

**FONDAZIONE MARCEGAGLIA ONLUS**  
Tax code 97562250155 - VAT Number 97562250155  
VIA GIOVANNI DELLA CASA 12 - 20151 MILAN MI  
Register of Companies of Milan n. 97562250155  
Organisation's endowment fund Euro 125,000.00, fully paid-up

## FINANCIAL STATEMENTS AS AT 31st December 2014

<b>BALANCE SHEET - ASSETS</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
<b>A) Receivables from shareholders for still pending payments</b>		
I) part already called	0	0
II) part already called	0	0
<b>A) Receivables from shareholders for still pending payments</b>	<b>0</b>	<b>0</b>
<b>B) Fixed assets</b>		
I) INTANGIBLE ASSETS		
1) Intangible fixed assets	366	1.500
I) TOTAL INTANGIBLES ASSETS	<b>366</b>	<b>1,500</b>
II) TANGIBLE ASSETS		
1) Tangible fixed assets	2.601	4.094
I) TOTAL TANGIBLE ASSETS	<b>2.601</b>	<b>4.094</b>
III) INVESTMENTS		
1) long term receivables	48	48
III) TOTAL INVESTMENTS	<b>48</b>	<b>48</b>
<b>B) TOTAL FIXED ASSETS</b>	<b>3.015</b>	<b>5.642</b>
<b>C) Current assets</b>		
I) INVENTORY		
II) RECEIVABLES:		
1) Falling due within the financial year	5.746	5.381
II) Total receivables	<b>5.746</b>	<b>5.381</b>
III) FINANCIAL ACTIVITIES (other than fixed assets)		
IV) LIQUID ASSETS	<b>18.450</b>	<b>164.167</b>
<b>C) TOTAL CURRENT ASSETS</b>	<b>24.196</b>	<b>169.548</b>
<b>D) Accruals and deferrals</b>	<b>61</b>	<b>92</b>
<b>BALANCE SHEET TOTAL - ASSETS</b>	<b>27.272</b>	<b>175.282</b>

<b>BALANCE SHEET - LIABILITIES</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
<b>A) Net assets</b>		
I) Organisation's endowment fund	125,000	125,000
II) Share premium fund	0	0
III) Revaluation reserves	0	0
IV) Legal reserve	0	0
V) Statutory reserves	0	0
VI) Treasury stock reserve	0	0
VII) Other reserves	0	0
VIII) Profits (losses) carried forward	22.979	-21.148
IX) Operating results of the current period	-169.669	44.127
<b>A) TOTAL NET ASSETS</b>	<b>-21.690</b>	<b>147.979</b>
<b>B) RISK AND CONTINGENCY FUNDS</b>	<b>0</b>	<b>0</b>
<b>C) SEVERANCE PAY</b>	<b>0</b>	<b>0</b>
<b>D) DEBTS</b>	<b>0</b>	<b>0</b>
1) Due within the next twelve months	48.862	27.303
<b>D) TOTAL DEBTS</b>	<b>48.862</b>	<b>27.303</b>
<b>E) ACCRUALS AND DEFERRALS</b>	<b>100</b>	<b>0</b>
<b>BALANCE SHEET TOTAL - LIABILITIES</b>	<b>27.272</b>	<b>175.282</b>

<b>DIRECTORS' REPORT - REVENUES</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
<b>A) INCOME</b>		
1) Income from core activities		
1.1 From project contributions	52.987	32.215
1.3 From shareholders		
1.4 From non shareholders	78.783	285.267
2) Income from fund raising	102.804	52.934
4) Financial and capital income		
4.1 From bank deposits	1.391	168
<b>A) TOTAL INCOME</b>	<b>235.965</b>	<b>370.583</b>
<b>DIRECTORS' REPORT - CHARGES</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
<b>B) EXPENSES</b>		
1) Charges for core activities	163.640	140.321
2) Fund raising expenses		
4) Financial and capital charges		
4.1 for bank deposits	822	1.657
6) General Supporting Charges		
6.1 Materials	6.015	2.032
6.2 Services	38.489	40.080
6.3 Staff	126.741	98.474
6.4 Amortisations	3.427	3.225
6.5 Sundry operating expenses	11.079	7.227
<b>B) TOTAL CHARGES</b>	<b>405.634</b>	<b>326.457</b>
<b>POSITIVE OPERATING RESULTS</b>		<b>44.127</b>
<b>NEGATIVE OPERATING RESULTS</b>	<b>169.669</b>	

