Interim Financial Report at 30 June 2018

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Zignago Vetro SpA

Registered office: Fossalta di Portogruaro (VE), Via Ita Marzotto 8

Share Capital: Euro 8,800,000 fully paid-in

Tax and Venice Company Register No.: 00717800247

www.gruppozignagovetro.com

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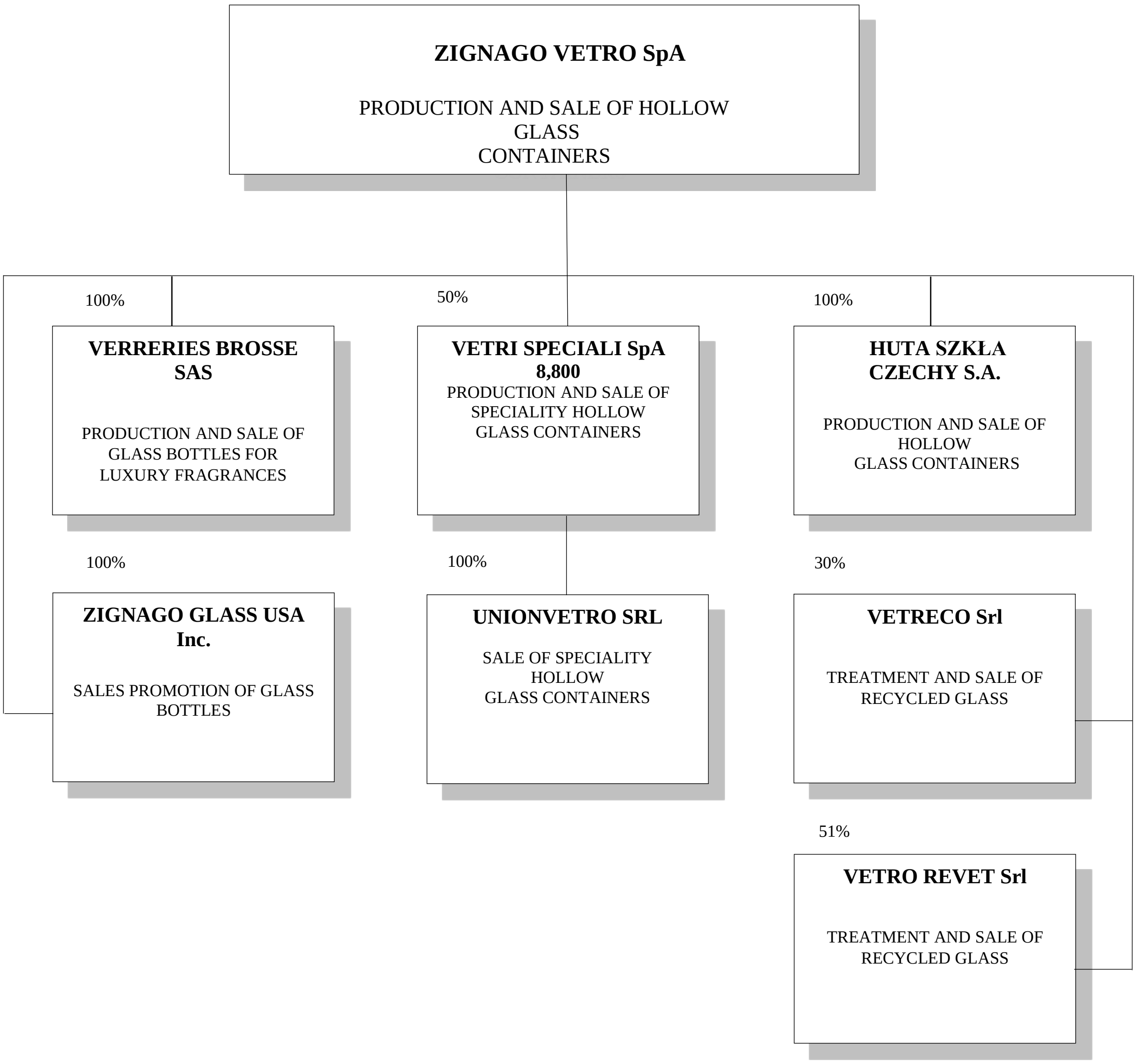
ZIGNAGO VETRO GROUP STRUCTURE

AT 27 JULY 2018

ACTIVITIES AND SHAREHOLDINGS



COMPANY BODIES

Board of Directors
in office for the three-year period 2016 - 2018

chairman
Paolo Giacobbo

vice chairman
Nicolò Marzotto

chief executive officer
Paolo Giacobbo

directors
Alessia Antonelli
Ferdinando Businaro
Giorgina Gallo
Franco Grisan
Daniela Manzoni
Gaetano Marzotto
Luca Marzotto
Stefano Marzotto
Franco Moscetti
Manuela Romei

Control and Risks Committee

Alessia Antonelli
Luca Marzotto
Giorgina Gallo

Remuneration Committee

Franco Moscetti
Stefano Marzotto
Daniela Manzoni

Committee for Transactions with Related Parties

Manuela Romei
Ferdinando Businaro
Alessia Antonelli

Lead Independent Director

Franco Moscetti

Board of Statutory Auditors
in office for the three-year period 2016 - 2018

statutory auditors
Alberta Gervasio - chairman
Carlo Pesce
Stefano Meneghini

alternate auditors
Cesare Conti
Chiara Bedei

Supervisory Board

Alessandro Bentsik - chairman
Massimiliano Agnetti
Nicola Campana

Independent Auditors
for the period 2016 - 2024

KPMG SpA

<u>Management</u>
chief financial officer
and investor relations manager
Roberto Celot

operations director
Roberto Cardini

commercial management
Biagio Costantini
Stefano Bortoli

Directors' Report

THE ZIGNAGO VETRO GROUP

The Zignago Vetro Group operates in the production and marketing of high quality hollow glass containers prevalently for the Food and Beverage, Cosmetics and Perfumery and "Specialty Glass" sectors (highly customised glass containers in small batches, typically used for wine, liquors and oils).

The Zignago Vetro Group operates in the market with a business-to-business model, supplying containers to its clients, which are then used in their respective industrial activities. Specifically, in the Italian market, the Group is one of the leading producers and distributors of glass containers for the food and beverage sector, while at international level it has a strong market share in the cosmetics and perfumery and specialty glass sectors.

* * *

The Annual and Condensed Interim Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union in accordance with Regulation No. 1606/2002 ("IFRS").

In particular, the condensed interim consolidated financial statements of the Group at 30 June 2018 (hereafter the "Condensed Interim Financial Statements") are prepared in accordance with IAS 34 "Interim Reporting" and Article 154-ter of the CFA, following the summary form permitted under the standard. The condensed interim financial statements therefore do not include all the information published in the annual report and must be read together with the financial statements at 31 December 2017 for full and complete disclosure of the Group financial position, results of operations and cash flow.

The accounting policies adopted for the preparation of the Condensed Interim Financial Statements are the same as those utilised for the consolidated financial statements of the Zignago Vetro Group for the year ended 31 December 2017, except for the adoption of the new standards, amendments and interpretations approved by the IASB and endorsed for adoption in Europe and obligatory for accounting periods beginning 1 January 2018.

We recall that IFRS 11 - Joint arrangements, applicable for the Group from 1 January 2014, replaces *IAS 31 Interests in Joint Ventures* and *SIC 13 Jointly Controlled Entities – Non-Monetary Contributions by Venturers*, and identifies, on the basis of the rights and obligations of the participants, two types of agreements - joint operations and joint ventures - and governs the consequent accounting treatment to be adopted for recognition in the financial statements, removing the option to consolidate jointly controlled companies proportionally and requiring jointly controlled companies defined as joint ventures to be recognised using the equity method.
In the condensed interim consolidated financial statements of the Group at 30 June 2018 and the comparative financial statements at 30 June 2017 and the financial statements at 31 December 2017, the Group recognised the investments held in Vetri Speciali and Vetreco, which are classified as joint ventures, under the equity method, instead of the proportional consolidation method.
However, in the Directors' Report the figures (and the subsequent comments) are based on the "management view of the Group business", which provides for the proportional consolidation of joint ventures, in continuity with the accounting policies adopted until 31 December 2013. These figures however must not be considered as an alternative to those provided for by IFRS, but rather exclusively for supplementary disclosure and reflective of management's view of the business.
For this purpose, a reconciliation of the Statement of Financial Position and of the Income Statement, prepared according to IFRS in force from 1 January 2014 and those in force at 31 December 2013, is provided in the Directors' Report.

From 1 January 2018, the Group adopted IFRS 15. The retrospective option was applied and therefore in the financial statements and the tables reported below, the "restated" column presents the historic amounts restated to reflect the effects of the application of these new standards. Movements between periods are calculated with reference to the above-stated column. For further details, reference should be made to the Notes to this report.

Pursuant to CONSOB communication DEM 6064293 of 28 July 2006 and ESMA/2015/1415 recommendations on alternative performance indicators utilised by the Parent - which although not specifically defined by IAS/IFRS are considered particularly useful to monitor the business performance - we provide the following information:

- <u>net financial debt</u> is defined by the Company as the sum of current loans and borrowings, cash and cash equivalents and non-current loans and borrowings, net of cash and cash equivalents and current financial assets. This net figure is the same as the net financial position as per CONSOB communication No. DEM/6064293 of 28 July 2006;
- <u>value of production</u>: the Company defines this as the arithmetical sum of revenues, the change in finished products, semi-finished products, and work-in-progress and the internal work capitalised;
- <u>value added:</u> the Company defines this as the difference between value of production and raw materials consumed (purchase costs plus or minus the change in raw materials and service costs);

- EBITDA: the Company defines this as a difference between value added and personnel expense (including those of temporary workers), plus the effect of the measurement of joint ventures using the equity method. EBITDA is a measure utilised by the issuer to monitor and measure operating performance although it is not an accounting measure under IFRS. The measurement criteria of this indicator may not be in line with that utilised by other entities and therefore it may not be entirely comparable.

  Within this context, the issuer utilised a calculation model in line with its core business which included the effects deriving from the application of IFRS 11. The Company considers the results deriving from its equity investments in joint ventures as operating items and non-financial items of the Group's business, related to a clearly defined investment strategy and as such classified within the Groups interim operating results;
- EBIT: the Company defines this as the difference between EBITDA and depreciation & amortisation of property, plant and equipment and intangible assets and accruals to the provision for impairment;
- Operating profit: this performance measure is also contained in IFRS and is defined as the difference between EBIT and the net balance of non-recurring operating costs and income. We point out that this latter item includes incidental income and costs, capital gains and losses on sales of assets, insurance compensation and other minor positive and negative items;
- Free cash flow: the Company defines this as the sum of the cash flows from operating activities and cash flows from investing activities.

The figures reported in the Directors' Report and in the tables of the Notes are shown in thousands of Euro for greater clarity.
The amounts in the Directors' Report are expressed in millions of Euro, while those in the Notes are stated in thousands of Euro.

* * *

The Zignago Vetro Group, according to management's view, operates through seven Business Units, each being a separate legal entity. Given this, information concerning the operating performance of the various business segments and geographical areas (segment reporting as per IFRS 8) is included in the illustration of the financial reporting data for each company and is an integral part of this Directors' Report.

Segment reporting which coincides with the various legal entities is provided below, independently of the respective consolidation method applied.

Disclosure by region is not considered appropriate for the Group.

The operating segments ("Business Units") are identified as follows:

- Zignago Vetro SpA: this Business Unit carries out the production of glass containers for food and beverages and for cosmetics and perfumery;
- -Zignago Glass USA Inc.: this Business Unit carries out the sales promotion of glass containers for food and beverages and for cosmetics and perfumery in North America;
- Verreries Brosse SAS: this Business Unit carries out the production of glass containers for perfumes;
- Vetri Speciali SpA: this Business Unit includes the production of specialty containers, principally for wine, vinegar and olive oil;
- Huta Szkla Czechy SA: this Business Unit undertakes the production of a wide range of customised containers for cosmetic and perfumery containers and also for food and beverage niche markets worldwide;
- Vetreco Srl and Vetro Revet Srl: these Business Units are engaged in the processing of raw glass into the finished material ready for use by glassmakers.

The consolidation scope of the Zignago Vetro Group at 30 June 2018 and at 31 December 2017 was as follows:

- Zignago Vetro SpA (parent)

The companies consolidated using the line-by-line method are as follows:

- Verreries Brosse SAS
- Huta Szkła "Czechy" S.A. (HSC SA)
- Zignago Glass USA Inc.
- Vetro Revet Srl (at 31 December 2017 consolidated only at statement of financial position level)

The companies valued under the equity method are the following:

- Vetri Speciali SpA
- Vetreco Srl

Vetro Revet Srl, acquired by the Group on 20 December 2017, was not included in the consolidation scope at 30 June 2017.

The basis of consolidation and measurement criteria, including the equity investments held by Zignago Vetro S.p.A. are outlined in the paragraph "accounting principles and measurement criteria" in the notes to the consolidated financial statements.
In the Directors' Report, as previously stated, the figures are based on the "management view of the Group business", which provides for the proportional consolidation of joint ventures, in continuity with the accounting policies adopted until 31 December 2013.

Legally-required audit

The appointment for the legally-required audit of the Annual Financial Statements and the review of the condensed interim financial statements was awarded to **KPMG SpA** for the 2016-2024 period.

Significant events in the first half of 2018

Distribution of dividends

The Shareholders' Meeting of Zignago Vetro SpA on 27 April 2018 approved the distribution of a dividend of Euro 0.32 per share, totaling Euro 29.657 million, with payment date of 16 May 2018.

Treasury shares

On 27 April 2018, the Shareholders' Meeting of Zignago Vetro SpA revoked, for the part not executed, the resolution granted in favour of the Board of Directors to purchase and sell treasury shares, as approved by the Shareholders' Meeting of 27 April 2017 and authorised the Board of Directors to purchase and sell treasury shares for a maximum number not exceeding the total nominal amount, including any shares held by subsidiaries, corresponding to one-fifth of the share capital. The new authorisation is proposed for a period of 18 months, commencing from 27 April 2018. The minimum purchase price shall not be less than 20%, and the maximum price not more than 20%, of the share price registered on the trading day prior to each transaction; the sale price shall not be 20% higher or lower than the share price registered on the trading day prior to each transaction. These price limits will not be applied where the sale of shares is to employees, including management, executive directors and consultants of Zignago Vetro and its subsidiaries in relation to incentive stock option plans.
In the first six months of the year, 750,751 treasury shares were sold, for a total amount of Euro 6.3 million and a gain of Euro 3.6 million recognised to an equity reserve.
At 30 June 2018, the company still had in portfolio 308,975 treasury shares, corresponding to 0.35% of the share capital, purchased for Euro 1.09 million. In the first six months of 2018, no treasury shares were acquired.

Operating performance

Amid signs of general economic growth, the glass containers market in the first half of 2018 continued to develop, driven by end-consumption and the socio-cultural trend of a preference for glass over other forms of packaging.
Against this backdrop, glass Beverage and Food container demand grew across all the main market segments, both in Italy and in Europe as a whole.
The global Perfumery markets built upon the good prior year performance, particularly in the specialised categories.
For the Cosmetics market, the Skincare and Make up segments continued to perform strongly, while nail varnish container demand was again weak.

Consolidated revenues in the first half of 2018 amounted to Euro 190 million, up 11.1% on the same period in the previous year (Euro 171 million).

Materials and external services in H1 2018, including changes in inventories and internal production, amounted to Euro 94.7 million compared to Euro 86.4 million in the first half of 2017 (+9.7%). These costs on revenues decreased from 50.5% to 49.9%.

The **consolidated added value** in the first half of 2018 was Euro 95.2 million compared to Euro 84.8 million in the same period of the previous year (+12.3%). The margin was 50.1% compared to 49.5%.

