.A.	11.740	12.373	(633)	(5%)
Others	<u>1.626</u>	<u>1.633</u>	<u>(7)</u>	<u>0%</u>
Total	254.367	243.494	10.873	4,47%

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

Description	2013	2012
Italy	94.521	90.019
Spain-Portugal	53.918	48.271
Great Britain	6.223	5.610
Brasil	57.899	55.448
Australia	21.101	23.303
Argentina	11.740	12.373
Others	<u>8.965</u>	<u>8.470</u>
Total	254.367	243.494

We notify that the good financial result has been achieved in spite of the strong disadvantage deriving from the devaluation of some foreign currencies towards the Euro, especially the Brazilian Real, the Argentinean Peso and the Australian Dollar.

Variations of the stock

The stock of semi-finished and finished products shows an increase, equal to Euro 8.918,-

Capitalized costs for internal works

These costs amount to Euro 86,- 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 3.556,- and has been decreased with respect to the previous accounting period with Euro 5.673,-. The composition of the amount is as follows:

Company	2013	2012	Difference
Sipcam S.p.A	1.472	7.403	(5.931)
Sipcam Europe Group	1.748	1.222	526
Sipcam Inagra S.A.	89	115	(26)
Others	<u>247</u>	<u>489</u>	<u>(242)</u>
Total	3.556	9.229	(5.673)

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

Description	2013	2012
Rentals receivable	366	304
Recovery of the operative costs towards allied companies	774	3.779
Recovery various costs	992	3.989
Sales various materials	812	228
Others	<u>612</u>	<u>929</u>
Total	3.556	9.229

PRODUCTION COSTS

Prospect concerning the production costs			
Description	2013	2012	Difference
Purchases of raw materials and consumer goods	169.662	150.834	18.828
Services rendered	36.994	36.397	597
Utilization of goods of third parties	2.600	2.452	148
Labor costs	31.167	31.402	(235)
Amortizations	6.675	6.163	512
Devaluations	1.804	1.264	540
Variation stock raw materials	(4.191)	801	(4.992)
Provisions for risks	61	243	(182)
Other operating expenses	<u>5.249</u>	<u>6.009</u>	<u>(760)</u>
Total	250.021	235.565	14.456

From the comparative analysis with respect to the previous accounting period the increase of the production costs results particularly related to the increase of the purchase costs of raw materials and of consumer goods, 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 169.662,- shows an increase with respect to the previous accounting period with Euro 18.828,-. The composition of the entry per company is as follows:

Company	2013	2012	Difference
Sipcam S.p.A.	21.209	20.811	398
Sipcam Europe Group	41.085	36.700	4.385
Sipcam Pacific Pty Ltd	14.049	16.868	(2.819)
Sipcam Inagra S.A.	37.022	29.267	7.755
Sipcam UPL Brasil S.A.	47.836	38.517	9.319
Agromax S.A.	7.631	8.193	(562)
Others	<u>830</u>	<u>478</u>	<u>352</u>
Total	169.662	150.834	18.828

Costs of services

The costs of services amount to Euro 36.994,- and have been increased with respect to the previous accounting period with Euro 597,-. The amounts of the costs for services divided per company are reproduced in the following table:

Company	2013	2012	Difference
Sipcam S.p.A.	10.548	9.539	1.009
Sipcam Europe Group	13.913	14.473	(560)
Sipcam Pacific Pty Ltd	1.886	2.194	(308)
Sipcam Inagra S.A.	4.908	4.095	813
Sipcam UPL Brasil S.A.	2.899	2.992	(93)
Agromax S.A.	1.812	1.893	(81)
Others	<u>1.028</u>	<u>1.211</u>	<u>(183)</u>
Total	36.994	36.397	597

The composition divided per entry of costs is as follows:

Description	2013	2012	Difference
External processing	3.492	1.989	1.503
Maintenance	2.030	1.922	108
Repayments autonomous and experim. labor	7.469	9.586	(2.117)
Commercial sales expenses	8.065	7.847	218
Sales and additional expenses	1.221	1.596	(375)
Insurance premiums	979	1.036	(57)
Advertising costs	2.333	1.626	707
Utilities	3.065	3.296	(231)

Telephone and postal costs	637	674	(37)
Porter costs	1.038	785	253
Surveillance – Cleaning	506	616	(110)
Personnel management	544	588	(44)
Banking expenses	734	639	95
Directors and board	1.084	1.019	65
Other services	<u>3.797</u>	<u>3.178</u>	<u>619</u>
Total	36.994	36.397	597

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

7 directors	Euro 407
3 auditors	Euro 111
Certified public accountant	Euro 59

Utilization of goods of third parties

These costs amount to Euro 2.600 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 956,-. The following table specifies the cost for utilization of goods of third parties:

