

RIGONI DI ASIAGO

L.L.C.

Report Analitico Rating

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Responsible for approval: Comitato Rating

RIGONI DI ASIAGO | Limited Liability Company

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Report Analitico Rating

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Rating

Rating

Rating and probability of insolvency

The rating is an opinion on the ability of a subject to meet its engagements and is based on objective elements matched with subjective evaluations expressed by a rating analyst. Cerved Group issues unsolicited long-term ratings giving judgments on the reliability of the debtor that are not linked with technical debt structure.

Rating and probability of insolvency

It is the evaluation on the ability of an economic subject to meet its financial engagements within the agreed terms.

Rating:	High credit worthiness (A3.1)
Probability of insolvency (at 12 months):	Low (0.59%)

Enterprise characterized by a good overall. No remarkable negative events have been found. Its capacity to meet the engagements is high.

Credit risk is low.

Subject

C2.1	C1.2	C1.1	B2.2	B2.1	B1.2	B1.1	A3.1	A2.2	A2.1	A1.3	A1.2	A1.1
Low credit worthiness								High credit worthiness				

Rating

Overall judgment

RIGONI DI ASIAGO L.L.C. is a historic player in the reference market. It is a family business that was created at the end of the '70s to manage the production and commercialisation of honey. Over the years it has become a true benchmark – and not just nationally - in the sector of “bio” foodstuffs, thanks especially to the ability of its management to grasp the opportunities in a rapidly evolving market and in quickly making the right strategic choices to give the company significant strategic advantages over its competitors.

Today, RIGONI DI ASIAGO is the leading (value added) branded producer in the internal market for preserves and represents the “price leader” in this segment, which demonstrates not only an ability to present to consumers a high quality product, but above all and especially, a “different” product that is recognisable in terms of its taste and health content (it is a preserve produced with “bio” fruit and no sugar).

Despite operating in a difficult general economic climate (the “bio” market, however, precisely because of its peculiarities, is affected less than other segments by the general fall in consumption, and in fact has often reported non-correlated trends), with every new financial year RIGONI DI ASIAGO has reported a constant and significant growth in its business. 2012 closed with revenues in the order of Euro 56.5 million (net of “end of year bonuses”), with an increase compared to the previous financial year that is estimated to be in the order of 6.7%; its growth during the first semester of 2013 is actually into double figures (+16.1% compared to the same period in 2012), with an end of year forecast of Euro 66/67 million. Despite this more than positive commercial trend, its profit margins do not appear for the time being to be ideal (in any case RIGONI DI ASIAGO ended the 2012 financial year with profits of Euro 683 thousand, a positive EBITDA of just under Euro 4.8 million, while at a consolidated level, because of the negative results of the production and commercial subsidiaries, 2012 was closed with a loss of almost Euro 1.5 million). This is attributable to the high incidence of the promotional/advertising costs, which are in any case considered to be strategic by the company to promote the RIGONI product in the historic reference markets and above all amongst new potential clients (particularly abroad) and to promote and sustain the growth of the company in the short term and more importantly in the medium/long term.

At a financial level there are no major imbalances. RIGONI DI ASIAGO has a reasonable capitalisation; the level of equity was also improved during the course of 2012 on the basis of the entry into the shareholding structure (with a 35.56% stake) of FONDO ITALIANO D'INVESTIMENTO SGR L.C. that contributed new equity of Euro 10 million, that is essential to support the company's constant process of structural and commercial growth. In addition, the balance at a structural level appears to be sufficient, with an acceptable balance over time between sources and uses. There is also an extensive use of bank credit (that is only partially extended to the M/L term), while there is a lesser use of commercial debt, that is not the result of objective difficulties in this regard, but a consequence of strategic choices made by the management. In fact, the need to have “large” inventories (in terms of both stocks of finished products in order to promptly respond to the growing market demand, but above all in terms of availability of raw materials of high quality and secure origin), combined with a negative cash flow cycle (the company sees as its main commercial counterparty large-scale retailers, that undoubtedly have a strong bargaining power) and the need (at least for the whole of 2013, while as of 2014 the recapitalisation made in

December 2013 should reduce this requirement) to support from a financial perspective, through extremely brief payment terms for the supplies received, the Bulgarian subsidiaries (that are characterised by negative operating results, but which are in any case strategic for the entire Group since they provide about half of the “bio” fruit that is used for the production process), entail for RIGONI DI ASIAGO a constant increase of the operating working capital, that is in part financed through a positive cash flow (almost Euro 3.4 million in 2012) but above all through a large negative net financial position (circa Euro 37.5 million forecasted for 2013). As emphasised earlier, the overall indebtedness of the company appears in any case to be sustainable for the structure and strictly correlated to the company’s growth process, in terms not only of income but also and especially in terms of image and competitive position on the market.

On the whole the position is characterised by structural factors, that guarantee a suitable capacity to meet the company’s financial commitments, in both the short term and medium-long term, which thus ultimately implies a positive creditworthiness.

Rating

Points of Strength

- Historic business with a management that has grasped the opportunities in a constantly evolving market and quickly made the right strategic choices.
- The clear and distinctive positioning of the product, the high perceived level of quality, the constant investments in “Brand Awareness” guarantee for the company a relevant strategic advantage compared to its competitors.
- loyal client portfolio made up mainly of solid parties, with a resulting low risk of insolvency. Significant commercial partnerships with ESSELUNGA and FIRST RETAILING of the Barilla Group.
- Excellent reputation abroad too, with an innovative commercial offer for many markets (in terms of product uniqueness and focus on health and “bio” aspects) and a formula for “NOCCIOLATA” that is potentially successful.
- Despite the unfavourable economic climate RIGONI reports significant growth rates. In the short/medium term the company should be able to further develop its turnover.

Points of weakness and factors of risk

- The current structure is characterised by limited productive flexibility. There is therefore a need to extend it in order to grasp all the market opportunities nationally and internationally. In this regard the construction of the new building in Albaredo D'Adige is very important. This will be situated near the current logistics centre and work will start as soon as the ISA loan is obtained from the Veneto Region.
- Intermediate operating margins are not ideal, as a result of the high incidence of promotional/advertising costs, which are in any case deemed strategic by the company to promote the RIGONI product in the historic reference markets and above all amongst new potential clients (particularly abroad) and to promote and sustain the growth of the company in the short term and more importantly in the medium/long term.
- Difficulty to constantly monitor the foreign markets once the new international opportunities have been grasped.

With regard to potential risk factors, the “operating” risk appears negligible, thanks to the high level of loyalty of the clientele and the end consumer and the excellent strategic positioning of the products offered. In terms of the liquidity risk, the company is able to meet its commitments with the operating cash and uses short term self-liquidating lines of credit and loans. At 30/09/2013 self-liquidating lines of credit in Italy were used to a degree of 59.6%.

With regard to the market risk, at a national level the increase in the competitive pressure in the merceological categories the company is present in, is of particular relevance, as is the continual decrease in the supermarket spending of the Italian consumer (who might be forced to buy a product of lesser quality at a lower price). Internationally, RIGONI DI ASIAGO could be affected by the fact that the markets are well covered by local and international players, who use very aggressive price-based commercial strategies. On the whole there is a potential structural risk, deriving from a forecasted increase in turnover that was not followed by a proportional equity and financial growth.

Rating

Trend development

RIGONI DI ASIAGO reports for the whole of 2013 a progressive increase in the turnover, and even going forwards it appears able to extend its market share thanks to a growing demand by the market for “bio” products which - apart from being good- have health benefits.

Alongside this commercial growth, the main objective for the company in the short term, more than maximising its profits, is the consolidation of the position of RIGONI DI ASIAGO in the reference markets, both nationally and internationally, by improving customer loyalty. In this sense, it is essential for there to be an extensive and focused advertising/communication campaign that is able to develop an awareness of a “different” and “high quality” product in end consumers.

We note the management’s intention to support this growth process through a progressive development of the production and commercial structure by making all of the respective investments (which include the construction and start-up of the new production plant in Albaredo D’Adige). On the other hand, there is a clear desire to proceed with a growth “through small steps”, i.e. one that is sustainable, especially in financial terms. In fact, there is a need to also maintain in the future the right balance between sources of internal financing (in this regard the entry during the course of 2012 into the shareholding structure of FONDO ITALIANO D’INVESTIMENTO was very important) and external sources of financing (in this sense the company, that already has a good support from the banking sector, is not excluding the possibility of making use of alternative “public” financing, through the issuing of mini-bonds).

Overall we report very favourable business prospects.

Rating

Scenarios

Rating indications in case of a more unfavourable scenario

The most unfavourable scenario, apart from catastrophic events, concerning the subject and its activity sector, could cause a downgrading of its credit worthiness. In particular, it is estimated that the minimum value its rating could reach would be B1.2, which anyway shows a reliable situation for the subject.

Rating indications in case of a more favourable scenario

The most favourable scenario concerning the subject and its activity sector, taking into consideration the operative development plan as well as the objective structural limits of the subject, could bring to an upgrading, therefore the credit worthiness would go to the higher class and reach A2.1, which corresponds to a situation of full reliability and a credit risk even more limited than the current one.

Rating Factors

Rating Factors

Trend

Despite the unfavourable general economic climate, even during the last financial years, RIGONI DI ASIAGO has reported significant levels of growth. 2012 was characterised by revenues of Euro 56.5 million, i.e. a growth of circa 6.7% compared to 2011 (with regard to 2011, consideration is given to the aggregate figure for MONTE MIELA L.L.C., previously RIGONI DI ASIAGO L.C. which actually operated between January 2011 and October 2011, and of the current RIGONI DI ASIAGO L.L.C., that only operated for November and December 2011). Against a positive “value of production” of Euro 56.7 million, 2012 had a positive EBITDA of circa Euro 4.7 million, which was a lower value than 2011 essentially as a result of a greater incidence of promotional/advertising costs and an increase in the cost of some raw materials (in particular during the course of 2012 there was an increase in the cost of apple juice from which they obtain the sweetener used in the production process of “FIORDIFRUTTA”, a cost increase which was deemed “extraordinary” and therefore not passed on to the final price of the product). Overall, the “costs for services and for the use of third party assets”, was equal to Euro 24.3 million in 2012 and was mainly made up of “expenses for bonuses and sales incentives” (Euro 12.3 million) and “advertising expenses” (Euro 4.2 million), account for 42.9% of the “value of production”.