Personnel expense in the first half of 2018 amounted to Euro 43.7 million compared to Euro 40.6 million in the first half of 2017 (+7.7%). The increase is related to wage cost movements and higher personnel numbers. They accounted for 23% of revenues in H1 2018 (reducing on 23.7% in H1 2017).

Consolidated EBITDA in the first half year of 2018 was Euro 51.4 million compared to Euro 44.2 million in the same period of 2017 (+16.5%), a 27.1% revenue margin (25.8% in H1 2017).

Consolidated EBIT in H1 2018 totaled Euro 28.8 million compared to Euro 24.9 million in the first half of 2017 (+15.8%). The EBIT margin was 15.2% (14.6% in the first half of 2017).

The **consolidated operating profit** in the first half of 2018 was up 20.8% on the same period in the previous year (respectively Euro 30.6 million and Euro 25.3 million). The revenue margin was 16.1% in the first half of 2018 compared to 14.8% in H1 2017.

The **consolidated profit before tax** for the period was Euro 26.8 million compared to Euro 24.6 million in the same period of the previous year (+9.3%). The revenue margin was 14.1% in the first six months of 2018 compared to 14.3% in H1 2017.

The tax rate in the period was 27.4% compared to 25.9% in H1 2017.

The **consolidated net profit** in H1 2018 was Euro 20 million compared to Euro 18.2 million in the same period of the previous year (+10.1%). The revenue margin was 10.5% compared to 10.6% in 2017.

The **cash flow** generated from the profit and amortisation/depreciation in H1 2018 amounted to Euro 40.9 million, compared to Euro 36.9 million in the same period of the previous year (increasing Euro 4 million).

The key data of the Zignago Vetro Group **reclassified consolidated income statement** in H1 2018 and 2017, according to management's view as described previously, are shown below.

	H1 2018		H1 2017 restated		Changes	H1 2017	
	Euro thou.	%	Euro thou.	%	%	Euro thou.	%
Revenues	189,912	100.0%	171,135	100.0%	11.0%	176,049	100.0%
Changes in finished and semi-finished products and work in progress	(3,261)	(1.7%)	2,529	1.5%	n.a.	2,529	1.4%
Internal production of fixed assets and contributions on investments	2,254	1.2%	819	0.5%	175.2%	819	0.5%
Value of production	188,905	99.5%	174,483	102.0%	8.3%	179,397	101.9%
Cost of goods and services	(93,722)	(49.4%)	(89,702)	(52.4%)	4.5%	(94,262)	(53.5%)
Value added	95,183	50.1%	84,781	49.5%	12.3%	85,135	48.4%
Personnel expense	(43,745)	(23.0%)	(40,620)	(23.7%)	7.7%	(40,620)	(23.1%)
EBITDA	51,438	27.1%	44,161	25.8%	16.5%	44,515	25.3%
Amortisation & Depreciation	(20,943)	(11.0%)	(18,701)	(10.9%)	12.0%	(19,001)	(10.8%)
Accruals to provisions	(1,661)	(0.9%)	(556)	(0.3%)	198.7%	(556)	(0.3%)
EBIT	28,834	15.2%	24,904	14.6%	15.8%	24,958	14.2%
Net recurring non-operating income	1,746	0.9%	421	0.2%	314.7%	421	0.2%
Operating Profit	30,580	16.1%	25,325	14.8%	20.8%	25,379	14.4%
Net financial expense	(1,735)	(0.9%)	(816)	(0.5%)	112.6%	(816)	(0.5%)
Net exchange rate gains/(losses)	(2,022)	(1.1%)	41	---	n.a.	41	---
Profit before taxes	26,823	14.1%	24,550	14.3%	9.3%	24,604	14.0%
Income taxes	(7,350)	(3.9%)	(6,365)	(3.7%)	15.5%	(6,365)	(3.6%)
(Tax-rate H1 2018: 27.4%)							
(Tax-rate H1 2017: 25.9%)							
(Profit) Loss non-con. int.	547		---			---	
Profit for the period	20,020	10.5%	18,185	10.6%	10.1%	18,239	10.4%

Consolidated net revenues for H1 2018 and 2017 were as follows:

(Euro thousands)	H1 2018	H1 2017 restated	Change %	H1 2017
Zignago Vetro SpA	101,369	92,004	10.2%	96,264
Verreries Brosse SAS	31,683	29,548	7.2%	29,548
Vetri Speciali SpA	41,111	39,229	4.8%	39,883
HSC SA	20,564	13,469	52.7%	13,469
Vetreco	2,362	2,227	6.1%	2,227
Zignago Glass USA Inc.	158	143	10.5%	143
Vetro Revet	2,167	---	n.a.	---
Total aggregate	199,414	176,620	12.9%	181,534
Elimination inter-company revenues	(9,502)	(5,485)	73.2%	(5,485)
Total Consolidated	189,912	171,135	11.0%	176,049

Consolidated revenues by geographic segment for the first half 2018 and 2017 were broken down as follows:

(Euro thousands)	H1 2018	H1 2017 restated	H1 2017
Italy	119,878	104,431	109,344
European Union (Italy exc.)	60,254	55,356	55,356
Other areas	9,780	11,348	11,348
Total consolidated	189,912	171,135	176,049

Consolidated revenues outside Italy for the first half 2018 amounted to Euro 70 million, compared to Euro 66.7 million in the first half of 2017 (+5%) and account for 36.9% of total revenues (39% in the first half 2017). The breakdown by Company was as follows:

(Euro thousands)	H1 2018	H1 2017 restated	Change %	H1 2017
Zignago Vetro SpA	19,304	19,896	(3.0%)	19,896
Verreries Brosse SAS and its subsidiary	30,135	27,717	8.7%	27,717
Vetri Speciali SpA and its subsidiary	7,481	9,343	(19.9%)	9,343
HSC SA	13,114	9,748	34.5%	9,748
Total	70,034	66,704	5.0%	66,704

The contribution to the **consolidated profit** for the first half of 2018 and 2017 of each of the Companies included in the consolidation scope was as follows:

(Euro thousands)	H1 2018	H1 2017 restated	H1 2017
Zignago Vetro SpA	21,683	16,976	16,976
Verreries Brosse SAS	1,569	2,194	2,194
Vetri Speciali SpA	7,393	7,524	7,578
HSC SA	(443)	806	806
Vetreco Srl	130	110	110
Zignago Glass USA Inc.	(190)	(65)	(65)
Vetro Revet	(1,116)	---	---
Total aggregate	29,026	27,545	27,599
Consolidation adjustments	(9,006)	(9,360)	(9,360)
Profit for the period	20,020	18,185	18,239

The consolidation adjustments relate principally to the elimination of the Vetri Speciali SpA dividends (Euro 9.9 million in 2018, Euro 9.2 million in 2017) and items concerning the proportional consolidation of Vetri Speciali SpA.

The key data of the **reclassified consolidated income statement** of the Zignago Vetro Group in H1 2018 and 2017, based on the application of international accounting standards, and therefore IFRS 11, are illustrated below.

	H1 2018		H1 2017 restated		Changes	H1 2017	
	Euro thou.	%	Euro thou.	%	%	Euro thou.	%
Revenues	146,975	100.0%	130,968	100.0%	12.2%	135,228	100.0%
Changes in finished and semi-finished products and work in progress	277	0.2%	25	---	n.a.	25	---
Internal production of fixed assets and contributions on investments	2,254	1.5%	819	0.6%	175.2%	819	0.6%
Value of production	149,506	101.7%	131,812	100.6%	13.4%	136,072	100.6%
Cost of goods and services	(76,304)	(51.9%)	(69,774)	(53.3%)	9.4%	(73,734)	(54.5%)
Value added	73,202	49.8%	62,038	47.4%	18.0%	62,338	46.1%
Personnel expense	(34,148)	(23.2%)	(31,366)	(23.9%)	8.9%	(31,366)	(23.2%)
Effect of measurement of JV using Equity method	8,065	5.5%	7,594	5.8%	6.2%	7,648	5.7%
EBITDA	47,119	32.1%	38,266	29.2%	23.1%	38,620	28.6%
Amortisation & Depreciation	(17,400)	(11.8%)	(15,531)	(11.9%)	12.0%	(15,831)	(11.7%)
Accruals to provisions	(1,420)	(1.0%)	(487)	(0.4%)	191.6%	(487)	(0.4%)
EBIT	28,299	19.3%	22,248	17.0%	27.2%	22,302	16.5%
Net recurring non-operating income	(148)	(0.1%)	200	0.2%	n.a.	200	0.1%
Operating Profit	28,151	19.2%	22,448	17.1%	25.4%	22,502	16.6%
Net financial expense	(1,619)	(1.1%)	(631)	(0.5%)	156.6%	(631)	(0.5%)
Net exchange rate gains/(losses)	(1,967)	(1.3%)	55	---	n.a.	55	---
Profit before taxes	24,565	16.7%	21,872	16.7%	12.3%	21,926	16.2%
Income taxes	(5,092)	(3.5%)	(3,687)	(2.8%)	38.1%	(3,687)	(2.7%)
(Tax-rate H1 2018: 20.7%)							
(Tax-rate H1 2017: 16.8%)							
(Profit) Loss non-con. int.	547		---			---	
Group Profit	20,020	13.6%	18,185	13.9%	10.1%	18,239	13.5%

For a better understanding of the performances for H1 2018, stated in accordance with management's view, a reconciliation is provided below of the reclassified income from joint ventures measured using the equity method and that utilising the proportional consolidation criteria, as adopted by the Group until 31 December 2013.

		Proportional consolidation				
	H1 2018 IAS/ IFRS	Vetri Speciali SpA	Vetreco Srl	Adjustment to Parent principles	Neutralisation JV using the equity criteria	H1 2018 pre-IFRS 11 (management view)
	Euro thou.	Euro thou.	Euro thou.	Euro thou.	Euro thou.	Euro thou.
Revenues	146,975	41,111	2,362	(536)		189,912
Changes in finished and semi-finished products and work in progress	277	(3,602)	64	---		(3,261)
Internal production of fixed assets and contributions on investments	2,254	---	---	---		2,254
Value of production	149,506	37,509	2,426	(536)	---	188,905
Cost of goods and services	(76,304)	(16,777)	(1,823)	1,182		(93,722)
Value added	73,202	20,732	603	646	---	95,183
Personnel expense	(34,148)	(9,302)	(190)	(105)		(43,745)
Effect of measurement of JV using Equity method	8,065	---	---		(8,065)	---
EBITDA	47,119	11,430	413	541	(8,065)	51,438
Amortisation & Depreciation	(17,400)	(3,389)	(154)	---	---	(20,943)
Accruals to provisions	(1,420)	(241)	---	---	---	(1,661)
EBIT	28,299	7,800	259	541	(8,065)	28,834
Net recurring non-operating income	(148)	1,894	---		---	1,746
Operating Profit	28,151	9,694	259	541	(8,065)	30,581
Net financial expense	(1,619)	(87)	(70)	---	---	(1,776)
Net exchange rate gains/(losses)	(1,967)	(15)		---	---	(1,982)
Profit before taxes	24,565	9,592	189	541	(8,065)	26,823
Income taxes	(5,092)	(2,199)	(59)		---	(7,350)
(Profit) Loss non-con. int.	547	---	---			547
Profit for the period	20,020	7,393	130	541	(8,065)	20,020

Statement of financial position

The **reclassified statement of financial position** of the Zignago Vetro Group at 30 June 2018, prepared according to management's view as described previously, is presented in condensed form and compared with 31 December and 30 June 2017.

	30.06.2018		31.12.2017 restated		30.06.2017 restated		30.06.2017		31.12.2017	
	Euro thou.	%	Euro thou.	%	Euro thou.	%	Euro thou.	%	Euro thou.	%
Trade receivables	92,205		81,935		82,478		82,478		81,935	
Other receivables	16,375		22,321		12,880		12,880		22,321	
Inventories	90,100		93,518		87,872		84,974		91,334	
Current non-financial payables	(81,694)		(85,107)		(73,645)		(70,693)		(82,828)	
Payables on fixed assets	(15,376)		(10,193)		(8,271)		(8,271)		(10,193)	
A) Working capital	101,610	26.9%	102,474	27.5%	101,314	29.4%	101,368	29.4%	102,569	27.5%
Net tangible and intangible assets	243,741		239,426		214,534		214,534		239,426	
Goodwill	42,768		42,969		40,810		40,810		42,969	
Other equity investments and non-current assets	7,909		5,346		5,552		5,552		5,346	
Non-current provisions and non-financial payables	(18,468)		(17,759)		(17,074)		(17,074)		(17,759)	
B) Net fixed capital	275,950	73.1%	269,982	72.5%	243,822	70.6%	243,822	70.6%	269,982	72.5%
A+B= Net capital employed	377,560	100.0%	372,456	100.0%	345,136	100.0%	345,190	100.0%	372,551	100.0%
Financed by:										
Current loans and borrowings	90,969		88,431		112,247		112,247		88,431	
Cash and cash equivalents	(45,278)		(41,319)		(22,785)		(22,785)		(41,319)	
Current net debt	45,691	12.1%	47,112	12.6%	89,462	25.9%	89,462	25.9%	47,112	12.6%
Non-current loans and borrowings	157,436	41.7%	148,370	39.8%	103,030	29.9%	103,030	29.8%	148,370	39.8%
C) Net financial debt	203,127	53.8%	195,482	52.5%	192,492	55.8%	192,492	55.8%	195,482	52.5%
Opening equity	177,470		155,519		155,519		155,519		155,519	
Dividends paid in the period	(28,061)		(21,818)		(21,818)		(21,818)		(21,818)	
Change in translation reserve & other eq. changes	5,312		3,990		758		758		3,990	
Cash Flow Hedge reserve			---						---	
Profit for the period	20,020		39,779		18,185		18,239		39,874	
D) Group equity	174,741	46.3%	177,470	47.6%	152,644	44.2%	152,698	44.1%	177,565	47.7%
E) Non-controlling interest equity	(308)		(496)		---		---		(496)	
Consolidated shareholders' equity	174,433		176,974		152,644		152,698		177,069	
C+D+E = Total financial debt and equity	377,560	100.0%	372,456	100.0%	345,136	100.0%	345,190	100.0%	372,551	100.0%

Working capital at 30 June 2018 decreased overall by Euro 0.8 million on 31 December 2017.

Trade receivables increased Euro 10.3 million, with inventories decreasing Euro 3.4 million and current non-financial payables reducing Euro 3.4 million. Other receivables reduced Euro 5.9 million, while fixed asset payables increased Euro 5.1 million.

Net fixed capital at 30 June 2018 increased on 31 December 2017 by Euro 6 million. In particular, in the period investments (Euro 27.7 million), net of disposals, were higher than depreciation (Euro 21 million).

Capital expenditure in the first half of 2018 amounted to Euro 27.7 million (Euro 27.4 million in H1 2017) and concerns:

- Zignago Vetro SpA for Euro 15.9 million for the replacement and construction of plant, machinery and equipment, including moulds and pallets (Euro 11.8 million in the same period of 2017 and mainly relating to the refurbishment of a kiln and the replacement of plant, machinery and equipment);
- Verreries Brosse SAS for Euro 1.5 million (Euro 2 million in the first half of 2017) principally for plant and industrial equipment, including moulds;
- Vetri Speciali SpA for Euro 9.4 million (Euro 4.2 million in H1 2017), mainly for the construction of new plant and the replacement of plant and equipment;
- HSC SA for Euro 0.9 million for new plant, in addition to equipment and moulds (Euro 11.4 million in H1 2017 for new plant);

At 30 June 2018, the Zignago Vetro Group had 2,350 **employees.** At 31 December 2017, there were 2,249 employees, while at 30 June 2017 employees numbered 2,273. The employees of Vetri Speciali SpA and Vetreco have been fully incorporated.

The composition of Group personnel at 30 June 2018 is shown in the table below.