This balance sheet is current and consistent with the accounting records.

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Tax code 97562250155 - VAT Number 97562250155

VIA GIOVANNI DELLA CASA 12 - 20151 MILAN MI

Register of Companies of Milan n. 97562250155

Organisation's endowment fund Euro 125,000, fully paid-up

**Financial statements as at 31st December 2014****Notes to the financial statements**

Fondazione Marcegaglia was established on July 14, 2010.

It obtained the certification as a legal entity pursuant to D.P.R. n. 361 of 10/05/2000 and is enrolled in the Register of the Prefettura of Milan with n.1193 pag.5411, vol 5°.

**Structure and contents of the Financial Statements.**

The financial statements were drafted pursuant to the recommendation issued in July 2002 by the Commissione Aziende Non Profit (Non-Profit Organisations Committee) of the Italian National Council of Accountants and to the "Guidelines and templates for the drafting of financial statements of non-profit organisations".

The financial statements were prepared according to the standard template for enterprises, as included in the Civil Code, taking into account the peculiarities that characterise the asset structure of the foundation, and with the purpose of informing the public on how funds were raised and used during the relevant period in the different management areas.

The figures included in the financial statements are expressed in Euros.

There are no parent concerns.

The Foundation, during the year recorded a loss of Euro 169,669. Following this loss the financial statements at December 31, 2014, showed a capital deficit of € 21,690. On January 21, 2015, the founding members have taken steps to make a payment of € 160,000, bringing the Foundation in a balanced equity. In view of the commitment made by the Founding Members to ensure the necessary financial support to the Foundation and of the results expected from the budget, the going concern basis, based on which was written this financial statements, is guaranteed for at least twelve months from date of approval of the same.

Regarding the provision for losses for the year, the Board of Directors proposes to decrease the earlier gains in the amount of Euro 22,979 and carry forward the excess loss.

In addition, the Founding Members, while hoping an increase in contributions deriving from the initiatives of fund-raising, have expressed their intention to provide financial support for the ordinary management of the foundation for the current year, as far as is practicable, necessary and appropriate.

## **Sect. 1 – EVALUATION CRITERIA APPLIED**

The criteria applied to assess the items of the financial statements comply with the provisions of art.2426 of the Italian civil code.

The evaluation of balance sheet items was carried out on the basis of the general prudential criteria and on an accrual basis, with a view to continuing the activity, and taking into account the economic role of the assets and liabilities under consideration. For the purposes of the items posted in the financial statements, the economic purpose of the various transactions, rather than their legal form, prevails, with full disclosure thereon in these notes.

### ***Intangible fixed assets***

The intangible fixed assets are posted/assessed at their purchase or production cost, inclusive of all accessory charges, and are being systematically depreciated according to their residual life and taking into account the provisions of paragraph 5) of art. 2426 of the Italian Civil Code.

### ***Tangible fixed assets***

Tangible assets are booked at the cost of purchase, including additional charges, and the costs directly attributable to the relevant asset.

Ordinary maintenance costs are fully attributed to the profit and loss account. Increasing maintenance costs are attributed to the assets they refer to and depreciated at the same time as the relevant asset according to the latter residual life.

Tangible fixed assets are depreciated systematically in every financial year, with the straight-line method, in a percentage that is proportional to their residual life and taking into account also the asset's physical wear and tear; for the first year of use of the assets the rates are reduced by 50% , in consideration of the asset's actual participation in the production process, which is considered to have occurred, on average, in mid-period.