Net of amortisation, depreciation and result of other income/expenses (with the latter being almost negligible), for 2012 there was a positive operating income of Euro 2,373,000 (in 2011 the EBIT was just under Euro 3.9 million). A ROS of circa 5,6% highlights a sufficient capacity for the company to generate income with its ordinary operations. The balance of the financial management was negative to the tune of Euro 658,000. Net of the latter balance, the result of the extraordinary management (which was scarcely negligible) and taxes, the 2012 financial year ended with a net profit of Euro 683,000 (in 2011 the result for the financial year was circa Euro 1.9 million), with a ROE of 4.5%.

Going forwards, the analysis of the half-year report at 30 June 2013 highlights even more growth than 2012; in particular we report revenues of Euro 32.9 million, i.e. +16.1% compared to the figure of the first half of 2012. The forecasts for the close of the 2013 financial year indicate likely revenues of circa Euro 66/67 million, of which about 8 million relate to sales in foreign markets, while the remaining Euro 58 million are for the national market. More specifically, the national market was characterised by a growth (in terms of turnover) of almost 14%; all the main products (“FIORDIFRUTTA”, “NOCCIOLATA” and “MIELE RIGONI”) had positive variations in terms of both volumes and value (in particular “NOCCIOLATA” had an increases in value of about 44%), and there was a major contribution from the “private labels” with an overall value which more than doubled compared to 2012 (it should be noted that RIGONI has only been producing the “BIO” and ‘CLASSICA” preserves lines for ESSELUNGA since March 2013). There has also been an impressive growth in foreign markets (+38% in value), with “NOCCIOLATA” in particular which grew by more than 120%. It emerges that in 2013 foreign sales represented circa 10% of the overall turnover of RIGONI DI ASIAGO.

Against these performance trends, in 2013 no significant changes are reported in terms of margins as a result of the increase in costs being almost proportional to revenues; at June 2013 EBITDA is Euro 2.3 million (it was a little under Euro 2.2 million at 30 June 2012) and a positive result for the financial year of Euro 366,000 (that is almost identical to the same period in the previous financial year).

Rating Factors

Negative data

Negative Events

Protests

No protests have been found neither on the company, nor on its linked subjects. The double checks carried out on “doubtful” cases excluded possible homonymy thanks to detailed verifications.

Bankruptcies and bankruptcy procedures

No Bankruptcies and /or severe Bankruptcy Procedures have been found against the enterprise, nor against its linked subjects.

Prejudicial actions

No Prejudicial Actions coming from Curatorship have been found against the enterprise, nor against its linked subjects.

Negative press review

From our press review, which includes the daily analysis of almost 100 national, regional and above all provincial daily papers, we found no negative elements on the above-mentioned enterprise

Rating Factors

Competitive position

In Italy, RIGONI DI ASIAGO operates in a market characterised by a growing attention to health related aspects and interesting rates of growth in the sector of spreadable creams; however, the market itself has been affected by the increase in the competitive pressure in the merceological categories the company is involved in, the reduction in the consumer spending and the risk of trading down.

Specifically, in the preserves market, RIGONI is the leader in terms of price and the leading value added branded producer (19.7%); private labels are the leaders in terms of both volumes (42%) and value (29.8%). In the preserves market, ZUEGG is the main competitor, and is 7 % ahead in terms of volumes (18.2%), and slightly behind in terms of value (19.3%). For the future, RIGONI DI ASIAGO forecasts a consolidation of its leadership position in the large-scale retail market, to increase annually the volume, although with a trend smaller than in the recent years.

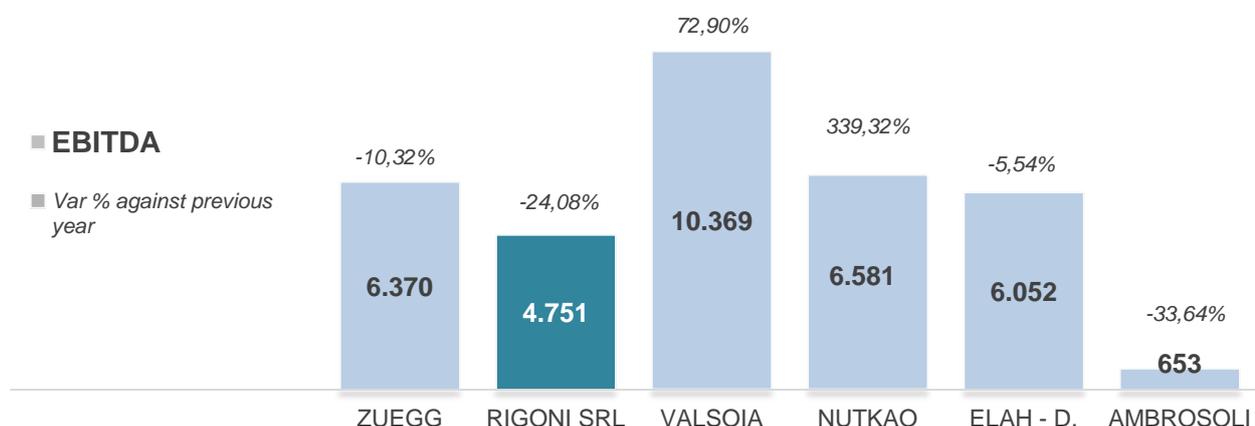
As far as the market of spreadable creams is concerned, RIGONI is the leader in terms of prices and the third manufacturer in terms of value (1.6%) and volume (0.7%). It works in an extremely concentrated sector, where the market leader is FERRERO and private label account for a market share as high as 95%. For the future, the enterprise wants to remarkably increase its market share, thanks to several investment in marketing initiatives in stores and supermarkets and product advertising on TV channels underlying the differences of NOCCIOLATA, an “organic” product without palm oil.

Moreover, on the market of honey, RIGONI is the second manufacturer of private labels both in terms of volume (6.4%) and value (7,4%), after AMBROSOLI (with 10.9% and 14.4% respectively) which is also the “Price Leader”. Private labels are market leaders in terms of volume with 47.9% and value with 43.3%. In the near future, the enterprise is going to protect the current market share.

At international level, RIGONI DI ASIAGO can rely on the strong appeal of the Italian Food and of the higher knowledge of the consumers about the benefits of healthy and organic products; there are many desirable markets and potential customers to conquer. Anyway, foreign markets are already well covered by local players active in the same segments of activity as RIGONI, very often with first-price offers.

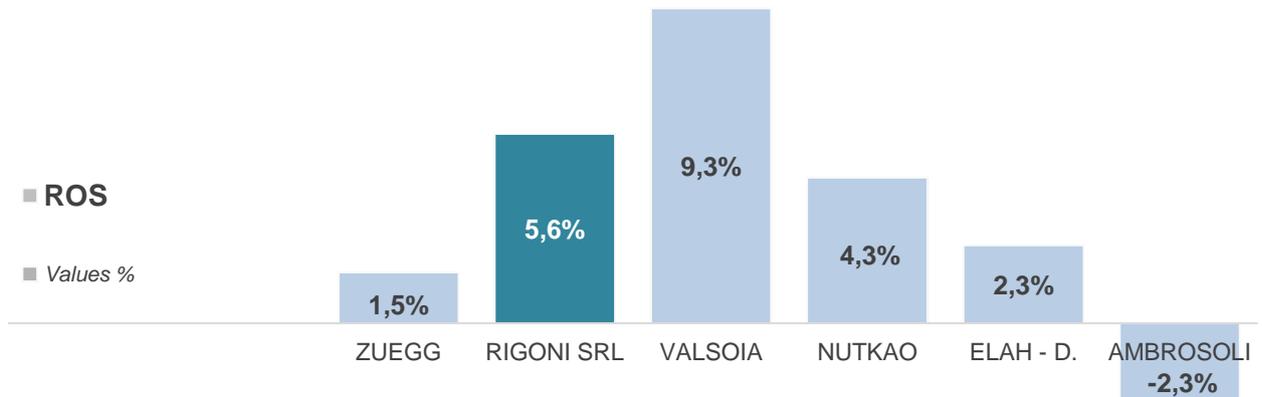
Market Position

It compares 2012's MOL growth of RIGONI DI ASIAGO S.R.L. with that of its main competitors



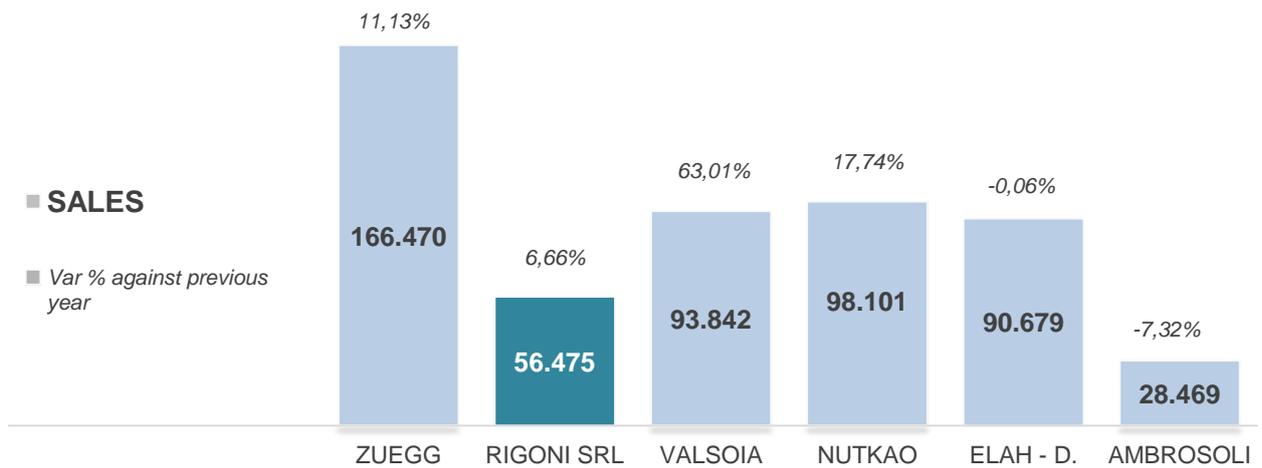
Market Position

It compares 2012's ROS growth of RIGONI DI ASIAGO S.R.L. with that of its main competitors