Composition	Executives	White-collar	Blue-collar
Workforce	31	500	1,819
Average age	52	42	42
Years worked	12	16	14

In addition to the workforce indicated in the table, the Group utilises 133 workers hired under temporary contracts.

Consolidated equity amounted to Euro 174.4 million at 30 June 2018 (at 31 December 2017: Euro 176.9 million; at 30 June 2017: Euro 152.6 million). The decrease on 31 December 2017 is principally due to the distribution of dividends (Euro -28 million), the decrease in the translation reserve (Euro -0.9 million), the sale of treasury shares (Euro +6.3 million) and the profit for the period (Euro +20 million).

The **consolidated net financial debt** at 30 June 2018 was Euro 203.1 million (Euro 195.5 million at 31 December 2017, Euro 192.5 million at 30 June 2017).

The cash flow movements in the consolidated net financial debt at 30 June 2018 and at 31 December 2017 and 30 June 2017 were as follows:

	30 June 2018	31 December 2017 restated	30 June 2017 restated	30 June 2017	31 December 2017
	(Euro thousands)	(Euro thousands)	(Euro thousands)	(Euro thousands)	(Euro thousands)
Net debt at January 1	**(195,482)**	**(156,428)**	**(156,428)**	**(156,428)**	**(156,428)**
Self-financing:					
- profit for the period	20,020	39,779	18,185	18,239	39,874
- amortisation & depreciation	20,943	37,258	18,701	19,001	37,858
- net change in provisions	709	739	(202)	(202)	739
- net gains from sale of property, plant and equipment	(1,633)	694	---	---	694
	40,039	**78,470**	**36,684**	**37,038**	**79,165**
Increase in working capital	(4,224)	(25,074)	(12,015)	(12,369)	(25,769)
Investments in property, plant and equipment	(20,075)	(76,297)	(39,776)	(39,776)	(76,297)
Investments in intangible assets	201	(2,055)	(753)	(753)	(2,055)
Net Decrease (increase) of other medium/long term assets	(1,271)	1,129	396	396	1,129
Sales price of property, plant and equipment sold	1,337	7,333	2,382	2,382	7,333
	(24,032)	**(94,964)**	**(49,766)**	**(50,120)**	**(95,659)**
Free cash flow	**16,007**	**(16,494)**	**(13,082)**	**(13,082)**	**(16,494)**
Distribution of dividends	(28,061)	(21,818)	(21,818)	(21,818)	(21,818)
Acquisition of Unionvetro investment	(1,292)	(4,750)	---	---	(4,750)
Sale of treasury shares	6,275	2,954	---	---	2,954
Effect on equity of currency conversion of		---	---		---
in foreign currencies and other changes	(574)	1,054	(1,164)	(1,164)	1,054
	(23,652)	(22,560)	(22,982)	(22,982)	(22,560)
Increase of net debt	**(7,645)**	**(39,054)**	**(36,064)**	**(36,064)**	**(39,054)**
Net debt at end of period	**(203,127)**	**(195,482)**	**(192,492)**	**(192,492)**	**(195,482)**

The **reclassified statement of financial position** of the Zignago Vetro Group at 30 June 2018, according to IFRS in force at 30 June 2018, including the effects from IFRS 11, as from 1 January 2014, compared with 31 December 2017 and 30 June 2017, is reported below:

	30.06.2018		31.12.2017 restated		30.06.2017 restated		30.06.2017		31.12.2017	
	Euro thou.	%	Euro thou.	%	Euro thou.	%	Euro thou.	%	Euro thou.	%
Trade receivables	73,711		67,493		64,108		64,108		67,493	
Other receivables	13,778		17,865		9,943		9,943		17,865	
Inventories	74,369		74,090		72,275		69,977		72,840	
Current non-financial payables	(65,215)		(67,092)		(56,782)		(54,484)		(65,842)	
Payables on fixed assets	(10,587)		(6,992)		(7,497)		(7,497)		(6,992)	
A) Working capital	86,056	26.4%	85,364	25.9%	82,047	27.3%	82,047	27.3%	85,364	25.8%
Net tangible and intangible assets	181,607		183,224		163,891		163,891		183,224	
Goodwill	2,682		2,884		724		724		2,884	
Equity investments measured using the equity method	67,340		69,237		62,650		62,704		69,332	
Other equity investments & non-current assets	3,818		4,405		4,939		4,939		4,405	
Non-current provisions and non-financial payables	(15,619)		(14,973)		(14,086)		(14,086)		(14,973)	
B) Net fixed capital	239,828	73.6%	244,777	74.1%	218,118	72.7%	218,172	72.7%	244,872	74.2%
A+B= Net capital employed	325,884	100.0%	330,141	100.0%	300,165	100.0%	300,219	100.0%	330,236	100.0%
Financed by:										
Current loans and borrowings	63,199		60,245		90,308		90,308		60,245	
Cash and cash equivalents	(39,234)		(31,686)		(18,137)		(18,137)		(31,686)	
Current net debt	23,965	7.4%	28,559	8.7%	72,171	24.0%	72,171	24.0%	28,559	8.6%
Non-current loans and borrowings	127,486	39.1%	124,608	37.7%	75,350	25.1%	75,350	25.1%	124,608	37.7%
C) Net financial debt	151,451	46.5%	153,167	46.4%	147,521	49.1%	147,521	49.1%	153,167	46.4%
Opening equity	177,470		155,519		155,519		155,519		155,519	
Dividends	(28,061)		(21,818)		(21,818)		(21,818)		(21,818)	
Other equity changes	5,312		3,990		758		758		3,990	
Cash Flow Hedge reserve			---							
Profit for the period	20,020		39,779		18,185		18,239		39,874	
D) Closing equity	174,741	53.6%	177,470	53.8%	152,644	50.9%	152,698	50.9%	177,565	53.8%
E) Consolidated equity	(308)		(496)		---				(496)	
C+D+E = Total financial debt & equity	325,884	100.0%	330,141	100.0%	300,165	100.0%	300,219	100.0%	330,236	100.0%

For a better understanding of the statement of financial position at 30 June 2018, stated in accordance with management's view, a reconciliation is provided below of the financial position of joint ventures measured using the equity method and that utilising the proportional consolidation method, as adopted by the Group until 31 December 2013.

		Proportional consolidation				
	30.06.2018 IAS/IFRS	Vetri Speciali SpA	Vetreco Srl	Adjustment to Parent principles	Neutralisation JV using the equity criteria	30.06.2018 pre-IFRS 11 (management view)
	Euro thou.	Euro thou.	Euro thou.	Euro thou.	Euro thou.	Euro thou.
Trade receivables	73,711	17,327	1,243	(76)		92,205
Other receivables	13,778	3,424	410	(1,237)		16,375
Inventories	74,369	15,304	427			90,100
Current non-financial payables	(65,215)	(16,724)	(1,342)	1,587		(81,694)
Payables on fixed assets	(10,587)	(4,509)	(10)	(270)		(15,376)
A) Working capital	86,056	14,822	728	4	---	101,610
Net tangible and intangible assets	181,607	57,889	4,245			243,741
Goodwill	2,682	40,086	---			42,768
Equity investments measured using the equity method	67,340	---	---	---	(67,340)	---
Other equity investments & non-current assets	3,818	4,085	7	---		7,909
Non-current provisions and non-financial payables	(15,619)	(2,831)	(19)			(18,468)
B) Net fixed capital	239,828	99,229	4,233	---	(67,340)	275,950
A+B= Net capital employed	325,884	114,051	4,961	4	(67,340)	377,560
Financed by:						
Current loans and borrowings	63,199	27,214	556	---	---	90,969
Cash and cash equivalents	(39,234)	(6,039)	(5)	---	---	(45,278)
Current net debt	23,965	21,175	551	---	---	45,691
Non-current loans and borrowings	127,486	26,024	3,922	4	---	157,436
C) Net financial debt	151,451	47,199	4,473	4	---	203,127
Opening equity	177,470	69,421	358	(542)	(69,237)	177,470
Dividends	(28,061)	(9,962)	---	---	9,962	(28,061)
Other equity changes	5,312	---	---	---	---	5,312
Cash Flow Hedge reserve		---	---			---
Profit for the period	20,020	7,393	130	542	(8,065)	20,020
D) Closing equity	174,741	66,852	488	---	(67,340)	174,741
C+D= Total financial debt						
Non-controlling interest equity	(308)	---	---	---	---	(308)
& equity	325,884	114,051	4,961	4	(67,340)	377,560

Research, development and advertising costs

The companies of the Group undertook research and development focused on plant, process and product innovation which resulted in, among other developments, the use of new materials, the introduction of new products and the application of new technical-production solutions for the "food and beverages", "cosmetics and perfumery" and "special containers" sectors.
The Parent also carried out research and development for the design and introduction of new information management systems, including improvements to the process IT set up, in order to create more efficient and effective operating instruments.
Therefore, the Company availed of the tax credit under Law 190/2014, establishing this amount according to the methodologies communicated in the Tax Agency Circular.

Environmental information

In the first half of 2018, the commitment of the Zignago Vetro Group continued in the protection of the environment with the continual improvement of the policies of territorial protection and management of environmental issues with actions aimed to reduce atmospheric emissions and energy consumption in the utilisation of natural resources and the optimisation of the production cycle, while remaining continually attentive to new and future technology developed internationally.

Risks related to personnel, safety and management

The Companies of the Zignago Vetro Group implement plant management policies to minimise the risk of accidents ensuring high levels of security in line with best industrial practices, utilising insurance to guarantee an extensive degree of protection for company structures, third party risks and interruptions in production activity. The company trains and motivates the workforce to guarantee efficiency and normal operational continuity.

Personal data security and protection

With regards to the obligations under Regulation (EU) 679/2016 (European General Data Protection ("GDPR")), the Group companies adopted the technical and organisational measures necessary to ensure the confidentiality and protection of processed data as set out in Article 32 of the Regulation.

Financial instruments: Group objectives & policies and description of risks

The main financial instruments used by the Zignago Vetro Group consist of trade receivables and payables, cash & cash equivalents, bank borrowing and interest rate swap contracts.

As regards the Group's financial management, the cash flow from operating activities are considered to be consistent with objectives for repayment of existing debt and such as to assure appropriate financial balance and adequate return on equity via dividend flows.

At 30 June 2018 the Zignago Vetro SpA Group had undertaken 6 interest rate swaps in order to hedge the interest rate risk on non-current loans undertaken by the parent Zignago Vetro SpA. The mark-to-market of these derivatives at 30 June 2018 were as follows (in Euro):

Company	Bank	Underlying	Date of Signing	Notional amount at reference date	Expiry	Market value 30.06.2018
Zignago Vetro SpA	Unicredit	Loan	27/10/2017	50,000,000	27/10/2021	(421,361)
Zignago Vetro SpA	Mediobanca	Loan	21/01/2015	9,925,714	31/12/2020	(87,100)
Zignago Vetro SpA	Mediobanca	Loan	31/03/2015	13,234,286	31/12/2020	(116,133)
Zignago Vetro SpA	Banco Brescia	Loan	18/12/2014	7,603,233	18/12/2019	(40,122)
Zignago Vetro SpA	Intesa SanPaolo	Loan	13/12/2018	40,000,000	30/12/2022	(309,153)
Zignago Vetro SpA	BNL	Loan	22/12/2014	21,000,000	22/06/2021	(428,377)
Total				141,763,233		(1,402,246)

The above-mentioned transactions were undertaken for hedging purposes. However these transactions do not comply with all the requirements of IFRS to qualify for hedge accounting. For these transactions Zignago Vetro SpA does not use the so-called hedge accounting method and records the economic effects of hedging directly to profit or loss.

We consider that the Zignago Vetro Group is not exposed to credit risk any higher than the industry average, given that most receivables relate to customers of well-established commercial reliability and that receivables are insured. Allowance for impairment has in any case been made to cover against any residual credit risks. We specify that such allowances were made in the period and in previous periods against specific positions involved in procedures or with longer past-due status than the Group companies average collection times. Collective allowances for impairment have also been made for potential bad debts.

In relation to the currency risk, the Group did not subscribe to any currency hedging instruments and, in accordance with the Group policy to date, derivative financial instruments are not taken out for trading purposes. Therefore the Group remains exposed to the currency risk on the assets and liabilities in foreign currencies at period-end, which is not considered significant. A number of

Group subsidiaries are located in countries not within the Eurozone: the United States and Poland. As the Group's functional currency is the Euro, the income statements of these companies are translated into Euro at the average exchange rate and, on like-for-like basis for revenues and profit in the local currency, changes in the exchange rate may impact the value in Euro of revenues, costs and profit (loss).

Zignago Vetro SpA is exposed to fluctuations in some commodity prices, in particular those relating to energy factors, such as fuel, utilised in the production process. In order to neutralise the price effect, as these fluctuations may significantly impact production costs, the Company assesses hedging operations through the use of derivative financial instruments.
At 30 June 2018, Zignago Vetro did not have any fuel hedging derivative contracts.

The Group's present reference market does not include areas possibly requiring country-risk management. Trade transactions substantially take place in western countries, primarily in the Euro and USD areas.

* * *

Pursuant to the Bank of Italy/ Consob /Isvap document No. 2 of 6 February 2009 and IAS 1.25-26, it is considered, based on the strong profitability, solid financial position and in spite of the current economic environment, that there are no uncertainties or risks with regard to the going concern of the business.

Reconciliation between the Zignago Vetro Group and the Parent Zignago Vetro SpA profit for the period and equity

The reconciliation between the profit for the period and equity at 30 June 2018 of the Parent and the Consolidated profit for the period and equity are summarised below:

(Euro thousands)	Profit H1 2018	Equity 30.06.2018
Financial statements of the Parent	**21,683**	**113,451**
Consolidation adjustments:		
- interests in joint ventures measured using equity method	8,065	40,959
- reversal of inter-group dividend	(9,962)	---
- reversal of inter-company Profit	(143)	(228)
- goodwill on acquisition of HSC SA investment	---	702
- goodwill on acquisition of Vetro Revet Srl investment	---	2,017
- Loan HSC	10	(173)
	(2,030)	**43,277**
Carrying amount of equity investments:		
Verreries Brosse SAS		(4,000)
Zignago Glass USA Inc.		(189)
HSC SA		(10,327)
Vetro Revet Srl		(2,265)
	---	**(16,781)**
Profit for the period and equity of the subsidiaries:		
Verreries Brosse SAS	1,569	17,437
Zignago Glass USA Inc.	(190)	(554)
HSC SA	(443)	18,232
Vetro Revet Srl	(1,116)	(321)
	(180)	**34,794**
(Profit) loss non-con. int.	**547**	**(308)**
Consolidated Financial Statements	**20,020**	**174,433**

* * * *

It is considered that the information provided, together with the information illustrated below and relating to the performance of the individual companies, represents a true, balanced and exhaustive analysis of the situation of the Group and of the results of operations, overall and in the various sectors, in accordance with the size and complexity of the Group’s business operations.

For greater clarity, the result of operations and statement of financial position of the parent and subsidiaries are presented according to the contribution of each of them to the Condensed Interim Consolidated Financial Statements. They are shown according to normal reporting practices.

THE COMPANY

Zignago Vetro SpA

In the first half of the year, glass Beverage and Food container demand grew across all the main market segments as a result of a recovery in end-consumption both in Italy and more widely across Europe.
The global Perfumery markets continued to perform well, particularly in the higher product quality categories. For the Cosmetics market however, nail varnish container demand remains weak, while the Skincare and Make up segments again performed strongly. The emerging economies continue to report the strongest demand growth, while European demand remains stable.

The Zignago Vetro SpA reclassified income statement for the first half of 2018 compared to the same period of the previous year is presented on the next page.