Cost entries	2013	2012	Difference
Lease expenses vehicles	113	137	(24)
Lease plants	612	424	188
Rentals payable	140	140	0
Other expenses	<u>91</u>	<u>75</u>	<u>16</u>
Total	956	776	180

The values of the other companies are as follows:

Company	2013	2012	Difference
Sipcam Pacific Pty Ltd	142	160	(18)
Sipcam Europe Group	1.305	1.280	25
Sipcam Management Service	29	30	(1)
Sipcam Inagra S.A.	57	72	(15)
Sipcam UPL Brasil S.A.	55	65	(10)
Others	<u>56</u>	<u>69</u>	<u>(13)</u>
Total	1.644	1.676	(32)

Labor costs

These costs amount to Euro 31.167,- and have been decreased with respect to the previous accounting period with Euro 235,-. The average number of personnel of the companies included in the consolidation area results to be consisting of:

Description	2013	2012
Management	44	43
Employees	281	306
Labor	<u>209</u>	<u>237</u>
Total	534	586

Amortizations

This entry amounts to Euro 6.675,- and consists of Euro 2.631,- being the value regarding the amortization of intangible assets and Euro 4.044,- regarding the amortization of the tangible assets.

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

Company	2013	2012	Difference
Sipcam S.p.A.	2.878	3.085	(207)
Sipcam Europe Group	772	608	164
Sipcam Inagra S.A.	1.212	1.052	160
Sipcam UPL Brasil S.A.	701	735	(34)
Others	<u>1.112</u>	<u>682</u>	430
Total	6.675	6.162	513

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 is equal to Euro 1.804,- covers the estimated risks of non-realization of the commercial credits and consists of:

Company	2013
Sipcam S.p.A.	200
Sipcam UPL Brasil S.A.	562
Sipcam Europe Group	1.036
Agromax S.A.	<u>6</u>
Total	1.804

Variations of the raw material stock

The value of the stock of raw, subsidiary and consumer materials is increased in the accounting period with Euro 4.191,-. The composition of the total value of the variation divided over the companies of the Group is as follows:

Company	2013
Sipcam S.p.A.	(2.544)
Sipcam Inagra S.A.	(1.537)
Sipcam Europe Group	1.515
Sipcam UPL Brasil S.A.	(1.727)
Cervignano Energia Soc. Agricola a r.l.	<u>102</u>
Total	(4.191)

Other provisions

These allocations amount to Euro 61,-. 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 5.249- and have been decreased with respect to the previous accounting period with Euro 760,-. The amount results to be divided as follows among the companies of the Group:

Company	2013	2012	Difference
Sipcam S.p.A.	1.006	1.730	(724)
Agromax S.A.	479	417	62
Sipcam Inagra S.A.	374	397	(23)
Sipcam Europe Group	2.461	2.415	46
Sipcam UPL Brasil S.A.	527	639	(112)
Sipcam Pacific Pty Ltd	265	241	24
Others	<u>137</u>	<u>170</u>	<u>(33)</u>
Total	5.249	6.009	(760)

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

Item of costs	2013	2012	Difference
Costs for transfer, board and lodging	2.678	2.882	(204)
Representation costs	155	232	(77)
Taxes and duties	1.333	1.769	(436)
Membership fees	172	242	(70)
Others	<u>911</u>	<u>884</u>	<u>27</u>
Total	5.249	6.009	(760)

FINANCIAL PROCEEDS AND EXPENSES

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

Description	2013	2012
Proceeds		
From participations	158	96
From credits entered at the fixed assets	20	29
From fixed securities not being participations	0	11
From financial credits	<u>2.691</u>	<u>2.165</u>
Total proceeds	2.869	2.301
Expenses		
Interest payable	<u>(10.689)</u>	<u>(11.521)</u>
Difference expenses and proceeds	(7.820)	(9.220)
Delta exchanges	<u>(4.017)</u>	<u>(1.299)</u>
Total expenses and proceeds	(11.837)	(10.519)

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

Description	2013	2012
Sipcam S.p.A.	328	872
Sipcam UPL Brasil S.A.	2.106	1.109
Others	<u>257</u>	<u>184</u>
Total	2.691	2.165

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

Company	2013	2012
Sipcam S.p.A.	1.851	2.291
Sipcam Pacific Pty Ltd	512	593
Sipcam Inagra S.A.	522	392
Sipcam Europe Group	3.950	2.998
Sipcam UPL Brasil S.A.	2.849	4.804
Cervignano Società Agricola a r.l.	447	0
Others	<u>558</u>	<u>443</u>
Total	10.689	11.521

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

Description	2013	2012
Sipcam S.p.A.	(17)	169
Sipcam Pacific Pty Ltd	(494)	186
Sipcam UPL Brasil S.A	(2.630)	(1.298)
Others	<u>(876)</u>	<u>(356)</u>
Total	(4.017)	(1.299)

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	109
Devaluations of participations	<u>Euro</u>	<u>(648)</u>
Total	Euro	(539)

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 31/12/2013.