Depreciation on assets that were transferred or disposed of during the period was not posted.

The **depreciation rates** used for the individual categories of assets are:

Office machinery and data processing systems: 10% to 20%.

Other pluriannual charges: 33.33%.

### ***Receivables***

Receivables are booked at the presumable realisable value.

### ***Cash on hand***

Assets in the form of cash on hand are booked at their nominal value.

### ***Accruals and deferrals***

Accruals and deferrals are booked on an accrual basis, with reference to when they were actually incurred. They are percentages of charges and income that are in common between two or more financial years.

***Debts***

Debts are booked under liabilities at their nominal value, as shown in the documents and accounts.

**STATEMENT OF ASSETS AND LIABILITIES****ASSETS****Fixed Assets**

Balance sheet code	B I 01
Description	FIXED ASSETS - INTANGIBLES Intangibles
Initial worth	1.500
Increases	549
Decreases	0
Amortisation	(1.683)
Final worth	366

Intangibles refer to the Foundation expenses for the purchase of software licence

Balance sheet code	B II 01
Description	FIXED ASSETS - TANGIBLE ASSETS Tangible assets
Initial worth	8.815
Increases	215
Decreases	0
Final worth	9.066

Tangible fixed assets refer to the purchase of ordinary and electronic office machinery.

Balance sheet code	B II 02
Description	FIXED ASSETS - TANGIBLE ASSETS – Tangible assets depreciation reserve
Initial worth	4.721
Increases	1.744
Decreases	0
Final worth	6.465

The tangible assets depreciation reserve is increased due to the effects of usual depreciation.

**Current assets**

Balance sheet code	C II 01
Description	CURRENTS ASSETS - RECEIVABLES Due within the next twelve months
Initial worth	5.381
Increases	4.729
Decreases	( 4.363 )
Final worth	5.746

This item consists mainly of withholding tax on bank interest (998 Euro), donations received through Paypal but not received (EUR 1,000), advance payment to supplier pro forma invoice (Euro 3,361)

Balance sheet code	C IV
Description	CURRENTS ASSETS - CASH ON HAND
Initial worth	164.167
Increases	407.773
Decreases	(553.490)
Final worth	18.450

The settlement is the total of the bank current accounts freely available and cash on hand. The significant decrease in cash is attributable to the normal absorption of the current management due to lower revenue in the period compared to the previous one

Balance sheet code	D
Description	ACCRUALS AND DEFERRALS
Initial worth	92
Increases	61
Decreases	(92)
Final worth	61

The final worth of deferred charges is due to the regular maintenance fee for the mobile phones on accrual basis for January-February 2015.



**LIABILITIES****RESERVES AND SEVERANCE PAY**

As at December 31st, 2014, the Foundation had no employees.

As at December 31st, 2014, Fondazione Marcegaglia ONLUS has 4 regularly contracted project workers.

**OTHER LIABILITY HEADINGS**

Balance sheet code	D 01
Description	DEBTS Due within the next twelve months
Initial worth	27.303
Increases	272.891
Decreases	(251.332)
Final worth	48.862

The increase of debts falling due in the next financial year is a consequence of the ordinary activities. Debts are mainly payable to suppliers.

Balance sheet code	D
Description	ACCRUALS AND DEFERRALS
Initial worth	0
Increases	100
Decreases	0
Final worth	100

This is the deferral of a donation tied to a project for which in 2014 no costs were incurred. The donation has been therefore rediscounted to postpone it to the 2015 management in which it expects to incur costs related to the project which the donation is bound (project Bakery Haiti).