	H1 2018		H1 2017 restated		Changes	H1 2017	
	Euro thou.	%	Euro thou.	%	%	Euro thou.	%
Revenues	101,369	100.0%	92,004	100.0%	10.2%	96,264	100.0%
Changes in finished and semi-finished products and work in progress	287	0.3%	(819)	(0.9%)	(135.0%)	(819)	(0.9%)
Internal production of fixed assets and contributions on investments	1,822	1.8%	299	0.3%	509.4%	299	0.3%
Value of production	103,478	102.1%	91,484	99.4%	13.1%	95,744	99.5%
Cost of goods and services	(54,611)	(53.9%)	(51,724)	(56.2%)	5.6%	(55,684)	(57.8%)
Value added	48,867	48.2%	39,760	43.2%	22.9%	40,060	41.6%
Personnel expense	(19,768)	(19.5%)	(18,222)	(19.8%)	8.5%	(18,222)	(18.9%)
EBITDA	29,099	28.7%	21,538	23.4%	35.1%	21,838	22.7%
Amortisation & Depreciation	(10,798)	(10.7%)	(10,306)	(11.2%)	4.8%	(10,606)	(11.0%)
Accruals to provisions	(1,183)	(1.2%)	(110)	(0.1%)	975.5%	(110)	(0.1%)
EBIT	17,118	16.9%	11,122	12.1%	53.9%	11,122	11.6%
Net recurring non-operating income	(49)	---	159	0.2%	(130.8%)	159	0.2%
Operating Profit	17,069	16.8%	11,281	12.3%	51.3%	11,281	11.7%
Investment income	9,962	9.8%	9,157	10.0%	8.8%	9,157	9.5%
Net financial expense	(959)	(0.9%)	(146)	(0.2%)	556.8%	(146)	(0.2%)
Net exchange rate gains/(losses)	(123)	(0.1%)	83	0.1%	(248.2%)	83	0.1%
Profit before taxes	25,949	25.6%	20,375	22.1%	27.4%	20,375	21.2%
Income taxes	(4,266)	(4.2%)	(3,399)	(3.7%)	25.5%	(3,399)	(3.5%)
(Tax-rate H1 2018: 16.4%)							
(Tax-rate H1 2017: 16.7%)							
Profit for the period	21,683	21.4%	16,976	18.5%	27.7%	16,976	17.6%

Revenues in the first half of 2018 of Euro 101.4 million grew 10.2% on the first half of the previous year (Euro 92 million). Sales of glass containers and accessories (these latter referring to Zignago Vetro SpA services on the market) amounted to Euro 97.2 million, up 10.5% (Euro 88 million in the first half of 2017).

Exports decreased in the first half of the year by 5.3% on the first half of 2017, accounting for 20.4% of container and accessory revenues (23.9% in 2017).

Revenues by geographic area, excluding sundry materials and services:

(Euro thousands)	H1 2018	H1 2017 restated	Change %	H1 2017
Italy	77,313	67,013	15.4%	67,013
European Union (Italy excl.)	15,970	16,248	(1.7%)	16,248
Other areas	3,902	4,747	(17.8%)	4,747
Total	97,185	88,008	10.4%	88,008
of which export	19,872	20,995	(5.3%)	20,995
%	20.4%	23.9%		23.9%

Raw material and service costs on revenues, net of changes in inventories and internal production, in H1 2018 were 51.8% compared to 56.8% in H1 2017 – amounting to Euro 52.5 million in H1 2018 and Euro 52.2 million in the first half of 2017.

The added value was 48.2% of revenues in the first half of 2018 compared to 43.2% in the first half of 2017.

Personnel expense increased 8.5% in H1 2018 compared to the same period of 2017. It decreased to 19.5% of revenues in the first half of 2018 from 19.8% in H1 2017.

EBITDA totalled Euro 29 million in H1 2018, compared to Euro 21.5 million in the first half of 2017 (+35.1%), a margin of 28.7% (23.4% in 2017).

EBIT in the first half of 2018 was up 53.9% on the previous year (Euro 17.1 million compared to Euro 11.2 million), reporting a margin of 16.9% on revenues (12.3% in H1 2017).

Investment income in the first half of 2018 amounting to Euro 9.9 million comprises Vetri Speciali SpA dividends (Euro 9.2 million in 2017).

Net financial expense in H1 2018 amounted to Euro 0.9 million, compared to Euro 0.15 million in the same period of the previous year, principally due to the fair value measurement of interest rate derivatives, which in the first half of 2018 resulted in financial expense of Euro 0.5 million, and the obtaining of new loans.

The profit before taxes in H1 2018 was Euro 25.9 million compared to Euro 20.4 million in H1 2017 (Euro +5.5 million; +27.4%). The margin was 25.6% compared to 22.1%.

The tax rate in the period, taking account of the largely exempt investment income in the separate financial statements of Zignago Vetro, was 16.4%, compared to 16.7% in H1 2017.

The profit in H1 2018 amounted to Euro 21.7 million, compared to Euro 17 million in the first half of 2017 (+27.7%).

The cash flow generated from the profit for the period and amortisation/depreciation in the first half of the year amounted to Euro 32.5 million, compared to Euro 27.3 million in H1 2017 (+19%). Cash flow as a percentage of revenues was 32% compared to 29.7%.

The **reclassified statement of financial position** of Zignago Vetro SpA at 30 June 2018 and 31 December 2017 and 30 June 2017 was as follows:

	30.06.2018		31.12.2017 restated		30.06.2017 restated		30.06.2017		31.12.2017	
	Euro thou.	%	Euro thou.	%	Euro thou.	%	Euro thou.	%	Euro thou.	%
Trade receivables	56,626		52,630		50,982		50,982		52,630	
Other receivables	6,695		13,099		6,124		6,124		13,099	
Inventories	47,636		47,136		46,909		44,611		45,886	
Current non-financial payables	(46,011)		(47,817)		(43,006)		(40,708)		(46,567)	
Payables on fixed assets	(10,102)		(5,925)		(4,213)		(4,213)		(5,925)	
A) Working capital	54,844	28.1%	59,123	30.4%	56,796	31.9%	56,796	31.9%	59,123	30.4%
Net tangible and intangible assets	107,478		102,307		88,703		88,703		102,307	
Investments	43,160		42,395		40,895		40,895		42,395	
Non-consolidated investments and other non-current assets	2,156		2,057		3,078		3,078		2,057	
Non-current provisions and non-financial payables	(12,167)		(11,664)		(11,169)		(11,169)		(11,664)	
B) Net fixed capital	140,627	71.9%	135,095	69.6%	121,507	68.1%	121,507	68.1%	135,095	69.6%
A+B= Net capital employed	195,471	100.0%	194,218	100.0%	178,303	100.0%	178,303	100.0%	194,218	100.0%
Financed by:										
Current loans and borrowings	44,476		38,514		71,061		71,061		38,514	
Cash and cash equiv. & fin. receivables	(80,570)		(75,471)		(60,005)		(60,005)		(75,471)	
Current net debt	(36,094)	(18.5%)	(36,957)	(19.0%)	11,056	6.2%	11,056	6.2%	(36,957)	(19.0%)
Non-current loans and borrowings	118,114	60.4%	117,621	60.6%	69,324	38.9%	69,324	38.9%	117,621	60.6%
C) Net financial debt	82,020	42.0%	80,664	41.5%	80,380	45.1%	80,380	45.1%	80,664	41.5%
Opening equity	113,554		102,765		102,765		102,765		102,765	
Dividends	(28,061)		(21,818)		(21,818)		(21,818)		(21,818)	
Profit for the period	21,683		29,658		16,976		16,976		29,658	
Cash Flow Hedge reserve									---	
Other changes	6,275		2,949						2,949	
D) Closing equity	113,451	58.0%	113,554	58.5%	97,923	54.9%	97,923	54.9%	113,554	58.5%
C+D = Total financial debt and equity	195,471	100.0%	194,218	100.0%	178,303	100.0%	178,303	100.0%	194,218	100.0%

Working capital at 30 June 2018 decreased on 31 December 2017 by Euro 4.3 million (-7.2%). Trade receivables increased Euro 4 million compared to 31 December 2017, due to seasonal effects and increased sales, with other receivables reducing Euro 6.4 million following the decrease in tax receivables, while inventories increased Euro 0.5 million compared to December 31, 2017. Current non-financial payables decreased Euro 1.8 million compared to 31 December 2017, while fixed asset payables increased Euro 4.2 million.

Net fixed capital at 30 June 2018 was Euro 5.5 million higher than 31 December 2017, mainly due to higher net investments (overall Euro 15.7 million) than amortisation and depreciation in the period (Euro 10.8 million).

Net capital employed at 30 June 2018 increased Euro 1.2 million compared to 31 December 2017.

Equity at 30 June 2018 was substantially unchanged on 31 December 2017, despite the distribution of dividends for Euro 28.1 million and the sale of treasury shares for Euro 6.3 million.

The net financial debt at 30 June 2018 was Euro 82 million, increasing Euro 1.4 million on 31 December 2017.

Employees of the Company at 30 June 2018 numbered 650, broken down as follows: 13 executives, 150 white-collar and 437 blue-collar. 12 workers were hired under temporary contracts.
At 31 December 2017, employees numbered 629: 12 executives, 125 white-collar and 470 blue-collar. There were 47 fixed-term employees.
At 30 June 2017, there were 628 employees, of which: 12 executives, 145 white-collar and 471 blue-collar. There were 54 fixed-term employees.

Based on information available, it would appear reasonable to forecast overall that the market growth evident in the first half will continue in the coming months of the year.

THE CONSOLIDATED SUBSIDIARIES

Verreries Brosse SAS

Registered office: Vieux-Rouen-sur-Bresle (France)
Business sector: glass bottles for luxury fragrances

Chairman	Paolo Giacobbo
"Board of Directors"	Maurizio Guseo - General Manager Roberto Celot Alberto Faggion Franco Grisan Nicolò Marzotto Michele Pezza Sergio Pregliasco

In the first half of 2018, global luxury perfume demand built further on the gains seen in the previous year, with a continued significant recourse to flankers. Skincare container demand was again strong.

The **reclassified consolidated income statement** of Verreries Brosse in H1 2018 compared to the same period of the previous year is shown below:

	H1 2018		H1 2017		Changes
	Euro thou.	%	Euro thou.	%	%
Revenues	31,683	100.0%	29,548	100.0%	7.2%
Changes in finished and semi-finished products and work in progress	(178)	(0.6%)	205	0.7%	n.a.
Value of production	31,505	99.4%	29,753	100.7%	5.9%
Cost of goods and services	(16,807)	(53.0%)	(14,444)	(48.9%)	16.4%
Value added	14,698	46.4%	15,309	51.8%	(4.0%)
Personnel expense	(9,137)	(28.8%)	(9,419)	(31.9%)	(3.0%)
EBITDA	5,561	17.6%	5,890	19.9%	(5.6%)
Amortisation & Depreciation	(2,842)	(9.0%)	(3,064)	(10.4%)	(7.2%)
Accruals to provisions	(180)	(0.6%)	(325)	(1.1%)	(44.6%)
EBIT	2,539	8.0%	2,501	8.5%	1.5%
Net recurring non-operating income (charges)	(47)	(0.1%)	29	0.1%	n.a.
Operating Profit	2,492	7.9%	2,530	8.6%	(1.5%)
Net financial expense	(108)	(0.3%)	(156)	(0.5%)	(30.8%)
Net exchange rate gains/(losses)	(34)	(0.1%)	(48)	(0.2%)	(29.2%)
Profit before taxes	2,350	7.4%	2,326	7.9%	1.0%
Income taxes	(781)	(2.5%)	(132)	(0.4%)	491.7%
Profit for the period	1,569	5.0%	2,194	7.4%	(28.5%)

Revenues in the first half of 2018 of Euro 31.7 million increased 7.2% on the same period of the previous year (Euro 29.5 million).

Revenues by geographic segment:

(Euro thousands)	H1 2018	H1 2017	change %
Italy	1,525	1,784	(14.5%)
European Union (Italy excluded)	28,395	26,525	7.0%
Other areas	1,763	1,239	42.3%
Total	31,683	29,548	7.2%

Material costs and external services, including inventory changes, in the first half of 2018 were 53.6% of revenues compared to 48.2% in the first half of 2017. The 2017 figure was partly impacted by the repeated strikes against the French Government's labour reform laws.

Personnel expense in H1 2018 was in line with the same period of 2017. This cost on revenues decreased from 31.9% to 28.8%.

EBITDA in the first half of 2018 totalled Euro 5.6 million, compared to Euro 5.9 million in the same period of 2017. The margin was 17.6% compared to 19.9%.

EBIT in H1 2018 totaled Euro 2.5 million (Euro 2.5 million in the first half of the previous year).

The profit before taxes in H1 2018 was Euro 2.3 million (Euro 2.3 million in the first half of 2017).

The profit for the period was Euro 1.6 million.

The cash flow generated from the profit for the period and amortisation/depreciation in the first half of 2018 and 2017 amounted to Euro 4.4 million and Euro 5.3 million respectively.

The **reclassified statement of financial position** of Verreries Brosse at 30 June 2018 and 31 December 2017 and 30 June 2017 was as follows:

	30.06.2018		31.12.2017		30.06.2017	
	Euro thou.	%	Euro thou.	%	Euro thou.	%
Trade receivables	11,679		9,760		10,812	
Other receivables	2,982		3,140		2,446	
Inventories	18,107		17,622		17,739	
Current non-financial payables	(10,832)		(10,588)		(11,372)	
Payables on fixed assets	(434)		(482)		(475)	
A) Working capital	21,502	56.1%	19,452	50.6%	19,150	48.7%
Net tangible and intangible assets	18,060		19,440		20,538	
Equity investments and other non-current assets	543		1,171		1,165	
Non-current provisions and non-financial payables	(1,744)		(1,602)		(1,536)	
B) Net fixed capital	16,859	43.9%	19,009	49.4%	20,167	51.3%
A+B= Net capital employed	38,361	100.0%	38,461	100.0%	39,317	100.0%
Financed by:						
Current loans and borrowings	26,832		27,067		27,369	
Cash and cash equivalents	(10,044)		(9,513)		(8,756)	
Current net debt	16,788	43.8%	17,554	45.6%	18,613	47.3%
Non-current loans and borrowings	4,136	10.8%	5,038	13.1%	6,010	15.3%
C) Net financial debt	20,924	54.5%	22,592	58.7%	24,623	62.6%
Opening equity	15,868		12,500		12,500	
Other equity changes			---			
Profit for the period	1,569		3,369		2,194	
D) Closing equity	17,437	45.5%	15,869	41.3%	14,694	37.4%
C+D = Total financial debt and Equity	38,361	100.0%	38,461	100.0%	39,317	100.0%

Working capital at 30 June 2018 increased Euro 2 million on 31 December 2017 (Euro +0.2 million concerning increased current non-financial payables, increased trade receivables of Euro 1.9 million and higher inventories of Euro 0.5 million). Compared to 30 June 2017, working capital increased Euro 2.3 million due to the increase in other receivables (Euro +0.5 million), the increase in trade receivables (Euro +0.8 million), higher inventories (Euro +0.4 million) and the decrease in current non-financial payables (-Euro 0.5 million).

Net fixed capital at 30 June 2018 decreased on 31 December 2017 by Euro 2.1 million, owing principally to investments (Euro 4.2 million) higher than amortisation/depreciation (Euro 2.8 million).

The net financial debt amounted to Euro 20.9 million at 30 June 2018 (Euro 22.6 million at 31 December 2017 and Euro 24.6 million at 30 June 2017).

At 30 June 2018, there were 282 employees (at 31 December and 30 June 2017 respectively 338 and 308 employees).

The company's sales growth is forecast to continue, alongside confirmation of the margin recovery already achieved in 2017.