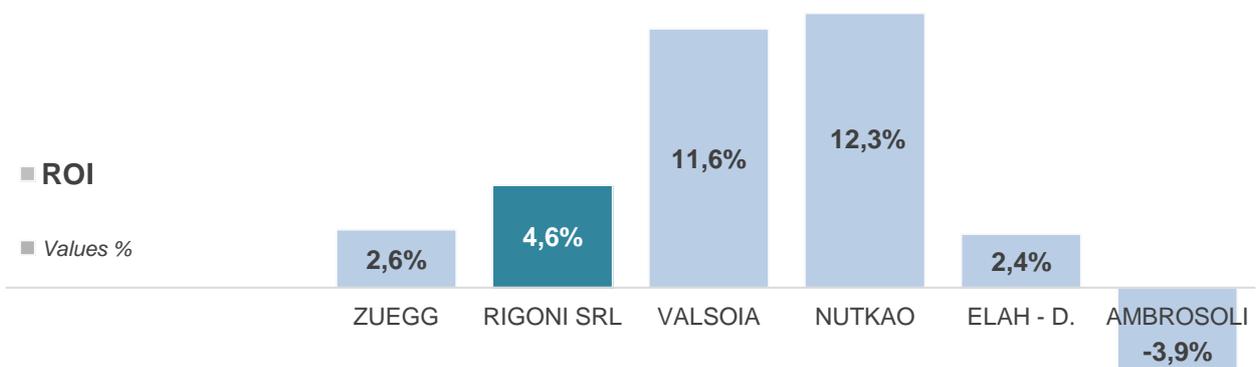
Market Position

It compares 2012's turnover growth of RIGONI DI ASIAGO S.R.L. with that of its main competitors



Market Position

It compares 2012's ROI growth of RIGONI DI ASIAGO S.R.L. with that of its main competitors

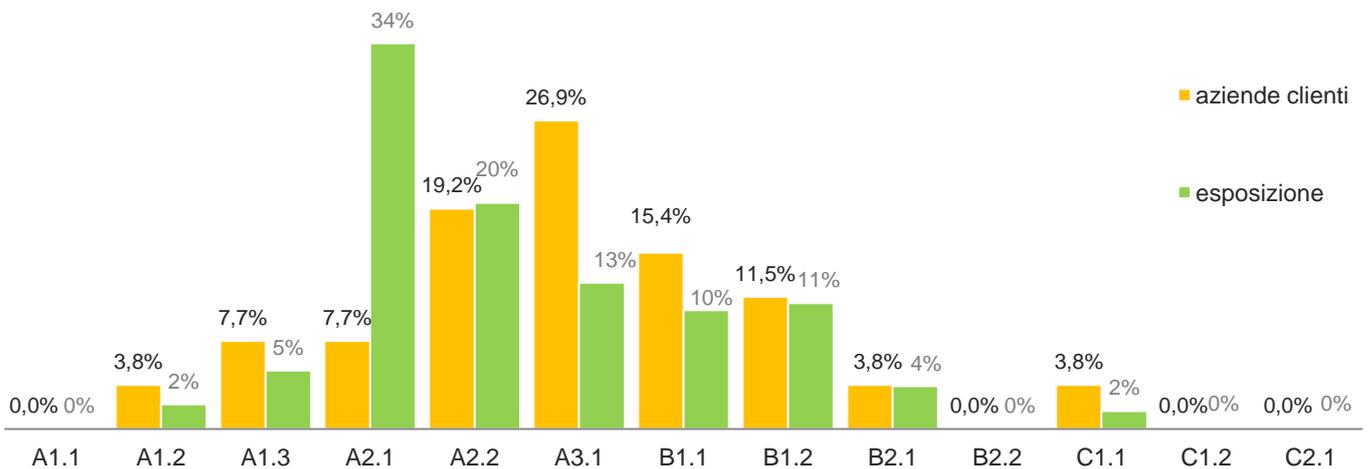


Rating Factors

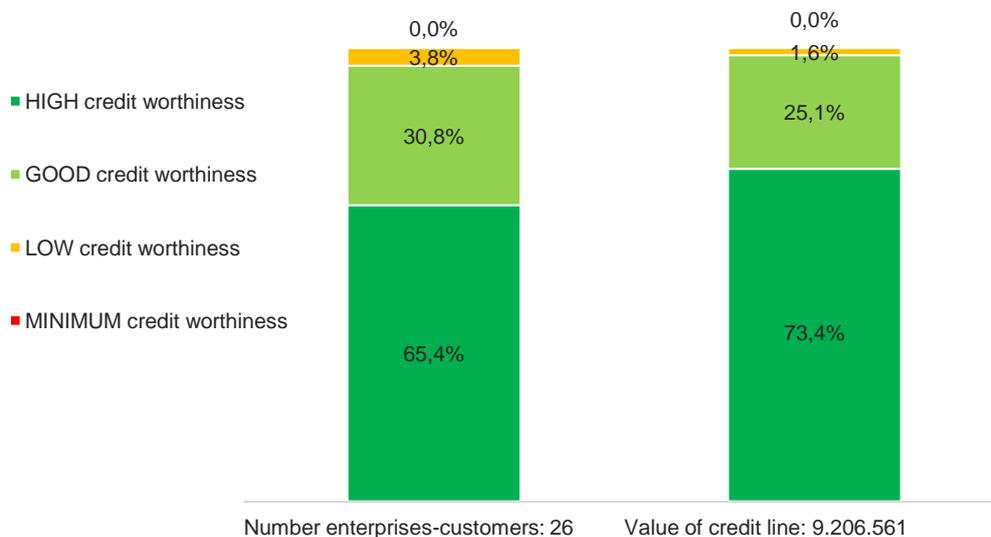
Quality of customer portfolio

On the basis of the data provided by RIGONI DI ASIAGO with regard to its client portfolio until 31/10/2013, an analysis was made of the riskiness of the latter in terms of numbers of customers and level of exposure. The first diagram shows the distribution in the number of the companies and the exposures present in the database by CGR class (Rating Cerved Group), while the second diagram shows the breakdown of Client companies and the exposure in the client portfolio in terms of class of creditworthiness. It can be seen that the limited concentration of risk, in terms of both numbers and exposure, in the classes that have an unsatisfactory creditworthiness (class 3 and class 4), which thus implies the overall quality of its customer portfolio.

Distribution of customers and credit lines following rating classes



Risk level of customer portfolio



Rating Factors

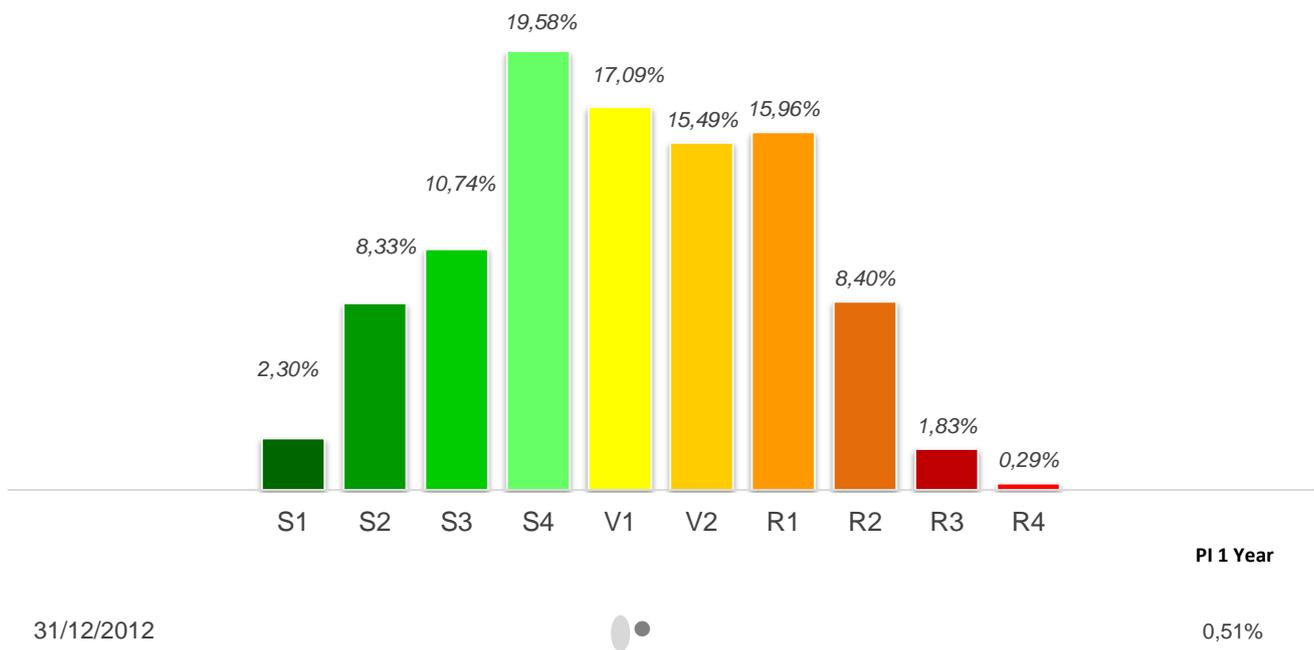
Level of customer concentration

RIGONI DI ASIAGO has a fair degree of customer loyalty, which demonstrates firstly the quality of the products offered by the company, that is able to focus on scheduling its business with respective benefits at an operating, economic and financial level. As specified above, national large-scale retailers represents the main reference market for RIGONI DI ASIAGO; in 2012 this sales channel accounted for 90% of overall revenues.

Rating Factors

Economic-financial evaluation

It represents the distribution of the enterprises of the sector following the categories of economic-financial risk and compares the risk of the enterprise with the one of the sector over the last three years.



● Enterprise ● Sector

- S1 High safety
- S2 Safety
- S3 High reliability
- S4 Reliability
- V1 Limited reliability
- V2 Low reliability
- R1 Moderate risk
- R2 Risk
- R3 High risk
- R4 Very high risk

During the last year taken into consideration, the subject is placed in class V1 of the economic-financial evaluation scale, showing a risk in line with the average of its sector.

Rating Factors

Balance sheet and financial situation

RIGONI DI ASIAGO appears to be characterised by a fair level of capitalisation; the Shareholders' Equity, which at the end of 2012 amounted to circa Euro 20.7 million, represents 27.4% of the overall sources. In particular, the entry of the new shareholder FONDO ITALIANO D' INVESTIMENTO SGR, that took place in February 2012, guaranteed new equity of Euro 10 million overall (of which a part was as Share Capital and a part as "share premium account").