Balance sheet code	A1
Description	Organisation's endowment
Restricted reserve pursuant to the By-laws of July 2010	125.000
Results for the previous periods	22.979
Results for the current period	(169.669)
Net asset at 31 December 2014	(21.690)

As described in the introduction, following the management loss acquired in the course of 2014, the Endowment Fund of The Foundation showed a deficit of € 21,690. On January 21, 2014, the founding members have taken steps to make a payment of € 160,000, bringing the Foundation in a balanced equity. In this context the financial statements have been prepared with criteria consistent with the going concern basis, in view of the commitment made by the Founding Members to ensure the necessary financial support to the Foundation.

## COMMENTS ON THE MAIN ITEMS OF THE DIRECTORS' REPORT

### *Charges and Income*

Charges and income are booked on an accrual basis, independently from the date of collection or payment, net of returns, discounts, allowances and bonuses.

#### **Income from core activities**

Revenues from institutional activities related to liberal donations bound for Euro 52,987, of which € 34,080 for the project RAST, Euro 8,336 for the project One Cow Rwanda, 3,788 for the project Social Shopping Basket Casalmaggiore with the addition of a in-kind donation equal to € 219, € 3,500 for the project CAV Mantova, Euro 2,300 for the project Men Sinti Mantova, 764 Euro for the project the Rwanda, and not bound for Euro 78,783, of which Euro 7,283 by individual entities and Euro 71,500 by legal entities.

<b>FINAL STATEMENT COLLECTION OF PUBLIC FUNDS 2014</b>			
Description	REVENUES (a)	BOUND REVENUES (b)	EXPENDITURES
1 Occasional fund-raising "Lottery for Good " from 2nd December 2013 to 3rd January 2014	€ 660		€ 0
2 Occasional fund-raising from 14th to 17th April 2014	€ 3.805		€ 1.355
3 Occasional Ippodrome D'agnano fund-raising for Rast 21st July 2014	€ 1.290	€1.290	€ 0
4 Occasional Green Tea fund-raising from 24th to 25th July 2014	€ 160	€ 160	€ 105
5 Occasional Green Tea fund-raising 22nd August 2014	€ 440	€ 440	€ 208
6 Occasional fund-raising at Literature Festival Mantova from 3 <sup>rd</sup> to 7 <sup>th</sup> September 2014	€ 140		€ 0
7 Occasional fund-raising Blue Note 30 <sup>th</sup> September 2014	€67.100		€21.891
8 Occasional fund-raising "Un Natale che vale" from 28 <sup>th</sup> to 30 <sup>th</sup> November	€42.283	€15.288	€31.540
9 Occasional fund-raising "mercato Marcegaglia"	€3.675		€323
<b>Total amounts</b>	<b>€119.553</b>	<b>€17.178</b>	<b>€55.421</b>
<b>PROCEEDS FROM THE FUNDRAISING (a)-(b)</b>	<b>€102.375</b>		

The revenues from fund-raising differ from those in the budget of € 429 for the share received by the 5xmille 2012:

1. During the collection of funds for charity, started at the end of 2013, with "Lottery for Good!", carried out according to the regulation filed with the body responsible, 660 Euros were collected in 2014, intended for charity projects supported in Italy and around the world. There were no expenses in the current year. Ticket sales were possible thanks to the contribution of volunteers and supporters of the Foundation and took place within the territory of the province of Mantua, as by ministerial regulation. The prizes were all handed over to the respective winners.

2. When collecting money for charity "Taste of solidarity" made from 14 to 17 April 2014 were collected € 3,805 for the charity projects supported in Italy and worldwide. The initiative consisted of promoting Easter eggs at the plants of Marcegaglia Group at Gazoldo degli Ippoliti, Contino, Forlimpopoli, Boltiere, Casalmaggiore, which Milan were sold with a donation. Expenditures incurred amounted to Euro 1,355 and consist of the purchase and customization of Easter eggs and the movement of staff who has followed the events in different locations. In those events, as well as the promotion of eggs, it was announced the campaign 5x1000 and the launch of the "Call for employees 2014".

The project for employees is the initiative of the Foundation Marcegaglia in Italy for the employees of the Marcegaglia Group in Italy.