Huta Szkła "Czechy" S.A. (HSC SA)

Registered office: Trabkj (Poland)
Business sector: glass containers

Chairman:	Paolo Giacobbo
"Management Board":	Ovidio Dri – General Manager Roberto Cardini Roberto Celot Alberto Faggion Franco Grisan Nicolò Marzotto Stefano Marzotto
"Supervisory Board":	Paolo Nicolai - chairman Stefano Perosa Carlo Pesce

In the first half of the year, the European hollow glass market for Beverages and Food reported good consumption demand for containers.
The global Perfumery market again performed well, particularly in the Emerging economies, while European demand remained stable. Cosmetics demand featured continued weakness for nail varnish containers, while skin care container demand grew.

The **reclassified income statement** of HSC SA in the first half of 2018 compared to the previous year is shown below:

	H1 2018		H1 2017		Changes
	Euro thou.	%	Euro thou.	%	%
Revenues	20,564	100.0%	13,469	100.0%	52.7%
Changes in finished and semi-finished products and work in progress	120	0.6%	1,335	9.9%	(91.0%)
Internal production of fixed assets	432	2.1%	520	3.9%	(17.0%)
Value of production	21,116	102.7%	15,325	113.8%	37.8%
Cost of goods and services	(11,463)	(55.7%)	(8,435)	(62.6%)	35.9%
Value added	9,653	46.9%	6,890	51.2%	40.1%
Personnel expense	(4,224)	(20.5%)	(3,567)	(26.5%)	18.4%
EBITDA	5,429	26.4%	3,323	24.7%	63.4%
Amortisation & Depreciation	(3,621)	(17.6%)	(2,168)	(16.1%)	67.0%
Accruals to provisions	(57)	(0.3%)	(52)	(0.4%)	9.6%
EBIT	1,751	8.5%	1,103	8.2%	58.8%
Net recurring non-operating income (charges)	(30)	(0.1%)	12	0.1%	n.a.
Operating Profit	1,721	8.4%	1,115	8.3%	54.4%
Net financial expense	(432)	(2.1%)	(114)	(0.8%)	n.a.
Net exchange rate gains/(losses)	(1,850)	(9.0%)	20	0.1%	n.a.
Profit/(loss) before taxes	(561)	(2.7%)	1,021	7.6%	n.a.
Income taxes	118	0.6%	(214)	(1.6%)	n.a.
Profit/(loss) for the period	(443)	(2.2%)	807	6.0%	n.a.

Revenues in H1 2018 totalled Euro 20.6 million, compared to Euro 13.5 million in H1 2017 (+52.7%).
Revenues include, in addition to glass containers, also decoration services and the contribution charged to clients for the creation of moulds for specific products and other services.

Revenue by geographic segment

(Euro thousands)	H1 2018	H1 2017	change %
Italy	7,342	3,688	99.1%
European Union (Italy excluded)	11,437	7,947	43.9%
Other areas	1,785	1,835	(2.7%)
Total	20,564	13,469	52.7%

Materials and external services, including changes in inventories and internal production of fixed assets, amounted in the first six months of 2018 to Euro 10.9 million – 53.1% of revenues (Euro 6.6 million and 48.9% in H1 2017).

Personnel expense amounted to Euro 4.2 million and accounted for 20.5% of revenues (Euro 3.6 million and 26.5% in the same period of the previous year). The increase in the first six months of 2018 compared to the same period of 2017 (+18.4%) is principally due to the expanded workforce, related to the installation of the new furnace.

EBITDA in H1 2018 amounted to Euro 5.4 million - 26.4% revenue margin (H1 2017 Euro 3.3 million - 24.7% revenue margin).

EBIT totalled Euro 1.7 million in H1 2018 compared to Euro 1.1 million in H1 2017, with a 8.5% revenue margin compared to 8.2% in the previous year.

The result before taxes in H1 2018 was a loss of Euro 0.6 million, compared to a profit of Euro 1 million in H1 2017.

The first half of 2018 reported a loss of Euro 0.4 million, compared to a profit of Euro 0.8 million in H1 2017.

The cash flow generated by the profit for the period and amortisation/depreciation amounted to Euro 3.2 million, 15.5% of revenues (in H1 2017 Euro 2.9 million, 22.1% of revenues).

The **reclassified statement of financial position** of HSC SA at 30 June 2018 and at 31 December and 30 June 2017 is as follows:

	30.06.2018		31.12.2017		30.06.2017	
	Euro thou.	%	Euro thou.	%	Euro thou.	%
Trade receivables	6,033		5,063		4,617	
Other receivables	595		660		1,362	
Inventories	8,776		9,421		7,679	
Current non-financial payables	(5,150)		(5,332)		(4,795)	
Payables on fixed assets	(321)		(585)		(2,809)	
A) Working capital	9,933	16.6%	9,227	14.3%	6,054	10.1%
Net tangible and intangible assets	50,569		55,556		54,859	
Non fully consolidated eq. investments & other medium/long term assets	1,031		1,143		682	
Non-current provisions & non-financial payables	(1,559)		(1,559)		(1,358)	
B) Net fixed capital	50,041	83.4%	55,140	85.7%	54,183	89.9%
A+B= Net capital employed	59,974	100.0%	64,367	100.0%	60,237	100.0%
Financed by:						
Current loans and borrowings	4,163		5,798		5,884	
Cash and cash equivalents	(2,377)		(1,433)		(786)	
Current net liquidity	1,786	3.0%	4,365	6.8%	5,098	8.5%
Non-current loans and borrowings	39,956	66.6%	40,467	62.9%	37,203	61.8%
C) Net financial debt	41,742	69.6%	44,832	69.7%	42,301	70.2%
Opening equity	19,535		16,405		16,405	
Other equity changes	(860)		959		724	
Profit for the period	(443)		2,171		807	
D) Closing equity	18,232	30.4%	19,535	30.3%	17,936	29.8%
C+D= Total liquidity and equity	59,974	100.0%	64,367	100.0%	60,237	100.0%

The working capital at 30 June 2018 increased Euro 0.7 million compared to 31 December 2017. Net fixed capital amounted to Euro 50 million at 30 June 2018, decreasing Euro 5.1 million on 31 December 2017, principally due to amortisation/depreciation (Euro 3.6 million) lower than investments (Euro 1 million).

The debt at 30 June 2018 was Euro 41.7 million, while at 31 December 2017 and 30 June 2017 respectively Euro 44.8 million and Euro 42.3 million.

At 30 June 2018 employees numbered 557, while at 31 December and 30 June 2017 respectively 578 and 554.

Company volumes are expected to grow further in the second half of the year.

Vetri Speciali SpA

Registered office: Trento – Via Manci, 5
Business sector: specialty glass containers

Chairman:	Vitaliano Torno
Vice Chairman:	Stefano Marzotto
Chief Executive Officer:	Giorgio Mazzer
Directors:	Luca Marzotto
	Massimo Noviello
Statutory Auditors:	Carlo Pesce - chairman
	Lorenzo Buraggi
	Stefano Meneghini

As for the wider glass containers market, special container demand in the first half of the year appeared to strengthen - generally across all market segments and driven in particular by the buoyant wines and sparkling wines and spirits markets - in addition to the focus among particular container distributors to add value to the end product.

The **reclassified income statement** of Vetri Speciali SpA for H1 2018 compared to the same period of the previous year, for the share pertaining to Zignago Vetro SpA (50%), is summarised below:

	H1 2018		H1 2017 restated		Changes	H1 2017	
	Euro thou.	%	Euro thou.	%	%	Euro thou.	%
Revenues	41,111	100.0%	39,227	100.0%	4.8%	39,883	100.0%
Changes in finished and semi-finished products and work in progress	(3,602)	(8.8%)	1,809	4.6%	n.s.	1,809	4.5%
Value of production	37,509	91.2%	41,036	104.6%	(8.6%)	41,692	n.s.
Cost of goods and services	(16,777)	(40.8%)	(18,908)	(48.2%)	(11.3%)	(19,510)	(48.9%)
Value added	20,732	50.4%	22,128	56.4%	(6.3%)	22,182	55.6%
Personnel expense	(9,302)	(22.6%)	(9,022)	(23.0%)	3.1%	(9,022)	(22.6%)
EBITDA	11,430	27.8%	13,106	33.4%	(12.8%)	13,160	33.0%
Amortisation & Depreciation	(3,389)	(8.2%)	(3,015)	(7.7%)	12.4%	(3,015)	(7.6%)
Accruals to provisions	(241)	(0.6%)	(69)	(0.2%)	n.s.	(69)	(0.2%)
EBIT	7,800	19.0%	10,022	25.5%	(22.2%)	10,076	25.3%
Net recurring non-operating income	1,894	4.6%	266	0.7%	n.s.	266	0.7%
Operating Profit	9,694	23.6%	10,288	26.2%	(5.8%)	10,342	25.9%
Net financial expense	(87)	(0.2%)	(110)	(0.3%)	(20.9%)	(110)	(0.3%)
Net exchange rate gains/(losses)	(15)	---	(14)	---	n.s.	(14)	---
Profit before taxes	9,592	23.3%	10,164	25.9%	(5.6%)	10,218	25.6%
Income taxes *(Tax-rate H1 2018: 22.9%)* *(Tax-rate H1 2017: 25.8%)*	(2,199)	(5.3%)	(2,640)	(6.7%)	(16.7%)	(2,640)	(6.6%)
Profit for the period	7,393	18.0%	7,524	19.2%	(1.7%)	7,578	19.0%

The portion of revenues in the first half of 2018 amounted to Euro 41.1 million, an increase of 4.8% compared to Euro 39.2 million in the first half of the previous year.

Exports accounted for 19.7% of revenues (23.4% in the same period of 2017).

Revenues by geographic segment:

(Euro thousands)	H1 2018	H1 2017 restated	change %	H1 2017
Italy	33,630	29,883	12.5%	30,539
European Union (Italy exclude	5,294	6,057	(12.6%)	6,057
Other areas	2,187	3,287	(33.5%)	3,287
Total	41,111	39,227	4.8%	39,883

The share of material costs and external services in the first half of 2018, including the changes in the share of inventory, account for 49.6% of revenues compared to 43.6% in the first half of 2017.

The share of personnel expense in H1 2018 compared to the same period in 2017 increased by 3.1%, following the increase in the workforce also due to the new kiln currently being installed and wages increases.

EBITDA was Euro 11.4 million in the first half of 2018, a decrease of 12.8% compared to the same period of 2017 (Euro 13.1 million), and a margin of 27.8% on revenues (33.4%).

The share of EBIT in the period was Euro 7.8 million, reducing 22.2% (Euro 10 million in the same period of 2017), with a margin of 19% compared to 25.5%.

The profit before taxes amounted to Euro 9.6 million in the first half of 2018, a decrease on Euro 10.2 million in the first half of 2017 and with a margin of 23.3% compared to 25.9%.

The tax rate in the first six months of 2018 was 22.9%, compared to 25.8% in H1 2017.

The profit in H1 2018 amounted to Euro 7.4 million, compared to Euro 7.5 million in the first half of 2017, with a H1 2018 margin of 18% (19.2% in H1 2017).

The cash flow generated from the profit for the period and amortisation/depreciation in the first half of the year amounted to Euro 10.8 million compared to Euro 10.5 million in the same period of 2017.

The **reclassified statement of financial position** of Vetri Speciali SpA at 30 June 2018 and 31 December and 30 June 2017, for the share pertaining to Zignago Vetro SpA (50%), was as follows:

	30.06.2018		31.12.2017 restated		30.06.2017 restated		30.06.2017		31.12.2017	
	Euro thou.	%	Euro thou.	%	Euro thou.	%	Euro thou.	%	Euro thou.	%
Trade receivables	17,327		13,678		18,030		18,030		13,678	
Other receivables	3,424		3,852		2,343		2,343		3,852	
Inventories	15,304		19,852		15,925		15,325		18,918	
Current non-financial payables	(16,724)		(16,967)		(16,299)		(15,645)		(15,938)	
Payables on fixed assets	(4,509)		(3,197)		(770)		(770)		(3,197)	
A) Working capital	14,822	13.0%	17,218	16.1%	19,229	18.7%	19,283	18.7%	17,313	16.1%
Net tangible and intangible assets	57,889		51,852		46,200		46,200		51,852	
Goodwill	40,086		40,086		40,086		40,086		40,086	
Equity investments and other non-current assets	4,085		726		432		432		726	
Non-current provisions and non-financial payables	(2,831)		(2,764)		(2,968)		(2,968)		(2,764)	
B) Net fixed capital	99,229	87.0%	89,900	83.9%	83,750	81.3%	83,750	81.3%	89,900	83.9%
A+B= Net capital employed	114,051	100.0%	107,118	100.0%	102,979	100.0%	103,033	96.2%	107,213	100.0%
Financed by:										
Current loans and borrowings	27,214		27,250		21,232		21,232		27,250	
Cash and cash equivalents	(6,039)		(9,394)		(4,372)		(4,372)		(9,394)	
Current net debt	21,175	18.6%	17,856	16.7%	16,860	16.4%	16,860	16.4%	17,856	16.7%
Non-current loans and borrowings	26,024	22.8%	19,841	18.5%	23,345	22.7%	23,345	22.7%	19,841	18.5%
C) Net financial debt	47,199	41.4%	37,697	35.2%	40,205	39.0%	40,205	39.0%	37,697	35.2%
Opening equity	69,421		64,407		64,407		64,407		64,407	
Dividends paid	(9,962)		(9,157)		(9,157)		(9,157)		(9,157)	
Other equity changes			39						41	
Profit for the period	7,393		14,132		7,524		7,578		14,225	
D) Closing equity	66,852	58.6%	69,421	64.8%	62,774	61.0%	62,828	61.0%	69,516	64.8%
C=D Total financial debt and equity	114,051	100.0%	107,118	100.0%	102,979	100.0%	103,033	100.0%	107,213	100.0%

The share of trade receivables at 30 June 2018 increased 26.7% (Euro +3.6 million) compared to 31 December 2017 and decreased Euro 0.7 million on 30 June 2017.

Inventories at 30 June 2018 decreased Euro 4.5 million (-22.9%) compared to 31 December 2017 and by Euro 0.6 million (-3.9%) on 30 June 2017.

The share of net fixed capital of Euro 99.2 million at 30 June 2018 was Euro 9.3 million higher than 31 December 2017 and Euro 15.4 million higher than 30 June 2017, due to greater capital expenditure than depreciation.

The share of debt at 30 June 2018 amounted to Euro 47.2 million, an increase of Euro 9.5 million (+25.2%) on 31 December 2017 and increasing Euro 7 million (+17.4%) on 30 June 2017. During the period the portion of dividends paid was Euro 9.9 million (Euro 9.2 million in 2017).

At 30 June 2018 employees numbered 804 (100% of the data), while at 31 December and 30 June 2017 respectively 749 and 761.

Results for the current year are expected to remain at good levels, once again benefitting from strong demand.

* * *

For completeness the reclassified consolidated income statement and statement of financial position of Vetri Speciali SpA (100% of the relative data) are presented below.