Overall the exposure towards third parties is significant, but is sustainable for the structure and related to the company's turnover. In particular, if we analyse the situation at 30 June 2013, we can see a significant increase in the current banking liability (which went up from Euro 20.8 million at the end of 2012 to a little under Euro 27.3 million), against a slight reduction in M/L term bank financing (which went from Euro 10.2 million to Euro 8.5 million) and the debt with suppliers (which went from Euro 19.6 million to Euro 14.4 million). The reduction in the current commercial liability relates in part to the enactment of art. 62, in part to some strategic choices made by the management during the course of the financial year (in order to avoid problems linked to the increase in cost of the respective raw material in 2012, a "cash" acquisition was made of "bio" apple juice worth circa one million Euro), in part to a change that took place in 2013 with regard to the collection by clients of promotional prizes (up to 2012 paid every six/four months, since 2013 paid at the end of every two months). In addition, up to the end of 2013 the payment in very short timeframes of commercial payables to the Bulgarian subsidiaries was associated with a sort of financing agreement with these associated companies; as of 2014, as a result of the recapitalisation of ECOTERRA and ECOVITA in December 2013, this strategy should in part be abandoned.

This reduction in operating liabilities, along with an increase in commercial receivables of circa Euro 2 million (which relates to the increase in the turnover) and a very similar level of stock, resulted in 2013 in a significant increase in the operating working capital (that was already quite large at the end of 2012), with a resulting greater exposure towards the banking system. However, the company's financial composition remain in any case characterised by an acceptable balance; in addition, because of access to new sources of financing, should improve in the future the relationship between M/L term liabilities and short term liabilities.

Rating Factors

Short term credit relations

With regard to short term credit relations, there are no clearly negative elements against the party in question, which maintains a commercial conduct based on absolute correctness.

The company is overall well sustained by the financial players it works with.

Rating Factors

Quality of the management

The assessment of management is very positive on the basis of the extremely high technical and management competencies developed over the years by the key figures; in particular the promptness in grasping in the best possible manner the opportunities offered by a complex market, the capacity to determine strategies that can guarantee a constant competitive advantage in both the present and (above all) the M/L term, as well as the careful management of a sustainable development process, are fundamental ingredients for the success of RIGONI DI ASIAGO.

Informations

Informations

Company profile

Identification details

Name	RIGONI DI ASIAGO
Address	VIA GUGLIELMO OBERDAN 28, 36012 – ASIAGO (VI)
Telephone	0424603611
Website	www.rigonidiasiago.com
Email	info@rigonidiasiago.com
Certified Email	amministrazione@pec.rigonidiasiago.com
Legal Form	LIMITED LIABILITY COMPANY
Status	ACTIVE since 01/11/2011
Date of establishment	25/10/2011
Active since	01/11/2011
Approved share capital	13.189.994
Subscribed share capital	13.189.994
Paid-up share capital	13.189.994
Reg. number / registered on	VI 348475, registered on 28/10/2011
Tax ID	03722320243
VAT Number	03722320243
Istat Code	1039
Nace Code	10.39
Rae Code	414
Sae Code	430
Company belonging to the group	RIGONI DI ASIAGO - GIOCHELE
Main shareholders/partners	RIGONI DI ASIAGO S.R.L.
Secondary branches	3

Historic information

The company was officially incorporated in October 2011. With Deed of 29 October 2011 it had transferred to it the business and the respective business complex, relating to the production and commercialisation of preserves, honey, spreadable creams and sweeteners, from the “pre-existing” RIGONI DI ASIAGO S.p.A. (Chamber of Commerce of Vicenza REA n 263387 of 22 January '98). The latter, following this operation, as of 1 November 2011 operates as a property/holding company; at the end of January 2012 the latter company's name became MONTE MIELA Srl.

The RIGONI family has effectively been operating in the reference sector since 1979, when it began the activity for the transformation and commercialisation of honeys (through the company APICOLTURA RIGONI SNC di MARIO & PAOLO & C.) that was in part its own production and in part that of third parties. It should in any case be noted that the RIGONI family had been involved in the production and sale of honey since the '20s, although this it was not yet structured as a proper company. The above mentioned APICOLTURA RIGONI SNC di MARIO & PAOLO & C. assigned the business (first through a lease contract and then, since April '99 through the transfer of the business) to the newly incorporated RIGONI DI ASIAGO S.p.A. (Fiscal Code 02648130249). In a short period of time the honey transformation and commercialisation activity became prevalent compared to production. At the same time there was a development of the production of honey preserves and food supplements based on apian products. The commercialisation, that had previously only taken place through retailers, was slowly extended to large-scale retailers.

At the end of the '80s the company had to face some difficulties resulting from the crisis in the honey market (following the entry into the market of new Producer countries, especially in Eastern Europe), the crisis experienced by the majority of operators (state owned companies) linked to the collection and transformation of honey, and the development of the “discount” market (which caused a significant reduction in the sales margins). RIGONI found itself having to face this crisis with an already significant financial exposure (as a result of the major investments it had made for the construction of the new production centre in Foza, which opened in 1990). In order to overcome the crisis the company's management the company opted for the “organic/bio” strategic choice from the early nineties. They extended the range of honey they commercialised (all are “bio”). They then developed new products, firstly “bio” marmalades (using a natural sweetener derived from apple juice). In that period the brand “FIORDIFRUTTA” was created, that is still the company's main product in terms of turnover. The major investments that were made in those years aimed to maintain a high qualitative standard (thanks to a suitable production plant and the use of innovative technologies, such as cooking at low temperatures) while limiting production costs - mainly workforce and energy.

At the start of the new millennium the entry into the shareholding structure of RIBS S.p.A. (which later became SVILUPPO ITALIA) and VENETO SVILUPPO, who remained financial partners between 2000 and 2005. In that same period there was an opening of a new production centre in Albaredo D'Adige.

With a progressive development in terms of market shares acquired, including at an international level, and with a continual extension and improvement of the production/commercial/logistics structure (with the opening of the centre in Albaredo d'Adige), RIGONI DI ASIAGO has reached the present day. In

order to sustain the development plans that have been set out and in order to guarantee a more suitable capitalisation for the company, during the course of 2012 there was the entry into the shareholding structure (with a 36% stake) of FONDO ITALIANO D'INVESTIMENTO SGR S.p.A. which brought new equity of Euro 10 million. In order to facilitate the entry of the new shareholder and maintain the entire ownership of the plant in Foza (VI) within the RIGONI family, the RIGONI Group had to undergo an internal reorganisation, that led to the incorporation of the current RIGONI DI ASIAGO Srl which was transferred the business and the respective company complex of RIGONI DI ASIAGO S.p.A. Following this operation, the latter (now called MONTE MIELA Srl) operates as a holding/property company (and is the owner of the production plant in Foza).

Ownership

Following the transfer operation on 29 October 2011, the Share Capital of RIGONI DI ASIAGO Srl, that was subscribed and initially paid up to a level of Euro 10,000, was increased by a total of Euro 8,490,000. On 15 February 2012 the shareholding structure also welcomed FONDO ITALIANO D'INVESTIMENTO SGR S.p.A. (Chamber of Commerce of Milan REA n. 1926203), that contributed Euro 500,000, of which Euro 145,439 in company shares and Euro 254,561 as "share premium". On 25 July 2012 a resolution was passed for an additional increase in Capital reserved to FONDO ITALIANO D'INVESTIMENTO SGR S.p.A. of Euro 4,444,555 with a "share premium" of Euro 5,055,445. Overall FONDO ITALIANO D'INVESTIMENTO SGR S.p.A. has therefore contributed Euro 10 million, of which Euro 4,689,994 as Capital and Euro 5,310,006 as share premium. To date the Share Capital is Euro 13,189,994, that is entirely subscribed and paid-up; the main shareholder is MONTE MIELA Srl (that is owned entirely by the the RIGONI family, in part directly and in part through the control of the holding company GIOCHELE Srl), which has 64.44% of the overall shares, while FONDO ITALIANO D'INVESTIMENTO SGR S.p.A. has the remaining 35.56% of the shares. It should be noted that the aim of the FONDO ITALIANO D'INVESTIMENTO SGR S.p.A. entering the shareholding structure was the arrival of new funds to support an increase in the production capacity as well as further development and consolidation of the company in the national and foreign market. In the future no increases in the Share Capital are foreseen in the short/medium term, and it is the management's desire to re-invest into the company the profits that have been forecasted in the next financial years.

Groups and Shareholdings

RIGONI DI ASIAGO Srl is the main company in the Group (both at an operating and commercial level). The RIGONI Group rests on two holding companies, i.e. GIOCHELE Srl (Fiscal Code 00497890244), previously APICOLTURA RIGONI Srl, and MONTE MIELA Srl (Fiscal Code 02648130249), previously RIGONI DI ASIAGO S.p.A.

GIOCHELE Srl, operates as a pure holding company. It has a Share Capital of Euro 3.3 million, with shares divided equally (25% each) amongst the members of the RIGONI family. It was given the current company name on 17 January 2012 (previously it was APICOLTURA RIGONI Srl). Like RIGONI DI ASIAGO Srl, GIOCHELE Srl also presents a consolidated financial statement.

MONTE MIELA Srl, previously RIGONI DI ASIAGO S.p.A. (changed its company name in January 2012), has been operating since November 2011 solely as a sub holding and property company (it is in particular the owner of the property of the production site in Foza). It has a Share Capital of Euro 8.5 million, it is 96.35% controlled by GIOCHELE Srl and 3.65% by members of the RIGONI family (0.91% each). MONTE MIELA Srl in turn controls 64.44% of RIGONI DI ASIAGO Srl (while FONDO ITALIANO D'INVESTIMENTO SGR S.p.A. owns the remaining 35.56% stake).

RIGONI DI ASIAGO Srl directly controls 3 Bulgarian companies, i.e. the production companies ECOTERRA E.O.O.D. and ECOVITA O.O.D. both with registered offices in Pazardjik, and NERI & ASIAGO E.O.O.D. a company that is not currently active and which will in the near future be shut down or incorporated by ECOTERRA or ECOVITA. It also controls the commercial companies RIGONI DI ASIAGO USA LLC (with registered offices in Miami/Florida) and RIGONI DI ASIAGO FRANCE Sarl (with registered offices in Marseille), whose activity aims to penetrate two foreign markets that are deemed strategic by RIGONI, i.e. the American and French markets. The perimeter di consolidation does not include APICOLTURA RIGONI USA Inc. in which RIGONI DI ASIAGO Srl owns 51% of the Capital (a shareholding which has been completely written off in the financial statement), which has been inactive for some time; the latter company was an attempt in the '90s by the RIGONI Group to develop the business in the American market in collaboration with local commercial partners. There follow details of the shareholdings of RIGONI DI ASIAGO Srl

ECOTERRA E.O.O.D. (Bulgaria)

ADDRESS: Via Sinitevska 3 – Pazardjik

ACTIVITY: growing of organic fruit

TOTAL ASSETS/LIABILITIES 2012: 670 thousand Euro

SHARE: 100%

Main Balance Sheets data:

	2012	30th June 2013
Turnover	1.223	753,7
Production	2.209,3	1.350,6
EDIT	-317	12
Net result	-1.000	-248
Shareholders' funds	-1.648,1	-1.897,1

This shareholding was acquired during the course of 2012 from GIOCHELE Srl, during the reorganisation of the entire Group. ECOTERRA is involved in the growing of organic fruit, in both greenhouses and plantations, which is a strategic activity for the entire RIGONI Group (from Bulgaria RIGONI gets about half of the organic fruit it subsequently uses for the production process).