The project, initiated in 2013, includes a series of actions to inform employees about the activities and the mission of the Foundation in order to undertake a process of mutual enrichment.

For 2014 the objective was to involve employees by making them an active part in choosing a project with a significant social impact. Through an internal call "Give us an idea!" individual employees have proposed a social project on their territory; Marcegaglia Foundation funded the project submitted by the Consorzio CO.A.LA with 20,000 Euros giving the opportunity to those who offered to come and visit one of its projects abroad, to get to know the reality that sustains.

3. During the collection of money for charity at the "Evening gala on the terraces above the Hippodrome of Agnano" in July 21st, 2014 were collected Euro 1,290 for the health project in Haiti RAST. The Foundation was the recipient of part of the revenues from the gala dinner at the Grand Prix Gallop city of Naples and part of the premiums of the participants. There were no expenses. It was the opportunity to present the projects and activities of the Foundation and, specifically, the project RAST-Haiti, health project implemented in Port au Prince (Haiti) with the technical support of the Association Salerno-Haiti Onlus.

4. During the fund-raising for the "Green Tea Marcegaglia Foundation Onlus" at the Golf Club of Albarella (Rovigo) 160 Euros were collected for the project Tea Rwanda. The Foundation was the recipient of part of the registrations of the participants in the golf tournament, which was held on July 25, 2014. To each participant it was given a box of the Rwandan tea customized by the women of the Rwandese cooperative beneficiary of the social project. Expenditures amounted to Euro 105 and consisted in the purchase of tea, in some of the prizes for the winners of the tournament and in the travelling expenses of the staff that followed the event. It was an opportunity to present the Foundation and its projects to the guests of the tourist facilities on the island of Albarella also using ad-hoc communication through information kiosks

. 5. As above but on a different date, it was organized a second edition of the fund-raising event "Green Tea Marcegaglia Foundation Onlus" at Golf Club of Albarella (Rovigo) and 440 euros were collected for the project Tea Rwanda. The Foundation

was the recipient of part of the registrations of the participants in the golf tournament, which was held on August 22, 2014. On this occasion, each participant was given a box of Rwandan tea customized by the women of the Rwandese cooperative beneficiary of the social project. Expenditures amounted to Euro 208 and consisted in the purchase of tea, in some of the prizes for the winners of the tournament and in the travelling expenses of the staff that followed the event. Again, it was an opportunity to present projects to the guests of the island's tourist facilities.

6. During the event "Festival Mantua Literature" it was organized a photo exhibition entitled "Reflections" curated by the photographer Gianni Basso, who was held in Mantova from 3rd to 7th September 2014. In that occasion there was a fundraising for charity collecting Euro 140 for the charity projects in Italy and worldwide. There were no expenses. The photo exhibition concerned one of the topics that the Foundation follows with attention: violence against women. It was an opportunity to update the sympathizers and supporters of the results achieved by the projects of the Foundation. In addition, in conjunction with the exhibition, there were interventions on gender... of four international writers invited by the Foundation.

7. When collecting money for charity at the "Dinner at the Blue Note" on 30th September 2014 were collected Euro 67,100 for the charity projects supported in Italy and worldwide. The event consisted of a gala dinner in the presence of comedians and music entertainers at the Blue Note Jazz Club Restaurant in Milan. Sympathizers, supporters and project partners of the Foundation and its donor companies were invited. It was an opportunity to present the Foundation's projects and objectives for 2015 and remember one of its founders Cav. Steno Marcegaglia on the first anniversary of his death. Expenditures amounted to Euro 21,891 and consist mainly of the cost of the dinner.