The **reclassified consolidated income statement** of Vetri Speciali SpA (100% of the data) for H1 2018 and H1 2017 is shown below:

	H1 2018		H1 2017 restated		Changes	H1 2017	
	Euro thou.	%	Euro thou.	%	%	Euro thou.	%
Revenues	82,221	100.0%	78,454	100.0%	4.8%	79,766	100.0%
Changes in finished and semi-finished products and work in progress	(7,204)	(8.8%)	3,618	4.6%	n.s	3,618	4.5%
Value of production	75,017	91.2%	82,072	104.6%	(8.6%)	83,384	104.5%
Cost of goods and services	(33,554)	(40.8%)	(37,818)	(48.2%)	(11.3%)	(39,019)	(48.9%)
Value added	41,463	50.4%	44,254	56.4%	(6.3%)	44,365	55.6%
Personnel expense	(18,604)	(22.6%)	(18,044)	(23.0%)	3.1%	(18,044)	(22.6%)
EBITDA	22,859	27.8%	26,210	33.4%	(12.8%)	26,321	33.0%
Amortisation & Depreciation	(6,777)	(8.2%)	(6,030)	(7.7%)	12.4%	(6,030)	(7.6%)
Other accruals to provisions	(481)	(0.6%)	(138)	(0.2%)	248.6%	(138)	(0.2%)
EBIT	15,601	19.0%	20,042	25.5%	(22.2%)	20,153	25.3%
Net recurring non-operating income	3,788	4.6%	532	0.7%	612.0%	532	0.7%
Operating Profit	19,389	23.6%	20,574	26.2%	(5.8%)	20,685	25.9%
Net financial expense	(173)	(0.2%)	(220)	(0.3%)	(21.4%)	(220)	(0.3%)
Net exchange rate gains/(losses)	(29)	---	(28)	---	3.6%	(28)	---
Profit before taxes	19,187	23.3%	20,326	25.9%	(5.6%)	20,437	25.6%
Income taxes	(4,400)	(5.4%)	(5,282)	(6.7%)	(16.7%)	(5,282)	(6.6%)
Profit for the period	14,787	18.0%	15,044	19.2%	(1.7%)	15,155	19.0%

The **reclassified consolidated statement of financial position** of Vetri Speciali SpA (100% of the data) at 30 June 2018, 31 December 2017 and 30 June 2017 is summarised below:

	30.06.2018		31.12.2017 restated		30.06.2017 restated		30.06.2017		31.12.2017	
	Euro thou.	%	Euro thou.	%	Euro thou.	%	Euro thou.	%	Euro thou.	%
Trade receivables	34,652		27,356		36,060		36,060		27,356	
Other receivables	6,848		7,704		4,686		4,686		7,704	
Inventories	30,608		39,704		31,850		30,648		37,836	
Current non-financial payables	(33,448)		(33,934)		(32,601)		(31,288)		(31,876)	
Payables on fixed assets	(9,017)		(6,394)		(1,540)		(1,540)		(6,394)	
A) Working capital	29,643	13.0%	34,436	16.1%	38,455	18.7%	38,566	18.7%	34,626	16.1%
Net tangible and intangible assets	115,778		103,702		92,399		92,399		103,702	
Goodwill	80,171		80,171		80,171		80,171		80,171	
Investments	8,170		1,451		864		864		1,451	
Non-current provisions and non-financial payables	(5,662)		(5,527)		(5,935)		(5,935)		(5,527)	
B) Net fixed capital	198,457	87.0%	179,797	83.9%	167,499	81.3%	167,499	81.3%	179,797	83.9%
A+B= Net capital employed	228,100	100.0%	214,233	100.0%	205,954	100.0%	206,065	100.0%	214,423	100.0%
Financed by:										
Current loans and borrowings	54,427		54,500		42,462		42,462		54,500	
Cash and cash equivalents	(12,078)		(18,788)		(8,744)		(8,744)		(18,788)	
Current net debt	42,349	18.6%	35,712	16.7%	33,718	16.4%	33,718	16.4%	35,712	16.7%
Non-current loans and borrowings	52,047	22.8%	39,680	18.5%	46,692	22.7%	46,692	22.7%	39,680	18.5%
C) Net financial debt	94,396	41.4%	75,392	35.2%	80,410	39.0%	80,410	39.0%	75,392	35.2%
Opening equity	138,841		128,813		128,813		128,813		128,813	
Dividends paid	(19,924)		(18,313)		(18,313)		(18,313)		(18,313)	
Other equity changes	---		78		---		---		78	
Profit for the period	14,787		28,263		15,044		15,155		28,453	
D) Closing equity	133,704	58.6%	138,841	64.8%	125,544	61.0%	125,655	61.0%	139,031	64.8%
C+D= Total Financial Debt and Equity	228,100	100.0%	214,233	100.0%	205,954	100.0%	206,065	100.0%	214,423	100.0%

Vetreco Srl

Registered office: Supino (FR) – Via Morolense
Business sector: treatment and sale of recycled glass

Chairman:	Roberto Celot
Vice Chairman:	Rocco Furia
Directors:	Camilla Campomagnani
	Roberto Cardini
	Pietro Iallonardo
	John Gerard Sadlier
Statutory Auditors:	Alberto Faggion - chairman
	Riccardo Bolla
	Augusto Valchera

The company returned good operating results for the period, increasing quantities and continuing to improve from a technical and organisational standpoint.

The **reclassified income statement** of Vetreco Srl (100% of the data) for H1 2018 and 2017 is reported below:

	H1 2018		H1 2017		Changes
	Euro	%	Euro	%	Euro
Revenues	7,873	100.0%	7,422	100.0%	6.1%
Changes in finished and semi-finished and products and work in progress	212	2.7%	(4)	(0.1%)	n.a.
Value of production	8,085	102.7%	7,418	99.9%	9.0%
Cost of goods and services	(6,077)	(77.2%)	(5,333)	(71.9%)	14.0%
Value added	2,008	25.5%	2,085	28.1%	(3.7%)
Personnel expense	(632)	(8.0%)	(773)	(10.4%)	(18.2%)
EBITDA	1,376	17.5%	1,312	17.7%	4.9%
Amortisation & Depreciation	(512)	(6.5%)	(516)	(7.0%)	(0.8%)
EBIT	864	11.0%	796	10.7%	8.5%
Net recurring non operating income (charges)	---	---	---	---	---
Operating Profit	864	11.0%	796	10.7%	8.5%
Net financial expense	(234)	(3.0%)	(250)	(3.4%)	(6.4%)
Profit before taxes	630	8.0%	546	7.4%	15.4%
Income taxes, deferred taxes & IRAP	(198)	(2.5%)	(182)	(2.5%)	8.8%
Profit for the period	432	5.5%	364	4.9%	18.7%

In the first half, the company reported revenues of Euro 7.8 million, principally concerning the sale of raw glass for furnaces, raw glass third party processing and metal waste sales.

The **reclassified statement of financial position** of Vetreco Srl (100% of the data) at 30 June 2018, 31 December 2017 and 30 June 2017 was as follows:

	30.06.2018		31.12.2017		30.06.2017	
	Euro	%	Euro	%	Euro	%
Trade receivables	4,144		3,157		2,914	
Other receivables	1,367		2,457		1,975	
Inventories	1,423		1,083		1,000	
Current non-financial payables	(4,472)		(4,552)		(3,746)	
Payables on fixed assets	(34)		(12)		(12)	
A) Working capital	2,428	14.7%	2,133	12.9%	2,131	12.6%
Net tangible and intangible assets	14,154		14,491		14,809	
Other non-current assets and investments	22		22		20	
Non-current provisions & loans and borrowings	(64)		(66)		(64)	
B) Net fixed capital	14,112	85.3%	14,447	87.1%	14,765	87.4%
A+B= Net capital employed	16,540	100.0%	16,580	100.0%	16,896	100.0%
Financed by:						
Current loans and borrowings	1,858		3,113		2,355	
Cash and cash equivalents	(15)		(798)		(920)	
Current net debt	1,843		2,315		1,435	
Non-current loans and borrowings	13,072		13,072		14,443	
C) Net financial debt	14,915	90.2%	15,387	92.8%	15,878	94.0%
Opening equity	1,193		655		654	
Shareholder capital payment			---		---	
Other equity changes			538			
Profit for the period	432		0		364	
D) Closing equity	1,625	9.8%	1,193	7.2%	1,018	6.0%
C+D = Total financial debt and equity	16,540	100.0%	16,580	100.0%	16,896	100.0%

Working capital amounted to Euro 2.4 million, an increase of Euro 0.3 million on 31 December 2017, principally due to the decrease in other receivables (Euro -1 million) and the increase in trade receivables (Euro +1 million) and inventories (Euro +0.3 million).

Net fixed capital at 30 June 2018 was Euro 0.3 million lower than 31 December 2017.

Net capital employed at 30 June 2018 was substantially stable on 31 December 2017.

The increase in equity at 30 June 2018 compared to 31 December 2017 was Euro 0.4 million, relating to the profit in the period.

The net financial debt at 30 June 2018 amounted to Euro 14.9 million, a decrease of Euro 0.5 million on 31 December 2017 (Euro 15.4 million).

The company workforce at 30 June 2018 numbered 28.
At 31 December 2017, the workforce numbered 21, of which 10 temporary personnel.
At 30 June 2017, employees numbered 20, of which 13 on contract workers.

It is expected that the company will continue to report good results, in line with those reported in the first half of the year, although this will depend on a number of issues, such as procurement costs of raw scrap, its quality and its availability.

* * *

Vetro Revet Srl (*)

Registered office: Empoli (FI) – Via 8 marzo No. 9
Business sector: treatment and sale of recycled glass

Chairman:	Sergio Pregliasco
Directors:	Mauro Biason Alessandro Canovai Roberto Celot Alessia Scappini
Statutory Auditors:	Stefano Peppolini - Chairman Alberto Faggion Stefano Meneghini

Operating performance

The first half of 2018 was the first operating period after the acquisition of the company in December 2017. The company posted very poor results for this initial part of the year, principally due to inefficient plant, the low quality of the raw glass supplied, high levels of production waste and a production structure with much room to improve.
A substantive action plan is being implemented to improve the technological-production structure, in addition to the procurement policies, with major commitment coming from the company and the ownership. These actions, which are expected to conclude in the second half of the year, should significantly improve operating results.

The **reclassified income statement** of Vetro Revet Srl for H1 2018 and 2017 is reported below:

	H1 2018		H1 2017		Changes
	Euro thou.	%	Euro thou.	%	%
Revenues	2,167	100.0%	2,202	100.0%	(1.6%)
Changes in finished and semi-products and work in progress	48	2.2%	1	---	n.a.
Value added	2,215	102.2%	2,203	100.0%	0.5%
Cost of goods and services	(2,237)	(103.2%)	(1,932)	(87.7%)	15.8%
Value added	(22)	(1.0%)	271	12.3%	n.a.
Personnel expense	(850)	(39.2%)	(780)	(35.4%)	9.0%
EBITDA	(872)	(40.2%)	(509)	(23.1%)	71.3%
Amortisation & Depreciation	(148)	(6.8%)	(150)	(6.8%)	(1.3%)
EBIT	(1,020)	(47.1%)	(659)	(29.9%)	54.8%
Net recurring non operating income (charges)	(22)	(1.0%)	(24)	(1.1%)	(8.3%)
Operating Profit/(loss)	(1,042)	(48.1%)	(683)	(31.0%)	52.6%
Net financial expense	(74)	(3.4%)	(79)	(3.6%)	(6.3%)
Profit/(loss) before taxes	(1,116)	(51.5%)	(762)	(34.6%)	46.5%
Income taxes, deferred taxes & IRAP	---	---	---	---	---
Profit/(loss) for the period	(1,116)	(51.5%)	(762)	(34.6%)	46.5%

Revenues derive almost exclusively from the sale of raw glass for furnaces.

The principal cost items are materials and external services, labour costs and amortisation and depreciation.

The loss for the first half of 2018 was Euro 1.1 million (loss of Euro 0.7 million in the first half of 2017), due to the production performances.

The **reclassified statement of financial position** of Vetro Revet Srl at 30 June 2018 and 2017 and 31 December 2017 was as follows:

	30.06.2018		31.12.2017		30.06.2017	
	Euro thou.	%	Euro thou.	%	Euro thou.	%
Trade receivables	2,346		2,197		2,457	
Other receivables	2,069		656		639	
Inventories	64		16		179	
Current non-financial payables	(4,645)		(5,387)		(4,882)	
A) Working capital	(166)	(2.7%)	(2,518)	(59.9%)	(1,607)	(35.3%)
Net tangible and intangible assets	6,331		6,895		6,290	
Other investments and non-current assets	27		7		5	
Non-current provisions & loans and borrowings	(148)		(182)		(131)	
B) Net fixed capital	6,210	102.7%	6,720	159.9%	6,164	135.3%
A+B= Net capital employed	6,044	100.0%	4,202	100.0%	4,557	100.0%
Financed by:						
Current loans and borrowings	252		2,680		2,897	
Cash and cash equivalents	(1)		(1)		(1)	
Current net debt	251		2,679		2,896	
Non-current loans and borrowings	5,680		1,794		2,021	
C) Net financial debt	5,931	98.1%	4,473	106.4%	4,917	107.9%
Opening equity	(271)		(534)		(534)	
Other equity changes	1,500		2,436		936	
Profit for the period	(1,116)		(2,173)		(762)	
D) Closing equity	113	1.9%	(271)	(6.4%)	(360)	(7.9%)
C+D = Total financial debt and equity	6,044	100.0%	4,202	100.0%	4,557	100.0%

The working capital at 30 June 2018 increased on 31 December 2017 by Euro 2.4 million.

The net fixed capital at 30 June 2018 of Euro 6.2 million decreased 7.6% on 31 December 2017.

Equity amounted to Euro 0.1 million, increasing Euro 0.4 million on 31 December 2017, as a result of the combined effect of the loss in the period and the capitalisation of Euro 1.5 million.

At 30 June 2018 the Company workforce numbered 43, of which 10 temporary personnel. At 31 December 2017, employees numbered 39 (6 on temporary contracts).

The company is expected to gradually improve results during the course of the year.

Atypical and/or unusual operations

There were no atypical and/or unusual transactions for the period ended 30 June 2018 as defined by Consob Communication DEM/6064293.

Significant events after 30 June 2018

There were no significant events after 30 June 2018.

Outlook

Based on the information available, continued demand growth is expected on the Group's various markets.

Fossalta di Portogruaro, 27 July 2018

For the Board of Directors
The Chairman
Mr. Paolo Giacobbo

Condensed Consolidated Financial Statements

Consolidated Financial Statements

Statement of financial position

(Euro thousands)	30.06.2018	31.12.2017 restated	30.06.2017 restated	30.06.2017	31.12.2017
ASSETS					
Non-current assets					
Property, plant and equipment	181,298	182,957	163,720	163,720	182,957
Goodwill	2,682	2,883	724	724	2,883
Intangible assets	309	267	138	138	267
Equity-accounted Joint Ventures	67,340	69,237	62,650	62,704	69,332
Equity investments	392	387	388	388	387
Other non-current assets	721	806	2,782	2,782	806
Deferred tax assets	2,705	3,212	1,803	1,803	3,212
Total non-current assets	**255,447**	**259,749**	**232,205**	**232,259**	**259,844**
Current assets					
Inventories	74,369	74,090	72,275	69,979	72,840
Trade receivables	73,711	67,493	64,108	64,108	67,493
Other current assets	10,111	13,275	8,069	8,069	13,275
Tax Assets	3,667	4,590	2,475	2,475	4,590
Cash and cash equivalents	39,234	31,686	18,133	18,133	31,686
Total current assets	**201,092**	**191,134**	**165,060**	**162,764**	**189,884**
TOTAL ASSETS	**456,539**	**450,883**	**397,265**	**395,023**	**449,728**
EQUITY & LIABILITIES					
EQUITY					
Share capital	8,800	8,800	8,800	8,800	8,800
Reserves	41,408	37,146	35,521	35,521	34,419
Treasury shares	(1,093)	(3,748)	(5,027)	(5,027)	(2,073)
Retained earnings and profit for the period	126,824	136,324	115,218	115,272	136,419
Other equity items	(1,198)	(1,052)	(1,868)	(1,868)	---
TOTAL EQUITY OWNERS OF THE PARENT	**174,741**	**177,470**	**152,644**	**152,698**	**177,565**
NON-CONTROLLING INT. EQUITY	**(308)**	**(496)**	**-**	**---**	**- 496**
TOTAL EQUITY	**174,433**	**176,974**	**152,644**	**152,698**	**177,069**
LIABILITIES					
Non-current liabilities					
Provisions for risks and charges	5,483	4,377	3,422	3,422	4,377
Post-employment benefits	5,232	5,405	5,115	5,115	5,405
Non-current loans and borrowings	127,486	124,608	75,351	75,351	124,608
Other non-current liabilities	2,693	2,965	3,230	3,230	2,965
Deferred tax liabilities	2,211	2,225	2,298	2,298	2,225
Total non-current liabilities	**143,105**	**139,580**	**89,416**	**89,416**	**139,580**
Current liabilities					
Bank loans and borrowings current portion	63,199	60,245	90,309	90,309	60,245
Trade and other payables	55,172	54,651	47,544	45,248	53,401
Other current liabilities	18,609	18,747	17,247	17,247	18,747
Current income taxes	2,021	686	105	105	686
Total current liabilities	**139,001**	**134,329**	**155,205**	**152,909**	**133,079**
TOTAL LIABILITIES	**282,106**	**273,909**	**244,621**	**242,325**	**272,659**
TOTAL EQUITY AND LIABILITIES	**456,539**	**450,883**	**397,265**	**395,023**	**449,728**

