

KEDRION Group

Registered office in LOC. AI CONTI- 55051 CASTELVECCHIO PASCOLI (LU) Fully paid-up share capital Euro 52.186.279

Consolidated statement of financial position

(In thousands of Euro)	30/06/2017	30/06/2016
NON CURRENT ASSETS		
Property, plant and equipment	227.383	173.700
Investment property	2.416	2.475
Goodwill	211.303	208.056
Fixed term intangible assets	66.331	62.836
Investments in associated companies	331	0
Investments in other companies	2.201	2.263
Other non current financial assets	7.006	6.098
Deferred tax assets	4.925	3.170
Other non current assets	763	1.183
TOTAL NON CURRENT ASSETS	522.659	459.781
CURRENT ASSETS		
Inventories	300.393	294.311
Trade receivables	115.163	134.671
Current tax credits	7.984	9.249
Other current assets	33.533	28.346
Other financial current assets	132	108
Cash and cash equivalents	49.113	56.098
TOTAL CURRENT ASSETS	506.318	522.783
TOTAL ASSETS	1.028.977	982.564
SHAREHOLDERS' EQUITY		
GROUP SHAREHOLDERS' EQUITY		
Share capital	55.186	55.186
Reserves	322.504	317.061
Group net income	11.721	8.412
TOTAL GROUP SHAREHOLDERS' EQUITY	389.411	380.659
MINORITIES SHAREHOLDERS' EQUITY		
Minorities capital and reserves	1.519	2.651
Minorities net income	734	674
TOTAL MINORITIES SHAREHOLDERS' EQUITY	2.253	3.325
TOTAL SHAREHOLDERS' EQUITY	391.664	383.984
NON CURRENT LIABILITIES		
Medium-/long-term debt	409.259	331.404
Payables to banks and other lenders	459	968
Provisions for risks and charges	818	277
Payables for employee benefits	4.985	5.122
Other non current liabilities	6.541	6.704
TOTAL NON CURRENT LIABILITIES	422.062	344.475

CURRENT LIABILITIES

Payables to banks and other lenders	12.322	82.745
Current portion of medium-/long-term debt	34.424	14.587
Provisions for risks and charges	3.487	176
Trade payables	108.973	108.920
Current tax payables	3.950	2.916
Other current liabilities	52.095	44.761
TOTAL CURRENT LIABILITIES	215.251	254.105
TOTAL LIABILITIES	637.313	598.580
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1.028.977	982.564

Statement of profit or loss for the year

(In thousands of Euro)	30/06/2017	30/06/2016
Revenues from sales and services	271.696	308.401
Cost of sales	197.826	204.748
Gross operating margin	73.870	103.653
Other revenues	49.684	5.048
General and administrative expense	39.100	37.975
Sales and marketing expense	24.466	25.418
Research and development expense	15.682	18.341
Other operating costs	3.954	4.159
Operating result	40.352	22.808
Financial charges	25.046	13.008
Financial income	4.890	3.527
Result before tax	20.196	13.327
Income taxes	7.741	4.241
Profit for the period	12.455	9.086
of which:		
Group result	11.721	8.412
Minorities result	734	674

Statement of profit or loss and other comprehensive income

(In thousands of Euro)	30/06/2017	30/06/2016
Profit for the period	12.455	9.086
Other comprehensive income		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>		
Net movement on cash flow hedges	155	(1.517)
Income tax effect	(37)	417
	118	(1.100)
Exchange differences on translation of foreign operations	(10.795)	(3.171)
Income tax effect	0	0
	(10.795)	(3.171)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	(10.677)	(4.271)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>		
Re-measurement gains (losses) on defined benefit plans	120	(423)
Income tax effect	(29)	116
	91	(307)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	91	(307)
Other comprehensive income for the year, net of tax	(10.586)	(4.578)
Total comprehensive income for the year, net of tax	1.869	4.508
Attributable to:		
Equity holders of the parent	1.135	3.834
Non-controlling interests	734	674