The profit figures very negative (although they are reported to be slightly improved during the course of 2013), and the Shareholders' Equity at 30 June 2013 is negative to the tune of Euro 1.9 million. The poor economic/financial performance is attributable to the company's "bad" previous management, which explains why RIGONI recently opted to partially renew the management of the Bulgarian subsidiaries, with 2 new Italian "production technicians". This operation has made it possible, straight from the outset, for there to be greater control over the activities of the subsidiary and has allowed a much needed improvement in terms of efficiency. As a result the future prospects for the company appear positive. This has led to RIGONI DI ASIAGO Srl considering the losses as "non durable" and recoverable in the medium term, which is why the stake in ECOTERRA has not been written-down in the financial statement. Moreover, given the strategic importance of these subsidiaries within the RIGONI production process, there has been no shortage of financial support from RIGONI DI ASIAGO to Srltod ECOTERRA and ECOVITA; finally, on 13 December 2013, RIGONI DI ASIAGO Srl made a large increase to the Capital of ECOTERRA, through the use of a financial credit that was previously paid out, with an overall value of Euro 4 million.

Through the control of ECOTERRA (which comprise, in both cases, 100% of the shares), the RIGONI Group's perimeter of consolidation also includes (as of the first months of 2012) the Bulgarian companies BIOTOP O.O.D. and BIOFRUTTA O.O.D. which deal with the growing of cereals and the production of sunflower oil respectively (that is used in the production process of NOCCIOLATA) and the growing of "bio" fruit in greenhouses. It emerges that in June 2013 the Chairman of ECOTERRA was granted the power to perfect an increase in Capital in the subsidiary BIOFRUTTA of Euro 2.5 million overall and Euro 250,000 in the subsidiary BIOTOP (through the use, via a waiver of reimbursement of financial receivables from the two subsidiaries); these operations, which had been scheduled to take place by the end of 2013, were postponed to early 2014.

ECOVITA O.O.D. (Bulgaria)

ADDRESS: Via Sinitevska 3 – Pazardjik

ACTIVITY: first processing and freezing of organic fruit

TOTAL ASSETS/LIABILITIES 2012: 1.159 thousand Euro

SHARE: 75,56%

Main Balance Sheets data:

	2012	30th June 2013
Turnover	3.135	540,6
Production	3.032,6	723,7
EDIT	316	59
Net result	-64	-157,3
Shareholders' funds	1.382,8	1.225,5

ECOVITA carries out the first processing activity (cleaning and selection), using low temperature, and the subsequent packaging and freezing of the organic fruit provided by ECOTERRA. The processed raw material is then sent to Italy to the logistics centre in Albaredo d'Adige, ahead of processing in the Foza plant.

As with ECOTERRA, the results that emerge from the financial years are negative, although the Shareholders' Equity is positive. As with ECOTERRA, even for ECOVITA the prospects are for an improvement of the economic/financial performance in the medium term thanks to a more careful and efficient management of the business. On 13 December 2013 RIGONI DI ASIAGO Srl made an increase in the Capital of ECOVITA, through the use of a financial credit that had been previously issued, with an overall value of Euro 2 million.

The remaining 24.44% of the ECOVITA shares are owned by FINEST S.p.A. - SOCIETÀ FINANZIARIA PER L'INTERNAZIONALIZZAZIONE DELLE IMPRESE DEL NORD-EST, a joint stock company that is jointly owned by FRIULIA S.p.A. a holding company of the Friuli Venezia Giulia Region, the Veneto Region, the Autonomous Province of Trento, SIMEST and some Italian banks. It is effectively a form of financing by FINEST, which envisages that RIGONI shall repurchase all of the shares within 6 years.

RIGONI DI ASIAGO USA LLC (USA)

ADDRESS: 52NW 47th Street – Miami (FL)

ACTIVITY: sale on US market of RIGONI products

TOTAL ASSETS/LIABILITIES 2012: 0

SHARE: 90%

Main Balance Sheets data:

	2012	30th June 2013
Turnover	806,6	557,7
Production	943,2	641,9
EDIT	-106,7	-74,6
Net result	-106,7	-74,6
Shareholders' funds	-253,6	-330,8

The company has been part of the Group since 2007 and is involved in the sale in the US market (with a focus on New York and California) of RIGONI products. Because of the negative economic climate and the concurrent negative Shareholders' Equity (at June 2013 by circa Euro 331,000), RIGONI DI ASIAGO Srl (already during the course of 2011), opted on a prudential basis, to completely write-off its stake. It registered provisions of Euro 253,000 as "provisions for the recovery in value of shareholdings", which included the sum set aside to adjust the entry value of the subsidiary to the value of the shareholders' equity as a result of the permanent loss in value. In the first half of 2013 RIGONI DI ASIAGO USA recorded an increase in its business; a greater penetration in the US market in the short/medium term remains a strategic objective for the company.

RIGONI DI ASIAGO FRANCE Sarl (France)

ADDRESS: 67 Avenue du Prado – Marseilles

ACTIVITY: sale on French market of RIGONI products

TOTAL ASSETS/LIABILITIES 2012: 238 thousand Euro

SHARE: 100%

Main Balance Sheets data:

	2012	30th June 2013
Turnover	1.397,9	1.186,9
Production	1.660,6	1.443
EDIT	-189,8	-33,7
Net result	-172,8	-35
Shareholders' funds	-233,7	-268,7

The company only became fully operational during the two year period 2010/2011, and since then has been characterised by income/profit results that have not been positive (the 2012 loss resulted mainly from the significant incidence of the costs sustained for investments in communication and advertising, that were essential to promote RIGONI products in the reference market). At the end of the 2012 financial year it had a negative Shareholders' Equity of Euro 234,000; as a result the value of the shareholding was written-down in the financial statement by Euro 60,000. In any case RIGONI DI ASIAGO considers the losses it has made until now to be "non durable" (unlike those in RIGONI DI ASIAGO USA, in relation to which the losses were considered definitive) and attributable to the major start-up costs. This was confirmed by the significant improvement in turnover recorded by RIGONI DI ASIAGO FRANCE in 2013 (in the first half of the year the company had revenues of Euro 1,186,900, almost double that of the same period in the 2012 financial year); the financial year should end with revenues of circa Euro 3 million.

NERI & ASIAGO E.O.O.D. (Bulgaria)

ADDRESS: Via Sinitevska 3 – Pazardjik

ACTIVITY: inactive

TOTAL ASSETS/LIABILITIES 2012: 246 thousand Euro

SHARE: 100%

APICOLTURA RIGONI USA Inc. (USA)

ADDRESS: 161 Atwater Street – Plantsville (USA)

ACTIVITY: inactive

TOTAL ASSETS/LIABILITIES 2012: 0

SHARE: 51%

Extraordinary events registered over the last 12 months

No extraordinary events have been registered over the last year.

Shareholders

Shareholder	Nominal Value	% shares	Kind of right
<p>MONTE MIELA LIMITED LIABILITY COMPANY VIA GUGLIELMO OBERDAN 28 - 36012 ASIAGO (VI) Status: ACTIVE since 06/03/1998 Negative Events: No Activity: Rent of owned or leased real estate Share Capital: 8.500.000 Euro Turnover (2012): 180.000 Euro Profit/Loss (2012): 53.274 Euro Group: GIOCHELE Name Mother company: GIOCHELE S.R.L. N.REA: VI263387 Tax ID: 02648130249 <i>Information Request over the last 12 months: 18</i></p>	8.500.000 €	64,44%	OWNERSHIP
<p>FONDO ITALIANO D'INVESTIMENTO SGR LIMITED COMPANY VIA TURATI 16/18 - 20121 MILANO (MI) Status: ACTIVE since 24/08/2010 Negative Events: No Activity: Management of funds of investment and retirement funds Share Capital: 4.000.000 Euro Group: FONDO D'INVESTIMENTO SGR Name Mother company: FONDO ITALIANO D'INVESTIMENTO SGR SPA N.REA: MI1926203 Tax ID: 06968440963 <i>Information Request over the last 12 months: 82</i></p>	4.689.994 €	35,56%	OWNERSHIP

Main official directors

Director	Function
<p>ANDREA RIGONI</p> <p><i>Born in: ASIAGO (VI) on 03/07/1951</i> <i>Address: VIA OBERDAN 30,</i> <i>36012 ASIAGO (VI) (Fiscal domicile)</i> <i>Tax ID RGNNDR51L03A465U</i></p>	<p>PRESIDENT BOARD OF DIRECTORS in charge since 27/06/2012 MANAGING DIRECTOR in charge since 16/11/2011 MEMBER in charge since 25/10/2011</p>
<p>ANTONIO RIGONI</p> <p><i>Born in: ASIAGO (VI) on 02/07/1950</i> <i>Address: VIA OBERDAN 30,</i> <i>36012 ASIAGO (VI) (Fiscal domicile)</i> <i>Tax ID RGNNTN50L02A465U</i></p>	<p>MANAGING DIRECTOR in charge since 16/11/2011 MEMBER in charge since 25/10/2011</p>
<p>GIANFRANCO VERCELLONE</p> <p><i>Born in: BORGOMANERO (NO) on</i> <i>31/10/1956</i> <i>Address: LARGO MONSIGNOR LUIGI</i> <i>CALZA 23, 43121 PARMA (PR)</i> <i>(Residence)</i> <i>Tax ID VRCGFR56R31B019S</i></p>	<p>MEMBER in charge since 15/02/2012</p>
<p>MARIO RIGONI</p> <p><i>Born in: ASIAGO (VI) on 07/04/1952</i> <i>Address: VIA IV NOVEMBRE 27,</i> <i>36032 GALLIO (VI) (Fiscal domicile)</i> <i>Tax ID RGNMRA52D07A465R</i></p>	<p>MEMBER in charge since 25/10/2011</p>
<p>LUIGI RIGONI</p> <p><i>Born in: ASIAGO (VI) on 09/05/1967</i> <i>Address: VIA OBERDAN 34,</i> <i>36012 ASIAGO (VI) (Residence)</i> <i>Tax ID RGNLGU67E09A465E</i></p>	<p>MEMBER in charge since 25/10/2011</p>