Income Statement

(Euro thousands)	H1 2018	H1 2017 restated	H1 2017	Note
Revenues	**146,975**	**130,968**	**135,228**	(18)
Raw material, ancillary, consumables and goods	(32,108)	(31,581)	(35,541)	(19)
Service costs	(41,134)	(37,048)	(37,048)	(20)
Personnel expense	(34,148)	(31,366)	(31,366)	(21)
Amortisation & Depreciation	(17,400)	(15,531)	(15,831)	(22)
Other operating costs	(2,993)	(2,201)	(2,201)	
Other operating income	894	1,612	1,612	
Measurement of interests in Joint Ventures using equity method	8,065	7,594	7,648	(3)
Operating Profit	**28,151**	**22,447**	**22,501**	
Financial income	48	77	77	
Financial expense	(1,667)	(708)	(708)	(23)
Net exchange rate gains/(losses)	(1,967)	55	55	
Profit before taxes	**24,565**	**21,871**	**21,925**	
Income taxes	(5,092)	(3,686)	(3,686)	(24)
Profit (loss) non-con. int.	547	---	---	
Group Profit	**20,020**	**18,185**	**18,239**	
Attributable to				
Owners of the parent	20,020	18,185	18,239	
Non-controlling interests	(547)	---	---	
	19,473	**18,185**	**18,239**	
Earnings per share:				
Basic (and diluted) earnings per share	**0.228**	**0.207**	**0.208**	

Statement of Comprehensive Income

(Euro thousands)	H1 2018	H1 2017 restated	H1 2017
Profit for the period	**19,473**	**18,185**	**18,239**
Items that will be subsequently reclassified to profit or loss			
Translation difference for foreign operations	(876)	758	758
Profit/(loss) cash flow hedge			
Tax effect	---	---	---
	(876)	*758*	*758*
Total items that will be subsequently reclassified to profit or loss	***(876)***	***758***	***758***
Items that will not be subsequently reclassified to profit or loss			
Actuarial gains/(losses) on defined benefit plans	---	---	---
Tax effect	---	---	---
	---	---	---
Total items that will not be subsequently reclassified to profit or loss	---	---	---
Other comprehensive income (expense) for the period, net of taxes	**(876)**	**758**	**758**
Total comprehensive income for the period	**18,597**	**18,943**	**18,997**
Attributable to:			
Owners of the parent	19,144	18,943	18,997
Non-controlling interests (Loss)	(547)	---	---

Statement of Cash Flows

(Euro thousands)		H1 2018	H1 2017 restated	H1 2017
CASH FLOW FROM OPERATING ACTIVITIES:				
Profit before taxes		**24,565**	**21,871**	**21,925**
Adjustments to reconcile net profit with cash flow generated from operating activities				
Amortisation & Depreciation		17,409	15,538	15,838
Losses/(gains) on sale of property, plant & equipment				
Accrual to allowance for impairment		110	312	312
Net changes to post-employment benefits		(173)	(49)	(49)
Net changes to other provisions		1,106	(119)	(119)
Change in assets and liabilities items due to translation effect		2,366	(1,908)	(1,908)
Financial income and exchange gains		1,919	(77)	(77)
Financial expenses and exchange losses		3,634	653	653
Income taxes paid in the period		(2,341)	(4,249)	(4,249)
Measurement of joint ventures at equity		(8,065)	(7,594)	(7,648)
Dividends distributed by equity-accounted joint ventures		9,962	9,157	9,157
Changes in operating assets and liabilities:				
Decrease/(increase) in trade receivables		(6,328)	(9,515)	(9,515)
Decrease/(increase) in other current assets		3,164	3,333	3,333
Decrease/(increase) in inventories		(279)	(1,427)	(379)
Increase/(decrease) in trade & other payables		(3,344)	2,016	968
Increase/(decrease) in other current liabilities		(138)	641	641
Change in other non-current assets and liabilities		(206)	565	565
Total adjustments and changes		**18,796**	**7,277**	**7,523**
Net Cash Flows from operating activities	**(A)**	**43,361**	**29,148**	**29,448**
CASH FLOW FROM INVESTING ACTIVITIES:				
Gross investments in intangible assets		(5)	(45)	(45)
Gross investments in property, plant and equipment		(17,846)	(27,611)	(27,911)
Increase/(decrease) in payables for purchases of non-current assets		4,066	(5,754)	(5,754)
Sales price of securities		6,275	---	---
Sales price of property, plant and equipment		47	2,895	2,895
Net cash flow used in investing activities	**(B)**	**(7,463)**	**(30,515)**	**(30,815)**
CASH FLOWS FROM FINANCING ACTIVITIES:				
Interest paid in the period		(3,634)	(688)	(688)
Interest received in the period and currency effect		(1,919)	77	77
Net increase (decrease) of short-term bank payables		(8,029)	(12,933)	(12,933)
Net change non-current loans and borrowings		13,861	(5,257)	(5,257)
Dividends distributed		(28,061)	(21,818)	(21,818)
Other changes		308	---	---
Net cash flow used in financing activities	**(C)**	**(27,474)**	**(40,619)**	**(40,619)**
Change in assets and liabilities items due to translation effect	**(D)**	**(876)**	**758**	**758**
Net change in cash and cash equivalents	**(A+B+C+D)**	**7,548**	**(41,228)**	**(41,228)**
Cash & cash equivalents at beginning of the period		**31,686**	**59,361**	**59,361**
Cash & cash equivalents at end of the period		**39,234**	**18,133**	**18,133**

Statement of changes in Equity

	Share capital	Legal reserve	Revaluation reserve	Other reserves	Capital paid-in	Treasury shares	Translation reserve	Actuarial profit/(loss) on ind. deferred benefit plans	Retained earnings	Profit for the period	Total non-controlling interest equity	Total consolidated equity
Balance at 31 December 2016	**8,800**	**1,760**	**27,334**	**6,270**	**157**	**(5,027)**	**(1,627)**	**(999)**	**87,660**	**31,191**	**---**	**155,519**
Profit	---	---	---	---	---	---	---	---	---	18,239	---	18,239
Other profits/(losses), net of tax effect	---	---	---	---	---	---	758	---	---	---	---	758
Total Comp. Income (expense)	---	---	---	---	---	---	758	---	---	18,239	---	18,997
Allocation of result	---	---	---	---	---	---	---	---	31,191	(31,191)	---	---
Distribution of dividends	---	---	---	---	---	---	---	---	(21,818)	---	---	(21,818)
Balance at 30 June 2017	**8,800**	**1,760**	**27,334**	**6,270**	**157**	**(5,027)**	**(869)**	**(999)**	**97,033**	**18,239**	**---**	**152,698**
Application IFRS 15 adj.	---	---	---	---	---	---	---	---	---	(54)	---	(54)
Balance at 30 June 2017 restated	**8,800**	**1,760**	**27,334**	**6,270**	**157**	**(5,027)**	**(869)**	**(999)**	**97,033**	**18,185**	**---**	**152,644**
Profit	---	---	---	---	---	---	---	---	---	21,635	---	21,635
Other profits/(losses), net of tax effect	---	---	---	---	---	---	236	42	---	---	---	278
Total Comp. Income (expense)	---	---	---	---	---	---	236	42	---	21,635	---	21,913
Sale of treasury shares	---	---	---	1,675	---	1,279	---	---	---	---	---	22,191
Allocation of result	---	---	---	---	---	---	---	---	---	---	---	---
Allocation of non-controlling interests eq.	---	---	---	---	---	---	---	---	---	---	---	(496)
Distribution of dividends	---	---	---	---	---	---	---	---	---	---	---	---
Balance at 31 December 2017	**8,800**	**1,760**	**27,334**	**7,945**	**157**	**(3,748)**	**(633)**	**(957)**	**97,033**	**39,874**	**(496)**	**177,069**
Application IFRS 15 adj.	---	---	---	---	---	---	---	---	(95)	---	---	(95)
Balance at 31 December 2017 restated	**8,800**	**1,760**	**27,334**	**7,945**	**157**	**(3,748)**	**(633)**	**(957)**	**96,938**	**39,874**	**(496)**	**176,974**
Profit (Loss)	---	---	---	---	---	---	---	---	---	20,020	(547)	19,473
Other profits/(losses), net of tax effect	---	---	---	---	---		(876)	---	---	---	---	(876)
Total Comp. Income (expense)	---	---	---	---	---	---	(876)	---	---	20,020	(547)	18,597
Allocation of result	---	---	---	---	---	---	---	---	39,874	(39,874)	---	---
Sale of treasury shares	---	---	---	3,533	---	2,655	---	---	---	---	---	6,188
Movement non-controlling interests eq.	---	---	---	---	---	---	---	---	---	---	735	735
Distribution of dividends	---	---	---	---	---	---	---	---	(28,061)	---	---	(28,061)
Balance at 30 June 2018	**8,800**	**1,760**	**27,334**	**11,478**	**157**	**(1,093)**	**(1,509)**	**(957)**	**108,751**	**20,020**	**(308)**	**174,433**

Notes to the financial statements

SUMMARY OF THE IFRS INTERNATIONAL ACCOUNTING STANDARDS USED FOR THE PREPARATION OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2018

Group activities

Zignago Vetro SpA is a joint stock company limited by shares domiciled at Fossalta di Portogruaro via Ita Marzotto No. 8.

The publication of the condensed interim consolidated financial statements at 30 June 2018 of Zignago Vetro S.p.A. was approved by the Board of Directors on 27 July 2018.

General preparation criteria

The condensed interim consolidated financial statements at 30 June 2018 and for the period ended at that date are presented in accordance with IAS 34 – *Interim financial reporting*, which relates to the reporting of interim financial information and data (the "Condensed Interim Consolidated Financial Statements"). Accounting standard IAS 34 provides for a minimum level of information significantly lower than that required by IFRS, where information has already been published on the complete Financial Statements prepared in accordance with IFRS.

Therefore, the present condensed interim consolidated financial statements, which were prepared in "condensed" form and include the minimum disclosures required by IAS 34, should be read together with the Group consolidated financial statements for the year ended 31 December 2017, prepared in accordance with the International Accounting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and approved by the European Union. IFRS include all the revised international accounting standards (IAS) and all interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), previously known as the Standing Interpretations Committee ("SIC").

The Condensed Interim Consolidated Financial Statements at 30 June 2018 consist of the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of cash flows, the statement of changes in equity and these notes.

New accounting policies and interpretations adopted by the Group from 1 January 2018

The accounting policies adopted for the preparation of the condensed interim consolidated financial statements are the same as those utilised for the consolidated financial statements of the Zignago Vetro Group for the year ended 31 December 2017, except for the adoption of new standards, amendments and interpretations approved by the IASB and endorsed in Europe, application of which is obligatory for accounting periods beginning 1 January 2018 as per the following table.

Document title	Date of issue	Effective entry date	Date approved	EU Regulation and publication date
IFRS 15 - Revenue from contracts with customers	May 2014 (Note 1)	1 January 2018	22 September 2016	(EC) 2016/1905 29 October 2016
IFRS 9 - Financial Instruments	July 2014	1 January 2018	22 November 2016	(EC) 2016/2067 29 November 2016
Clarifications to IFRS 15	April 2016	1 January 2018	31 October 2017	(EC) 2017/1987 9 November 2017
Joint application of IFRS 9 Financial instruments and IFRS 4 Insurance contracts (Amendments to IFRS 4)	September 2016	1 January 2018	3 November 2017	(EC) 2017/1988 9 November 2017
Classification and measurement of share-based payments (amendments to IFRS 2 Share-based payments)	June 2016	1 January 2018	26 February 2018	(EC) 2018/289 27 February 2018
Changes to the allocation of investment property (amendments to IAS 40)	December 2016	1 January 2018	14 March 2018	(EC) 2018/498 March 15, 2018
Interpretation IFRIC 22 Foreign currency transactions and advance consideration	December 2016	1 January 2018	28 March 2018	(EU) 2018/519 3 April 2018

(Note 1) The amendment changed the effective date of IFRS 15 published in September 2015.

In particular, with regards to IFRS 15 "Revenue from contracts with customers", on 28 May 2014 the IASB published the document establishing that revenue is recognised on the transfer of control of the goods or services to customers for an amount equal to the consideration for which a right emerges in exchange for these products or services. The standard introduces a revenue recognition model in five steps:

1) Identification of the contract with the client;
2) Identification of the performance obligations;
3) Calculation of the transaction price;
4) Allocation of the remuneration related to the provision of the service;
5) Recognition of the revenues related to the provision of the service.

The new standard furthermore requires additional information concerning the nature, amount, times and uncertainty regarding the revenues and the cash flows from contracts with customers.

With regards to IFRS 9 "Financial instruments", on 24 July 2014 the IASB published the final document in conclusion of the process, broken down into three phases "*Classification and Measurement*", "*Impairment*" and "*General Hedge Accounting*", in full review of IAS 39. The document introduces new criteria for the classification and measurement of financial assets and liabilities. The new standard uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the many different rules in IAS 39. For financial liabilities however the standard is mainly amended with regard to the accounting treatment of the fair value changes of a financial liability allocated as valued at fair value through the income statement, in the case in which these relate to changes in the credit position of the financial liability. According to this new standard, these changes should be recorded to other items of the statement of comprehensive income. The new document includes a single model for the impairment of financial assets based on expected losses.

With regards to IFRS 4 "*Insurance Contracts*", on 12 September 2016 the IASB issued a number of amendments to resolve inconsistencies regarding the differing dates for the entry into force of IFRS 9 and IFRS 4.

The amendments to IFRS 2 "Share-based payments" concern the classification and measurement of share-based payments. The IASB clarified that the approach for the measurement of liabilities from a cash-settled plan is similar to that utilised for equity settled plans ("modified grant date method"). A number of issues concerning the classification of plans and the accounting treatment in the case of the amendment of a plan with share-based payments were also clarified.

With regards to IAS 40 "Investment property", the IASB clarified the circumstances by which the entity is authorised to transfer ("reclassify") an asset from/to the "investment property" category, i.e. only when the asset complies with or ceases to comply with the definition of "investment property" and there has been a clear change in the utilisation of the asset. The intention of company management alone to change the use of the asset is not sufficient.

The interpretation of IFRS 22 "Foreign currency transactions and advance consideration" clarifies how to measure transactions involving the receipt or payment of advance consideration in foreign currencies. The IASB clarified that these are non-cash assets and liabilities and, therefore, the initial recognition value in the functional currency, calculated applying the forward exchange rate at the date of payment or receipt of the advance consideration, should thereafter not be restated. They are therefore recognised to the financial statements according to the forward exchange rates utilised for initial recognition of the advance consideration.

The IAS/IFRS endorsed by the EU at 30 June 2018 and the relative IFRIC interpretations applicable to financial statements for periods beginning from 1 January 2019 are reported below.