8. On the occasion of the public event "A worthy Christmas !" held in Mantova from the 28th to 30th November 2014, 42,283 Euros were collected of which € 26,995 in-kind donations. The public event was to arrange a market where visitors could choose goods donated by partner companies of the Foundation and earmark their donations to the project CAV Mantova, Social Shopping Basket in Casalmaggiore or One Cow Rwanda. Expenses amounted to Euro 31,540 of which Euro 26,995 in in-kind donations. The invoice nr. 715 of 30.11.2014 Medianet of € 488 for the Facebook Ads campaign was partially covered with the delivery of the share of the 5xmille 2012 totalling Euro 429.49 received on 28th October by bank transfer. On that occasion, the visitors also had the opportunity to inquire about the progress of the projects due to the presence of some of the operational heads of the projects and of printed and audio / video communication material.

9. In connection with the collection of funds for charity at the flea market at the Marcegaglia plant of Gazoldo degli Ippoliti 3,675 Euros were collected for the charity projects supported in Italy and worldwide. The event took place from the 2nd to the 3rd of December 2014 in one of the halls at the entrance of the headquarters of Gazoldo degli Ippoliti. Expenditures amounted to Euro 322 and consisted of the cost of board and lodging for the staff of the Foundation responsible for the proper carrying out of the initiative. Also in those days it was communicated to the employees through Marcegaglia information totems, the results and impressions of the trip, taken place in Rwanda in July, by the winner of the "Call employees 2014".

#### Expenses from core activities

The following list shows the funds disbursed during the year 2014 to implementing partners for the implementation of project activities.

Subsidized entity/type Project	Euro
Help centre to Life and Caritas-Mantua	40.361
Consortium CO.A.LA- Grafts Project Asti	12.774
A.O. Carlo Poma Mantova-Personal training palliative Care	10.000
Amurt Association-Social Shopping basket Casalmaggiore	5.298
Association of Citizen Together-Sinti Men Cremona	3.150
Vanaprastha International Charitable Trust – Medical clinic – India	210
Arte-fact Onlus- Project Marocco	16.099
Final consistency	87.892

The difference between the voice B.1 equal Euro 163,640 and the final amount is due to funds provided directly by the foundation for the purchase of equipment and services for projects:

Project	Euro
Men Sinti Mantova	4.583
Project RAST Haiti	38.379
Project ONE COW-Rwanda	28.416
Project Tea-Rwanda	2.198
Miscellaneous charges on projects	2.172
Final consistency	75.748

## General administrative costs

This item relates to the costs of operational management of the Foundation Onlus Marcegaglia. Detailed below are the main types of expenditure:

6.2 Services	Euro
Periodic maintenance fee	837
Activities related professional fees	2.353
Travel expenses	16.725
Administrative formalities	8.929
Telephone charges	2.090
Other	7.555
TOTAL	38.489

6.3 Staff	Euro
Staff costs	107.720
Social Security contributions	18.064
INAIL	957
TOTAL	126.741

## Charges from occasional fundraising

Charges relating to the fundraising of € 55,421 are attributable to the following costs in Euro:

Charges from fund-raising	2 Fund-raising	4 Fund-raising	5. Fund-raising	7 Fund-raising.	8.Fund-raising	9.Fund-raising	TOTAL
Purchase goods and advertising	1.355	105	105	329	28.957		30.851
Materials charges (stationary)				29	561		590
Services costs			103	21.533	2.022	322	23.980
<b>TOTAL OUTPUT</b>	1.355	105	208	21.891	31.540	322	55.421

The account Charges from fundraising consists of:

- Euro 26,995 for donated goods, Euro 1,894 for purchased goods and Euro 1,962 for advertising;
- Euro 590 for office equipment;
- Euro 2,447 for expenses of board and lodging and Euro 21,533 for the cost of the dinner at the Blue Note.

## CONCLUSIONS

### CLOSING REMARKS

It reiterates that the evaluation criteria set forth herein, are in accordance with statutory regulations and the results of the balance sheet correspond to the balances of the accounting records kept in accordance with current regulations. These notes, as well as the entire budget of which is an integral part, give a true and fair view of the assets and financial situation of the Foundation and the results of operations.

Gazoldo degli Ippoliti, .....

THE CHAIRMAN OF THE BOARD