EXTRAORDINARY PROCEEDS AND EXPENSES

The total value of the extraordinary proceeds and expenses is equal to a loss of Euro 433,- and consists of:

Proceeds

Proceeds amount to Euro 1.629,- 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 registered capital gains regarding the transfer to the allied company Oxon Italia S.p.A. of an Asset regarding a biological insecticide for Euro 644,-;
- The Group Leader Sipcam S.p.A. has entered capital gains regarding the transfer to the company Gowan Comercio Internacional e Servicos Lda of 15% of the participation in Gowan Italia S.p.A. for Euro 295,-.

Expenses

This item amount to Euro 2.062,- 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, appropriately adjusted by the deferred taxes of the accounting period and consists of:

- current taxes	Euro 2.630
- deferred taxes	Euro 129
- anticipated taxes	<u>Euro (637)</u>
Total	Euro 2.122

Pero, 28 May 2014

The Board of Directors

FINANCIAL STATEMENT (in thousands of euro)

Description	2013	2012
Initial liquid assets	16.936	14.222
Monetary flow from activities of the accounting period		
Profit/loss of the accounting period	1.191	2.353
Amortization intangible assets	2.632	2.643
Amortization tangible assets	4.044	3.259
Allocations to funds	867	1.068
Capital gains/losses from realization fixed assets	0	0
Revaluations/devaluations of participations	539	108
Revaluations/devaluations of tangible fixed assets	0	0
Utilization funds		
Severance indemnity	(959)	(1.215)
Others	(25)	(500)
Variation stock	(10.064)	443
Variation commercial credits	9.515	(2.107)
Variation other activities	(1.137)	6.570
Variation accrued income and deferred charges	(88)	258
Variation commercial debts	254	10
Variation other debts	(3.342)	(1.500)
Variation accrued liabilities and deferred income	842	384
Monetary flow from activities of the accounting period	4.269	11.774
Investment activities		
Purchase of assets	(8.348)	(2.597)
Sales of assets	0	0
Investments of intangible fixed assets	(522)	(1.525)
Long-term investments/disinvestments	(1.032)	(4.551)
	(9.902)	(8.673)
Monetary flow from loan activities		
Variation short term debts towards:		
Banks	(4.265)	(148)
Other financers	3.934	278
Variation medium/long term debts towards:		
Banks	6.289	(9.132)
Other financers	2.135	(116)
Variations assets		
Payments shareholders/increase share capital	0	0
Reserves	(17)	1.475
Net assets third parties and reserves	561	8.693
Dividends	0	0
	8.637	1.050
Revaluation tangible assets Law Decree 185 art. 16 C.C. 29/11/08	0	0
Variation conversion differences	(3.319)	(1.437)
Monetary flow of the period	(315)	2.714
Final liquid assets	16.621	16.936

RECONCILIATION 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	1.127	27,50%	160	3,90%	1.286	31,40%
Increase	2.213	54,01%	212	5,17%	2.425	59,18%
Decreases	(1.443)	-35,23%	(56)	-1,36%	(1.499)	-36,59%
Irrelevant costs with regard to the regional tax on productive activities			241	5,87%	241	5,87%
Effect variations fiscal percentage differences	(1.445)	-35,27%	(205)	-5,00%	(1.650)	-40,28%
Effect variations for consolidation entries without fiscal effect	<u>1.155</u>	<u>28,20%</u>	<u>164</u>	<u>4,00%</u>	<u>1.319</u>	<u>32,20%</u>
Effective current and deferred taxes	1.608	39,24%	515	12,57%	2.122	51,79%

Theoretical taxable income corresponding to the result before taxes, equal to 4.097 thousand euro.

Ernst & Young

AUDITOR'S REPORT OF THE AUDIT COMPANY 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. and its subsidiaries (the "Sipcam Group") closed on 31 December 2013. The responsibility for drawing up the financial statements in compliance with the regulations that discipline its drawing-up criteria 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 12 June 2013.

- 3 The consolidated financial statements of the Sipcam Group, as of 31 December 2013, 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 economic and financial status and the economical result of the Company.
- 4 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 law. 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 2013.

Milan, 11 June 2014

Reconta Ernst & Young S.p.A.

Renato Macchi
(Partner)