Directors' function in other companies

ANDREA RIGONI	Tax ID: RGNNDR51L03A465U Born in: ASIAGO (VI) 03/07/1951
<i>Company</i>	<i>Function</i>
INTEROFFICES DI ANDREA RIGONI & C. GENERAL PARTNERSHIP Negative Events: No N.REA: VI162489	SHAREHOLDER Active function
MONTE MIELA LIMITED LIABILITY COMPANY VIA GUGLIELMO OBERDAN 28 - 36012 ASIAGO (VI) Status: ACTIVE since 06/03/1998 Negative Events: No Activity: Rent of owned or leased real estate Share Capital: 8.500.000 Euro Turnover (2012): 180.000 Euro Profit/Loss (2012): 53.274 Euro Group: GIOCHELE Name Mother company: GIOCHELE S.R.L. N.REA: VI263387 Tax ID: 02648130249	MEMBER From 19/09/2011 Active function
ANTONIO RIGONI	Tax ID: RGNNTN50L02A465U Born in: ASIAGO (VI) 02/07/1950
<i>Company</i>	<i>Function</i>
GIOCHELE LIMITED LIABILITY COMPANY VIA GUGLIELMO OBERDAN 32 - 36012 ASIAGO (VI) Status: ACTIVE since 18/09/1979 Negative Events: No Activity: Apiculture Share Capital: 3.300.000 Euro Turnover (2012): 90.435 Euro Profit/Loss (2012): -29.908 Euro Group: GIOCHELE Name Mother company: GIOCHELE S.R.L. N.REA: VI149296 Tax ID: 00497890244	SOLE ADMMINISTRATOR From 07/07/2012 Active function
MONTE MIELA LIMITED LIABILITY COMPANY VIA GUGLIELMO OBERDAN 28 - 36012 ASIAGO (VI) Status: ACTIVE since 06/03/1998 Negative Events: No Activity: Rent of owned or leased real estate Share Capital: 8.500.000 Euro Turnover (2012): 180.000 Euro Profit/Loss (2012): 53.274 Euro Group: GIOCHELE (*) Name Mother company: GIOCHELE S.R.L. N.REA: VI263387 Tax ID: 02648130249	MANAGING DIRECTOR From 19/09/2011 Active function MEMBER From 19/09/2011 Active function

Commercial characteristics and marketing-mix policies

The company's registered offices are situated in Asiago (VI) in Via Guglielmo Oberdan 28, where it has a property of circa 300 sqm that is owned by the RIGONI family; this premises includes the procurement office, suppliers accounts department, treasury and payment reminders, industrial and stock accounting department. The registered office also houses the strategic management of production (controlled entirely from the growing of the raw materials to the packaging of the finished product) and commercial activity.

It has a production centre in Foza (VI) in Via Gecchelini snc, where there is a plant, owned by the parent company MONTE MIELA Srl, on a covered area of circa 3,100 sqm (on a site of 5,000 sqm), arranged over three floors; the property also includes a "small" warehouse of circa 330 sqm. It currently has three production lines for "FIORDIFRUTTA", "NOCCIOLATA" and "MIELE", and as many packaging lines, including a main one and two smaller ones. More than 6,000 tonnes of fruit are processed here every year, of which half comes from the Bulgarian subsidiaries and the rest from trusted Italian farmers (with whom the company has drawn up long term agreements) and from foreign countries. In Foza the cycle is completely automated and monitored with computers that control the machines: every operation is registered to have a traceability of both the raw materials used and the process of transformation. In 2012 total investments of Euro 475,00 were made, of which 277,000 were for improvements to plants and the purchase of new plants and 198 thousand were for equipment and other fixed assets; in the first half of 2013 it invested Euro 194,000 for the improvement of existing machinery.

It has a logistics centre in Albaredo d'Adige (VR) in Via dell'Agricoltura 21/33, in a building of 4,200 sqm (on a site of circa 25,000 sqm), owned by the company, situated in a strategic position for transport. It is an innovative logistics pole, comprising an automated warehouse with 11,500 pallet places (i.e. more than 12 million jars), a modern refrigerated space and a goods loading/unloading area. In 2012 investments of Euro 2,471,00 were made to extend the automated warehouse and Euro 376,000 for the installation of the photovoltaic plant, that will help to generate savings in terms of energy expenses. In 2014 the production of "NOCCIOLATA" is due to be transferred to a new property in Albaredo D'Adige of 4,000/4,500 sqm that will be built next to the existing logistics centre.

Finally, the company has a retail unit in Asiago (VI) in Corso IV Novembre 78, in a leased property, for the sale of foodstuffs (95% of which come from RIGONI DI ASIAGO itself).

RIGONI DI ASIAGO deals with the production and commercialisation in the food market of products that almost entirely come from organic agriculture. Specifically, the product range includes "FIORDIFRUTTA", preserve "bio" sweetened with organic apple juice, that is available in 27 varieties (in 2013 a pear variety was introduced), that in 2012 accounted for 75.7% of sales, organic "MIELE" produced in Italy (13 varieties including "monofloral" and "polyfloral" honey), that accounted for 11.5% of 2012 turnover, "NOCCIOLATA", spreadable cream cocoa and hazelnut with organic ingredients (6.6% of 2012 sales 2012), "DOLCEDI", sugar extracted from "bio" apple juice, "FRUTTOSA", blend of organic fruit (whole, diced, pureed and ready for use). In 2012 it also introduced a squeezable marmalade in an 18 gram package, with the aim of extending the opportunities of use for the product.

The company operates with a large part of the national large-scale retailers, a market sector which in 2012 represented 90.2% of turnover.

At a national level, the company uses 21 multi-firm area agents for the large-scale retail channel and 4 store account managers. It deals with 11 buying centres, 62 fascias and 289 stores.

The foreign commercial structure is made up of the subsidiaries RIGONI DI ASIAGO USA LLC and RIGONI DI ASIAGO FRANCE Sarl, as well as distributors and/or importers for other countries (Canada, Brazil, Peru, GB, Scandinavia, Netherlands, Poland, Switzerland, Germany, Denmark, Ukraine, Russia, Turkey, Greece, Bulgaria, China, Japan, Australia, Holland).

RIGONI DI ASIAGO promotes competitions and takes part in local events to publicise some of its products; aside from taking part in international trade fairs, such as “CIBUS” (in Parma), “ANUGA” in Cologne (from 5 to 9 October 2013, the main global event for the “Food & Beverage sector), “WINTER FANCY FOOD” and “SUMMER FANCY FOOD” in the USA, “EXPO WEST” in California.

In Italy, the clear and distinctive positioning of the product, the high level of perceived quality, the constant investments in “Brand Awareness”, the significant degree of customer and end user loyalty, guarantee for the company a relevant strategic advantage compared to its competitors. RIGONI DI ASIAGO also has an excellent reputation abroad, with an innovative commercial offer for many markets (in terms of uniqueness of the product) and a formula for “NOCCIOLATA” that is potentially successful.

Dimensions

RIGONI DI ASIAGO Srl ended the 2012 financial year with revenues of circa Euro 56.5 million, with an increase of circa 6.6% from 2011. For the purposes of a better comparison, considering that RIGONI DI ASIAGO Srl only became operational as of November 2011, the value at 2011 is the result of the sum of the data of MONTE MIELA Srl (January /December 2011 period) and RIGONI DI ASIAGO Srl (November/December 2011).

The main product is “FIORDIFRUTTA”, the sales of which accounted for 75.7% of 2012 revenues.

Also in 2012 revenues from the national market amounted to circa 91.3%; the main foreign markets are Germany and France (on the whole the EU countries represent 7.2% of revenue). The US market accounts for 0.9% of revenues, while the share relating to “other” Countries is even more marginal. With regard to 2013, the percentage of revenues relating to exports should rise to about 10%.

RIGONI DI ASIAGO currently has a workforce made up of about 60 employees, including 5 managers, 3 assistant manager, 18 white-collar workers, 32 blue-collar workers (27 in the Foza production plant and the remaining 5 in the Albaredo d’Adige logistics c) and 2 shop assistants in the store in Asiago. The opening of the new plant in Albaredo will involve the employing of 24 new workers.

RIGONI DI ASIAGO is principally a production company, but is characterised by a rather rigid structure: fixed assets, which amount to a total of Euro 30.7 million (the value of the reclassified financial statement, which is higher than the statutory financial statement, envisages the inclusion of a part of the receivables beyond the financial year within the fixed financial assets, while in “statutory” terms these are included in the current assets), represent circa 40.8% of total uses.

More specifically the property, plant and equipment is valued at Euro 10.6 million, while the fixed financial assets amount to Euro 18.2 million; the value of the intangible fixed assets is lower (Euro 1.8 million). During the course of 2012 RIGONI DI ASIAGO made a total of Euro 5.6 million of long term investments, that were essentially attributable to the modernisation and extension of the production plant. In term of the intangible fixed assets we report for 2012 multi-year costs of Euro 800,000 relating to expenses for adding products in new retail stores.

In the future the significant investment relates to the new plant in Albaredo, which is worth a total of Euro 6 million (which is in good part covered through an ISA regional loan which is pending approval); the majority of the machinery that will be moved there, for the production of "NOCCIOLATA" alone, have already in part been produced (for which the half year report at 30 June 2013 includes "fixed assets in progress and advances" of just under Euro 500,000). With regard to the Foza plant the construction of a new concentrator is being completed, which has a production capacity of 1,000 litres, following an overall investment of Euro 500,000 (it is due to be activated at the start of 2014).

Overall it emerges that at the end of the 2012 financial year, fixed assets to equity capital margin is negative to the tune of Euro 10 million; Shareholders' Equity only 67.2% of fixed assets. Thanks to the contribution of M/L term loans, the company is in any case able to full cover the fixed assets (the fixed assets to equity capital and medium-long terms debt margin is positive by circa Euro 2.2 million); overall therefore there is a sufficient balance between sources and uses.

Organization

With regard to the internal organisation, RIGONI DI ASIAGO has adopted a business model that is broken down into five phases.

The first phase relates to the acquisition of clientele, followed by the Sales Management which, through an Italy Manager and an International Manager, direct and coordinates the commercial office.