Statement of changes in consolidated shareholders' equity as at 30 June 2017:

(In thousands of Euro)	Share capital	Legal reserve	Share premium reserve	Other reserves	Cash flow hedge reserve	Foreign currency translation reserve	TFR (employee severance indemnity) Reserve (IAS 19)	Income for the period	Total Shareholders' Equity attributable to Equity holders of the Parent	Total Equity attributable to non-controlling interests	Total Shareholders' Equity
Balance as at 1st January 2017	55.186	7.072	18.807	283.376	(1.072)	18.122	(737)	10.722	391.476	2.517	393.993
Allocation of profit of the year	0	416	0	7.106	0	0	0	(7.522)	0	0	0
Distribution of dividends	0	0	0	0	0	0	0	(3.200)	(3.200)	(998)	(4.198)
Comprehensive income of the year	0	0	0	0	118	(10.795)	91	11.721	1.135	734	1.869
Balance as at 30 June 2017	55.186	7.488	18.807	290.482	(954)	7.327	(646)	11.721	389.411	2.253	391.664

Consolidated statement of cash flow

(in thousands of Euro)	30/06/2017	30/06/2016
Net income/(loss) (before taxes) for the period	20.196	13.327
<i>Adjustments to reconcile net profit with cash flow generated / (absorbed) by operating activities:</i>		
Amortization and depreciation	12.300	11.359
Financial charges	25.046	13.008
Financial income	(4.890)	(3.527)
Provisions for employee benefits	25	485
Payables for employee benefits	(196)	(48)
Net change in provisions for risks and charges	166	(21)
Net change in other non-current assets and liabilities	0	0
<i>Net changes in operating assets and liabilities:</i>		
Trade receivables	20.893	(12.008)
Inventories	(19.513)	(17.191)
Trade payables	(53.613)	(3.290)
Other current assets and liabilities	(5.710)	(23.863)
<i>Other cash flow from operating activities</i>		
Taxes paid	2.334	9.530
NET CASH FLOW GENERATED BY OPERATING ACTIVITIES (A)	(2.732)	(12.072)
Investments in tangible assets	(32.263)	(7.941)
Disposal of tangible assets	45	72
Investments in related company and jointly controlled	(331)	
Assets held for sale	12.468	
Investments in intangible assets	(11.731)	(3.754)
Disposal of intangible assets	1	0
NET CASH FLOW ABSORBED BY INVESTMENT ACTIVITIES (B)	(31.811)	(11.623)
Distribution of dividends	(6.446)	
New medium/long-term loans	74.033	
Repayment of medium/long-term loans	(5.383)	(8.901)
Net Foreign currency adjustments	(12.267)	(2.389)

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Interest collected	131	100
Interest paid	(10.675)	(10.860)
Net change in non-current financial assets and liabilities	(809)	(557)
Net change in short-term financial assets and liabilities	(21.589)	43.238
NET CASH FLOW GENERATED / (ABSORBED) BY FINANCING ACTIVITIES (C)	16.995	20.631
Net cash flow generated by operating activities (A)	(2.732)	(12.073)
Net cash flow absorbed by investment activities (B)	(31.811)	(11.623)
Net cash flow generated / (absorbed) by financing activities (C)	16.995	20.631
Total net cash flow D=(A+B+C)	(17.548)	(3.065)
Cash and cash equivalents at the beginning of the period (E)	66.508	59.208
Net effect of conversion of foreign currencies on cash and cash equivalents (F)	150	(54)
Cash and cash equivalents at the end of the period G=(D+E+F)	49.110	56.089
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CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD:	66.510	59.243
Cash and Cash equivalents:		
Current account overdrafts and cash equivalents payable on demand	(2)	(35)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD:	66.508	59.208
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD:		
Cash and cash equivalents	49.113	56.098
Current account overdrafts and cash equivalents payable on demand	(3)	(9)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD:	49.110	56.089

Castelvecchio Pascoli, 11 August 2017

On behalf of the Board of Directors
The Chairman
Paolo Marcucci