The second phase is that of supply and transformation, with a constant research for the quality of the product, management and production. RIGONI DI ASIAGO has its own supply chain dedicated to the agricultural production of organic fruit, in order to control entirely the production process, from the growing of the raw materials through to the packaging of the finished product. In Bulgaria circa 3,000 tonnes of fresh fruit is processed annually, which is transformed into frozen semi-finished product. In Italy RIGONI has implemented and is continuing to develop an organic fruit supply chain, drawing up multi-year collaboration agreements with trusted farmers and apiculturists.

The third phase relates to the storage of the frozen fruit and honey in the logistics centre in Albaredo D'Adige, which is then transferred to the production centre in Foza (that was provided

with packaging and labelling plants in the two year period 2008/2009), where all of the raw materials acquired are transformed into finished product.

The fourth phase is that of the dispatch and delivery, which takes place through subcontractors.

The final step relates to invoicing /administration, that is overseen by the administrative office in the Management Centre in Asiago.

The members of the RIGONI family directly oversee many aspects of the company's management: the Chairman/MD Andrea RIGONI is also the General Manager, Strategic Marketing and Procurement Manager; the MD Antonio RIGONI is the Technical, R&D Manager (including the perfection of recipes) and production processes; Board Member Luigi RIGONI is the production and logistics Manager; Board Member Mario RIGONI deals with maintenance and operations.

Certificates and patents

RIGONI DI ASIAGO has the following certificates:

Certificate BRC issued on 24/04/2013 by DET NORSKE VERITAS ITALIA Srl expiring on 08/05/2014, necessary to enter the English wholesale market.

Certificate IFS issued on 12/04/2013 by DET NORSKE VERITAS ITALIA Srl expiring 21/05/2014, very appreciated in Germany and Central Europe.

Quality Certificate UNI EN ISO 9001:2008 issued on 04/02/2011 by DET NORSKE VERITAS ITALIA Srl expiring on 04/02/2014.

Certificate PEFC CHAIN OF CUSTODY CERTIFICATE issued by DNV CERTIFICATION AB (Sweden) on 19/08/2013 expiring on 19/08/2018. This certificate is valid for the development, processing, packaging and distribution of honey coming from the Forest of Cansiglio and certified PEFC (License n. 18-22-01-02).

Certificate BIOAGRICERT (for organic products cultivated without any chemical substance in all the production steps) and KOSHER.

RIGONI DI ASIAGO has also begun the process to get the Environmental Certificate ISO 14000.

Sector of activity

The national market in 2012 accounted for an overall value of Euro 826 million, an increase of circa 6.3% from 2011 – an opposite trend compared to the general crisis in consumption. This result is based on a change in the supermarket purchases and food habits of Italians who are increasingly focused on the health aspects (less sugar and more fruit/natural products) and organic products.

Specifically, the sector of spreadable creams is that which is showing the greatest propensity for growth (+10.5% in 2012). In 2013 RIGONI DI ASIAGO had an increase 54.5% in terms of volume of “NOCCIOLATA” sold. Even the market for preserves, which is fairly mature, had an increase of 5.9% in 2012; in this sector product innovation and focus on high quality is essential.

The market for honey is very mature– honey is almost considered to be a commodity by consumers – with sales volumes that are virtually unchanged.

In addition the company operates in a sector characterised by a constant increase in the “Private Label” segment, that tends to erode the market shares of company owned brands; it therefore opted to differentiate its products in terms of quality and brand perception by consumers.

The RIGONI family chose organic in 1992, with the creation of “FIORDIFRUTTA” and with the aim of offering consumers a qualitatively better product. In 2012, the market share owned by RDA in the organic food sector was 4.9% with an export percentage of 1,8%. RIGONI DI ASIAGO has used the organic element to enhance the image of its brand and is the only company to have approached the mass market with an exclusively “bio” product.

Informations

Economic-financial profile

Abridge accounts

ECONOMIC-FINANCIAL INFORMATIONS					
<i>Notes: only the balance sheets with a comparable reclassification are given</i>					
<i>AMOUNTS EXPRESSED IN THOUSANDS OF EUROS</i>					
Abridged Profit and Loss Account	31/12/2011	31/12/2012	2012 on production		2012/2011 (%)
			subject (%)	sector (%)	
Turnover	9.521	56.475	99,59	98,50	493,16
+ Var. stocks of products under processing, semi finished and finished	0	0	0,00	1,26	n.c.
+ Increase assets for internal work	0	0	0,00	0,04	n.c.
+ Contribution for the year	42	234	0,41	0,20	457,14
= Production	9.563	56.709	100,00	100,00	493,00
- Purchases	4.962	25.685	45,29	73,85	417,63
+ Variation raw materials	144	1.030	1,82	0,35	615,28
- Costs for services and third-parties goods	3.229	24.327	42,90	15,29	653,39
= Added Value	1.516	7.727	13,63	11,21	409,70
- Staff Costs	473	2.976	5,25	7,43	529,18
= (EBITDA)	1.043	4.751	8,38	3,79	355,51
- Depreciations tangible assets	188	1.180	2,08	1,77	527,66
- Operative provisions	20	100	0,18	0,21	400,00
- Depreciations intangible assets	226	1.104	1,95	0,32	388,50
+ Result other income/expenses	-28	6	0,01	0,21	n.c.
= Operative result (EBIT)	581	2.373	4,18	1,70	308,43
Financial result	-167	-658	-1,16	0,64	n.c.
+ Net Financial income	104	817	1,44	0,30	685,58
- Financial Expenses	271	1.475	2,60	0,94	444,28
= Result of the year	414	1.715	3,02	1,06	314,25
- Adjustment financial activities	-67	-315	-0,56	-0,09	n.c.
+ Result extraordinary activities	-3	-25	-0,04	0,02	n.c.
= Result before taxes	344	1.375	2,42	0,99	299,71
- Taxes	161	692	1,22	0,68	329,81
= Net result	183	683	1,20	0,31	273,22
+ Other items	0	0	0,00	0,07	n.c.
= Profit/Loss of the year	183	683	1,20	0,38	273,22

Cash flow	713	3.382	5,96	23,27	374,33
			2012 on total assets/liabilities		
Abridged balance sheets	31/12/2011	31/12/2012	subject (%)	sector (%)	2012/2011 (%)
Assets	61.807	75.249	100,00	100,00	21,75
Fixed assets	23.777	30.717	40,82	37,94	29,19
Intangible Assets	1.041	1.824	2,42	2,13	75,22
Tangible Assets	8.084	10.645	14,15	29,51	31,68
Financial Assets	14.652	18.248	24,25	6,31	24,54
Current Assets	38.030	44.532	59,18	62,06	17,10
Stocks	15.278	16.308	21,67	20,86	6,74
Receivables	14.021	14.953	19,87	31,78	6,65
Other short-term assets	6.082	8.725	11,59	5,55	43,46
Liquidity	2.649	4.546	6,04	3,87	71,61
Liabilities	61.807	75.249	100,00	100,00	21,75
Shareholders' funds	9.974	20.657	27,45	26,72	107,11
Share capital	8.500	13.190	17,53	7,75	55,18
Other reserves	1.291	6.784	9,02	18,66	425,48
Profit/loss previous years	183	683	0,91	0,31	273,22
Consolidated funds and debts	11.437	12.223	16,24	18,08	6,87
Mlt debts towards Banks	9.328	10.205	13,56	12,25	9,40
Mlt funds and other debts	2.109	2.018	2,68	5,83	-4,31
Short-term liabilities	40.396	42.369	56,31	55,20	4,88
Short-term debts towards Banks	19.839	20.794	27,63	20,23	4,81
Debts towards suppliers	17.512	19.599	26,05	26,67	11,92
Other liabilities	3.045	1.976	2,63	8,31	-35,11

Economic – financial ratios	31/12/2011	31/12/2012	Sector 2012
Development ratios			
Variation % turnover	n.c.	-1,10	8,81
Variation % production	n.c.	n.c.	9,82
Variation % added value	n.c.	-15,10	-2,26
Variation % assets	n.c.	21,80	9,08
Variation % shareholders' funds	n.c.	107,10	2,15
Profitability ratios			
R.O.S. (%)	7,19	5,65	2,03
R.O.I. (%)	6,60	4,60	2,82
R.O.E. (%)	11,00	4,50	1,63
Cash flow / assets %	6,90	4,90	3,98
Turnover (revenues/assets)	n.c.	0,82	1,45
Financial costs / revenues %	2,85	2,61	0,96
Indicatori di produttività			
Revenues per employee (€ / 000)	1.165,80	1.086,10	498,89
Added value per employee (€ / 000)	185,60	148,60	56,79
Staff costs per employee (€ / 000)	57,90	57,20	37,61
Cash-flow management			
Current ratio %	94,10	105,10	112,42
Acid test %	56,30	66,60	74,92
Average days of stock	96,30	100,70	50,57
Days of customers credit	142,70	131,90	79,83
Days of suppliers credit	128,30	133,60	71,77
Net working capital (€ / 000)	-2.366,00	2.163,00	n.c.
Financial structure			
Margin of treasury (€ / 000)	-17.644,00	-14.145,00	n.c.
Margin of structure (€ / 000)	-13.803,00	-10.060,00	n.c.
Debt ratio	5,08	2,57	2,61
Tangible shareholders' funds / total financial debts %	32,00	64,70	70,19
Short-term debts on production	4,22	0,75	0,39

Financial results	31/12/2011	31/12/2012
Net self-financing	0	3.647
- Variation working capital	0	-4.642
= NET RESULT OF THE YEAR (A)	0	8.289
- Tangible and intangible net investments	0	-6.221
- Net investments on financial assets	0	-10.938
= NET FLOWS FROM INVESTMENT ACTIVITIES (B)	0	17.159
NET FINANCIAL RESULT (C = A - B)	0	-8.870
+ Net capital increases	0	10.000
+ Variation mlt financial debts	0	537
+ Variation bt financial debts	0	230
= NET FLOWS FROM FINANCIN ACTIVITIES (D)	0	10.767
VARIATION OF LIQUIDITY (C+D)	0	1.897

Forecast Balance Sheets (in millions of euro)

✓ Synthesis of economic data on 30/06/2012 and on 30/06/2013

PROFIT AND LOSS ACCOUNT	30/06/2012	30/06/2013
REVENUES	28.352	32.923
+ Variation stocks of products under processing, semi finished and finished	-100	332
+ Increase assets for internal work	0	0
+ Contribution for the year	126	122
= PRODUCTION	28.378	33.377
- Purchases	12574	14.436
+ Variation raw materials	-389	671
- Costs for services and third-parties goods	12.566	14.060
=ADDED VALUE	3.627	4.210
- Staff costs	1.442	1.864
= (EBITDA)	2.185	2.346
- Depreciations intangible assets	492	500
- Depreciations tangible assets	572	621
- Provisions	0	0
+ Result other income/expenses	-98	-172
= OPERATIVO RESULT	1.023	1.053
Financial income	366	530
Financial expenses	706	869
FINANCIAL RESULT	-340	-339
RESULT OF THE YEAR = (OPERATIVE RESULT – FINANCIAL RESULT)	683	714
- Adjustment financial activities	50	50
+ Extraordinary income	6	7
- Extraordinary expenses	5	11
= RESULT BEFORE TAXES	634	660
- Taxes	268	294
= NET RESULT OF THE YEAR	366	366
CASH FLOW (result of the year + prov. + depr. + adjustments financial activities)	1.480	1.537

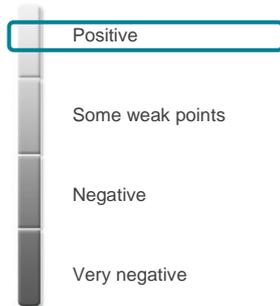
Evaluations

Evaluations

Grading

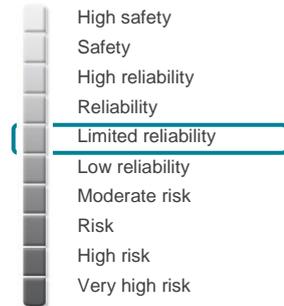
Analyst evaluation

It expresses synthetically the opinion of a Cerved Group analyst on the overall situation of the enterprise.



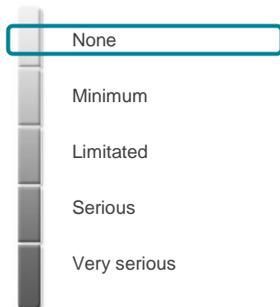
Economic-Financial Situation

It evaluates the economic-financial solidity of an enterprise, placed in its current and future system of reference.



Negative events

It evaluates the seriousness of negative events as they have been registered by the company and its linked entities.



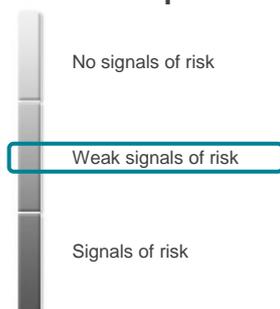
Payment terms

It expresses the punctuality of payments of the company towards its suppliers gathered through the Payline system.



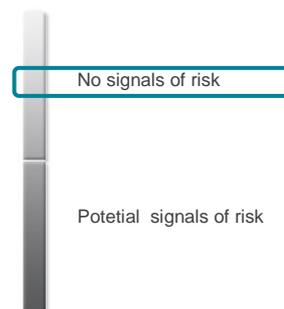
Risk linked with the number of requests

It evaluates the degree of risk linked with the number of information requests received by Cerved Group taken into consideration on the basis of the characteristics of the enterprise and its sector.



Structural profile

It evaluate the reliability linked the sector and dimension of the subject on the basis of official information coming from the Register of Companies.



Evaluations

Qualitative Analysis and Rationales

Sector: 3

The enterprise is active in a sector showing no serious elements of risk. The fundamental data of the sector are good: good perspectives of the demand, favourable external factors, not particularly fierce competition, low cyclicity.

PERSPECTIVES OF THE DEMAND OF THE SECTOR



RIGONI DI ASIAGO is active on a market characterized by a growing attention towards healthy foods with interesting ratios of growth in the sector of spreadable creams.

3: Good perspectives of growth

DEGREE OF DIFFERENTIATION OF THE PRODUCTS



The enterprise is able to offer a good but, above all, a "different" product compared to competitors, as far as quality and healthy ingredients are concerned. It can therefore sell with a higher price compared to its main competitors: it is the price leader as far as jams and spreadable creams are concerned.

2: High. The price is not the most important variable

CYCLICITY OF DEMAND



The demand is stable throughout the year.

2: Stable sector

CYCLE OF LIFE OF THE PRODUCT



The honey sector is very mature (honey is considered as a commodity by consumers). The sector of jams and, above all, of spreadable creams show instead interesting perspectives of growth, also at International level.

3: Sector in phase of maturity or revamp with good perspectives of growth

VULNERABILITY OF THE SECTOR



The analysis of the sector in which the enterprise is active shows positive elements; anyway, in the near future, the market could be influenced by a growing competitive pressure concerning the sold goods, the decrease of purchasing power by the consumers and by the risk of trading down.

2: The set of relevant variables (tastes of consumers, weather factors, technology, etc.) is positive

INTENSITY OF COMPETITION IN THE SECTOR



The competition pressure is increasing. RIGONI DI ASIAGO is active in a sector with a constantly growing offer of "Private Labels", which are eroding the market shares of trademarks.

4: Normal level of competition

AREA OF COMPETITION

1: International

RIGONI DI ASIAGO is one of the leading players at National level (it is in particular the leader of the sector of jams) both for marmalades, as well as for honey and spreadable creams (the sector of spreadable creams is anyway led by FERRERO which owns more than 90% of market shares). There are interesting commercial opportunities abroad but foreign markets are covered by local and foreign players (often with commercial offers of first price).

NEGOTIATION CAPACITY

4: The enterprises of the sector generally have a normal negotiation capacity towards suppliers and/or customers

The sector mainly works with supermarkets; thus it is sometimes difficult to impose its own contractual conditions. RIGONI DI ASIAGO is anyway able to reach more favourable conditions than its competitors.

GENERAL CONTEXT

3: Favourable. There are positive external elements

On the whole, the context in which the enterprise is active is characterized by positive factors. The market of "organic" foods is less influenced by the crisis than the others, showing good perspectives of growth.

Positioning: 2

The enterprise has a good market position and remarkable elements of strength.

COMPETITION POSITIONING

2: Enterprise with a good positioning on the market

RIGONI is leader of the jam sector as far as price is concerned, he is also the first producer of added-value trademark. As far as the market of spreadable creams is concerned, it is the leader in terms of price and the third producer of added-value trademark and in terms of volumes. Finally, it is the second producer in the sector of honey in terms of added-value trademark both as volume and value are concerned.

COMPETITIVE ADVANTAGE

2: High and defendable competitive advantages

In order to be a leader in the sector where it has been active since a long time, RIGONI DI ASIAGO focus its efforts on product differentiation as far as quality and perception of the mark by consumers are concerned, reaching an undisputed competitive advantage that can hardly be reached by its competitors in the short-medium term.

QUALITY OF PRODUCTION FACTORS

1: The enterprise has a quality certificate

The subject has the BRC certificate (necessary to enter the British market of retailers), IFS certificate (highly appreciated in Germany and in Central Europe), the quality certificate UNI EN ISO 9001:2008, PEFC CHAIN OF CUSTODY CERTIFICATE (valid for the development, manufacture, packaging and distribution of honey coming from Foresta del Consiglio certified PEFC). It also has the BIOAGRICERT certificate (for organic products produced without chemical substances throughout all the production steps) and KOSHER. RIGONI is also trying to get the Environmental Certificate ISO 14000.

PRODUCT DIVERSIFICATION

1: Very good strategy of diversification

The company has been adopting remarkable strategies of diversification compared to its competitors, which enable it to increase its market shares: suffice it to think about the capacity to manufacture jams without using sugar or to process honey at low temperature.

ENTERPRISE DIMENSION

3: Medium-sized enterprise

Up to now, the enterprise has had a production structure which gave it the chance to develop an offer of products meeting consumers expectations.: a new factory in tale in Albaredo d'Adige is now under construction.

Ownership: 3

No problems about ownership have been detected.

SHAREHOLDERS' BASE

3: Restricted or family shareholders' base

It is a family-owned business; the RIGONIS own in fact, even if not always directly, 64.44% of the shares. In 2012, FONDO ITALIANO D'INVESTIMENTO SGR S.p.A. became one of the shareholders and invested 10 million Euro, ensuring the subject a higher level of funds to support its undergoing development process.

History: 2

The enterprise has a long and brilliant history.

HISTORY OF THE ENTERPRISE

2: The enterprise has a long and brilliant experience in its sector

RIGONI has been active in its sector since the '70s. Its management has a long-lasting experience and a good management know-how,.

Eco-Fin Analysis: 4

Company characterized by overall solid factors and balanced financial conditions; it shows good results and reliability with a slight sensibility towards macroeconomic changes

FINANCIAL MARKETS

4: Satisfying ability to access financial markets

The subject is well backed by the Banks. No difficulty has been detected in receiving credits from the Banks. In the near future, the development process will be sustained also by the issue of mini-bonds, which would ensure RIGONI DI ASIAGO new liquidity fro an amount between 5 and 7 million Euro.

VALUTAZIONE ECONOMICO FINANZIARIA

4: Reliability

The subject shows a quite good turnover and profit profile. The financial situation is not completely balanced as debts towards Banks are quite high. Anyway, it shows no tensions to meet its engagements, both at short and at M/L term.

Quality of balance sheets: 2

The company has certified balance sheets. Nothing remarkable has been found.. Information is wide and complete, drawing-up criteria are prudential

AUDITORS

2: No remarkable note by the auditors

The company has an internal audit, that is to say a Supervisory Board managed by the President Michele Pietro VILLA, and an external auditor: MAZARS S.p.A. 2012's balance sheets were positively evaluated both by the Supervisory Board, as well as by the above-mentioned auditing, with no remarks concerning the correctness of bookkeeping and management, correspondence of balance sheets with bookkeeping results and conformity with the ruling laws.

CRITERIA OF BALANCE-SHEET EVALUATION

3: The company uses Prudential evaluation criteria

The company uses criteria of balance sheets drawing up following clear, reliable and correct principles.

COMMUNICATION

2: Very good level of information: wide, transparent, quick and trustworthy

The enterprise is characterized by a suitable level of transparency in the drawing up of the balance sheets which also meet the criteria of comparability.

The Cerved Group rating is an opinion on the credit worthiness that summarizes the reliability or the insolvency probability of the subject.

Cerved Group issues solicited ratings, that is to say evaluations on credit reliability requested by a third party. The issued rating is subject to an on-going monitoring until the indicated expiry date. Until this date Cerved Group guarantees the update of official and owned information concerning the subject and, if necessary, the immediate communication to the customer of possible modifications of the given rating.

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