Document title	Date of issue	Effective entry date	Date approved	EU Regulation and publication date
IFRS 16 Leasing	January 2016	1 January 2019	31 October 2017	(EC) 2017/1986 9 November 2017
Amendments to IFRS 9 Financial Instruments - Prepayment features with negative compensation	October 2017	1 January 2019	22 March 2018	(EC) 2018/498 26 March 2018

For IFRS 16 "Leasing", on 13 January 2016 the IASB published a new standard IFRS 16 - Leases, which replaces IAS 17. This document was adopted by the European Union through publication on 9 November 2017. IFRS 16 applies to financial statements for periods beginning 1 January 2019 or subsequently. The new standard eliminates the difference in the recognition of operating and finance leases, while also presenting elements which simplify application and introduces the concept of control within the definition of leasing. In particular, in order to determine whether a contract represents leasing, IFRS 16 requires to verify whether the lessee has the right to control the use of a determined asset for a determined period of time.

The Group has concluded a preliminary assessment of the potential effects on the consolidated financial statements, although is yet to complete a more detailed analysis. The impacts thus far ascertained from first time application of this standard on the financial statements are not significant.

With regards to the amendments to IFRS 9, the IASB clarified the methods to be used for the SPPI Test in the case of early repayment clauses which require negative compensation and described the means to calculate the effects related to a change in the cash flows of a liability valued at amortised cost.

Below we report the IFRS, interpretations and amendments to existing accounting policies and interpretations, or specific provisions within the standards and interpretations approved by the IASB, which have not yet been endorsed for adoption in Europe at the approval date of these consolidated financial statements.

Document title	Date of issue by the IASB	Effective entry date of the IASB document	Expected endorsement date by EU
Standards			
IFRS 14 Regulatory Deferral Accounts	January 2014	1 January 2016	Endorsement date not set
IFRS 17 Insurance Contracts	May 2017	1 January 2021	TBD
Interpretations			
IFRIC 23 Uncertainty over Income Tax Treatments	June 2017	1 January 2019	2018
Amendments			
Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets	September 2014	Deferred until the completion of the	Postponed ahead of the conclusion of the

between an Investor and its Associate or Joint Venture		IASB project on the equity method	IASB project on the equity method
Amendments to IAS 28: Long-term Interests in Associates and Joint Ventures	October 2017	1 January 2019	2018
Annual Improvements to IFRS Standards (2015-2017 Cycle)	December 2017	1 January 2019	2018
Amendments to References to the Conceptual Framework in IFRS Standards	March 2018	1 January 2020	2019
Plan Amendment, Curtailment or Settlement (amendments to IAS 19)	February 2018	1 January 2019	2018

Change of accounting standards

The Group adopted IFRS 15 *Revenue from contracts with customers* and IFRS 9 *Financial instruments* from 1 January 2018, choosing the "retrospective without stopgap measures" transition option, which requires the adjustment of opening equity at 1 January 2017.

IFRS 15 introduces a single general model to establish whether, when and to what extent to recognise revenue and replaces IAS 18 and the relative interpretations.

The effects from application of the new standard "IFRS 15 *Revenue from contracts with customers"* refer in particular to the recognition of revenues for packaging returns. These revenues carry in fact, in accordance with the standard, an obligation, although time limited, arising from the commitments to repurchase that which the company provides on initial sale. All of the packaging which the customer, within a reasonable timeframe, returns in good condition shall be repurchased at the same sales price.

With the introduction of the new standard, the revenues recognised from the sale of packaging returns and the costs incurred for their repurchase from the customer in the period were completely reversed. In addition, for the sale of packaging with a right to return, the application of IFRS 15 resulted in the recognition of an asset for the right to recover the product from customers, and of a corresponding liability for future repayments of an amount equal to the value of the packaging returns held by customers at the present reporting date. The probability of return is measured by the company as 100%.

The following table indicates the impact from adoption of IFRS 15 on the individual affected items of the statement of financial position at 30 June 2018 and of the Group income statement for H1 2018.

In thousands of Euro	As reported	Adjustments	Balances without considering the effect from application of IFRS 15
Inventories	74,369	2,546	71,823
Liabilities	282,106	2,546	279,560
Equity	174,741	-	174,741
Revenues	146,975	7,196	154,171
Costs	126,955	7,196	134,151
Net result	20,020	-	20,020

Some of the effects outlined above concern the fact that, until 31 December 2017, a portion of the above-stated packaging (pallets) was recognised as assets by the Parent; from 1 January 2018, the standard was amended, recognising such as inventory (as for all other types of packaging materials).

IFRS 9 introduces new provisions for the recognition and measurement of financial assets, of financial liabilities and of contracts for the sale of non-financial items.
The adoption of the new standard did not have significant impacts on the accounting policies applied by the Group to liabilities and derivative financial instruments.
Although substantially absent, the only effects from the introduction of "IFRS 9 Financial instruments" concerned application of the new provisions for impairment losses, which introduce the expected loss on receivables model in replacement of the sustained loss model. The new model is applied to financial assets valued at amortised cost, assets deriving from contracts and debt securities, with the exception of capital securities, where the financial assets valued at amortised cost include trade receivables and cash and cash equivalents.
The Group therefore assessed the doubtful debt provisions and the assets deriving from contracts at an amount equal to the expected losses over the life cycle of the receivable. In order to establish whether the credit risk concerning a financial asset has increased significantly after initial recognition in order to assess expected losses on receivables, the Group considers reasonable and demonstrable information which is pertinent and available without excessive cost or burden.

The retrospective option was applied and therefore in the financial statements and the tables reported below, the "restated" column presents the historic amounts restated to reflect the effects of the application of these new standards. Movements between periods are calculated with reference to the above-stated column.

The income statement and the statement of cash flows for the period ended 30 June 2018 are shown in comparative form with the same period of the previous year, restated to indicate the effects from application of IFRS 15 (period ending 30 June 2017).

The statement of financial position is presented in comparative form with 31 December and 30 June 2017, also restated to indicate the effects from application of IFRS 15. The results reported were consistent in the three periods presented and show the consolidated statement of financial position of the Zignago Vetro Group, with the full consolidation of Verreries Brosse SAS, HSC SA, Vetro Revet Srl and Zignago Glass Usa Inc. and with the valuation at Equity of Vetri Speciali SpA and

Vetreco Srl and the exception of the subsidiary Vetro Revet Srl, acquired on 20 December 2017 and consolidated at 31 December 2017 only at statement of financial position level.

These Condensed Interim Consolidated Half-Year Financial Statements of the Zignago Group as at and for the six months ended 30 June 2018 were prepared under the historical cost method, except for investments in financial assets and in derivative instruments, which are recorded at fair value.

They were prepared in Euro, the currency of the area in which the Group operates. All the amounts reported in the statements and notes to the condensed consolidated half-year financial statements are expressed in thousands of Euro, unless otherwise indicated.

Consolidation scope and basis of consolidation

The main consolidation criteria adopted were as follows:
- the elimination of the carrying amount of equity investments against the recognition of the assets and liabilities of the subsidiary according to the line-by-line method or at equity;
- the recognition of any possible non-controlling interest in equity;
- the elimination of all intergroup transactions, consisting of payables and receivables, sales and purchases, and unrealised profits and losses.

The assets and liabilities, expenses and income of the companies consolidated using the line-by-line method are fully included in the consolidated financial statements; the book value of the investments is eliminated against the corresponding portion of equity of the investees.
At the control acquisition date, the equity of the investees is established attributing to the relevant assets and liabilities their present value. Any positive difference between the acquisition cost and the fair value of the net assets acquired is recognized in "Goodwill"; if negative, it is recognised in profit and loss.
The share of the equity and of profit and loss for the period relating to non-controlling interests is recognised in specific accounts in equity and in profit and loss. In the case of full control not being acquired the non-controlling interest equity is established based on the share of the present value attributable to the assets and liabilities at the date of acquisition of control, excluding any attributable goodwill (so-called partial goodwill method). Alternatively, in the case of full control not being acquired, the entire amount of goodwill (negative goodwill) generated by the acquisition is recorded considering therefore also the shareholding of non-controlling interests (so-called full goodwill method); they are expressed at their overall fair value including therefore the share of goodwill (negative goodwill). The goodwill calculation method (negative goodwill) is chosen on a case by case basis for each business combination.
With regard to equity investments acquired subsequent to the acquisition of control (non-controlling interest acquisitions), any difference between the acquisition cost and the corresponding portion of equity acquired is recognised to equity; similarly the effects from the sale of the non-controlling share without loss of control are recognised to equity.

If the acquisition value of the investments is above the pro-rata value of the equity of the investment, the positive difference is attributed, where possible, to the net assets acquired based on the fair value of the same while the residual is recorded in the account “Goodwill”.

Goodwill is not amortised but is subject to verification, at least annually, of an impairment test when events or changes occur indicating that the carrying value can no longer be recovered. The goodwill is stated at cost net of any impairment losses.

If the carrying value of the investments is lower than the share of the value of the equity of the investment, the negative difference is recorded in the statement of profit and loss. The acquisition costs are expensed to profit and loss.

The half-year financial statements of the subsidiaries utilised for the preparation of the condensed consolidated half-year financial statements are those approved by the respective Board of Directors. The data of the consolidated companies are adjusted, where necessary, in line with the accounting principles utilised by the Parent, which are in accordance with the IFRS adopted by the European Union.

The companies included in the consolidation scope at 30 June 2018 and 2017 and at 31 December 2017 are shown below; the percentage holdings refer to 30 June 2018.

CONSOLIDATION SCOPE

Company	Registered office	Share capital (in Units of local currency)	Holding of the Group
Zignago Vetro SpA (Parent)	Fossalta di Portogruaro (VE)	8,800,000	---
Companies consolidated using the line-by-line method:			
Verreries Brosse SAS	Vieux-Rouen-sur-Bresle (France)	4,000,000	100%
Huta Szkła “Czecky” SA (HSC SA)	Trabkj (Poland)	PNL 3,594,000	100%
Zignago Glass USA Inc.	New York (U.S.A.)	USD 200,000	100%
Vetro Revet Srl (*)	Empoli (FI)	402,000	51%
Companies valued at equity:			
Vetri Speciali SpA	Trento (TN)	10,062,400	50%
Vetreco Srl	Supino (FR)	400,000	30%
Unionvetro Srl	Roverè della Luna (TN)	31,200	100%

(*) At 30 June 2017 not present, while at 31 December 2017 only consolidated at statement of financial position level.

In 2018, Vetri Speciali acquired 100% of Unionvetro Srl.
However, given the insignificance of the income statement and statement of financial position effects on the valuation of the Vetri Speciali JV at Equity, the condensed consolidated half-year financial statements do not include these effects.

Translation of financial statements in currencies other than the Euro

The rules for the translation of financial statements of Companies which operate in a currency other than the Euro are the following:

- the assets and the liabilities were translated using the exchange rate at the balance sheet date;
- the costs and revenues, and income and charges, were translated using the average exchange rate for the period;
- the "Translation reserve" includes both the exchange rate differences generated from the translation of foreign currency profit and loss items and at a rate different from the closing rate exchange, and also those generated from the translation of opening equity at a closing rate exchange which is a different from the closing exchange;
- goodwill related to the acquisition of a foreign entity is treated as assets and liabilities of the foreign entity and translated at the closing date.

For the conversion of the Financial Statements expressed in foreign currencies, the rates indicated in the following table are applied (foreign currency for every 1 Euro).

Description	USD US Dollar	PLN Polish Zloty
Average exchange rate:		
- January/June 2018	1.2103	4.2207
- January/December 2017	1.1297	4.2573
- January/June 2017	1.083	4.2689
Closing exchange rate at:		
- 30 June 2018	1.1658	4.3732
- 31 December 2017	1.1993	4.1770
- 30 June 2017	1.1412	4.2259

Use of estimates

The preparation of the Condensed Interim Consolidated Financial Statements and the relative notes in application of IFRS require that management make estimates and assumptions on the values of the assets and liabilities in the consolidated half-year report and on the information relating to the assets and potential liabilities at the balance sheet date. The actual results may differ from those estimated. The estimates are used to value the doubtful debt and inventory obsolescence provisions, depreciation and amortisation, write-downs of assets, employee benefits, income taxes, other provisions and funds and customer liabilities for packaging returns and the relative assets. The estimates and assumptions are reviewed periodically and the effects of all variations are immediately recognized in profit or loss.

The subjective relevant assessments of company management in applying the Group accounting policies and the main sources of uncertainty upon estimates were the same as those for the preparation of the consolidated financial statements for the year ended 31 December 2017, except for the new issues arising from application of IFRS 15 and IFRS 9.

IFRS 13 requires that the financial instruments measured at fair value are classified based on three fair value hierarchy levels which reflect the significance of the input utilised in the determination of fair value. Based on the standard, the three fair value levels are as follows:

- Level 1 of fair value: the measurement inputs of the instruments are listed prices for identical instruments in active markets with access at the measurement date;
- Level 2 of fair value: the measurement inputs of the instruments are different than the prices listed at the previous point, which are directly or indirectly observable on the market;
- Level 3 of fair value: the measurement inputs of the instruments are not based on observable market data.

As indicated by the regulation, the hierarchy of the approaches adopted for the determination of all financial instruments (shares, units, bonds and derivatives), attributes priority to official prices available on active market for the assets and liabilities to be measured and, in their absence, to the measurement of assets and liabilities based on significant quotations, where they refer to similar assets and liabilities. On a residual basis, measurement techniques may be utilised based on non-observable inputs, and, therefore, more discretional.

Assets and liabilities valued at fair value on a recurring basis: breakdown by fair value level

The following table shows the assets and liabilities measured at fair value at 30 June 2018 by fair value hierarchy level.

	Carrying Value	Fair Value Level 1	2	3	Total
Financial assets not measured at Fair Value					
Cash and cash equivalents (*)	39,234			39,234	39,234
Trade receivables (*)	73,711			73,711	73,711
Financial assets measured at Fair Value					
Other receivables for TEE (white certificates)	3,670	1,889	1,781		3,670
Hedges					
Financial liabilities not measured at Fair Value					
Non-current loans and borrowings(*)	127,486			127,486	127,486
Bank loans & borrowings and current portion of non-current loans & borrowings	62,253		946		63,199
Other non-current payables (*)	2,693			2,693	2,693
Trade and other payables (*)	55,172			55,172	55,172

(*) The amounts refer to current financial assets and liabilities whose book value reasonably approximates fair value, which consequently has not been stated.

NOTES TO THE MAIN STATEMENT OF FINANCIAL POSITION ACCOUNTS

NON-CURRENT ASSETS

	30.06.2018	31.12.2017 (restated)	30.06.2017 (restated)
1 – Property, plant and equipment	181,298	182,957	163,720

Property, plant and equipment at 30 June 2018 amounted to Euro 181,298 thousand, after depreciation in the period of Euro 17.4 million and capital expenditure of Euro 27.7 million, net of fixed assets in progress items (gross of decreases in the period).

The table below shows the historical cost, accumulated depreciation and carrying amount of property, plant and equipment in the two periods:

(Euro thousands)	Balance at 30.06.2018			Balance at 30.06.2017		
	Historical cost	Accumulated depreciation	Net Value	Historical cost	Accumulated depreciation	Net Value
Land and buildings	79,528	(34,576)	44,952	54,900	(32,457)	22,443
Plant & machinery	290,700	(199,900)	90,800	266,995	(195,387)	71,608
Industrial & commercial equipment	75,334	(66,421)	8,913	70,117	(65,044)	5,073
Other assets	12,220	(9,519)	2,701	7,668	(5,428)	2,239
Assets in progress	33,932	---	33,932	62,357	---	62,357
Total	491,714	(310,416)	181,298	462,037	(298,316)	163,720

(Euro thousands)	Balance at 01.01.2018	Acquisitions & capitalisation	Decreases	Depreciation	Exchange rate difference	Balance at 30.06.2018
Land and buildings	43,643	3,211	(24)	(987)	(891)	44,952
Plant & machinery	106,961	1,646	(3,979)	(12,434)	(1,394)	90,800
Industrial & commercial equipment	11,790	2,489	(1,765)	(3,547)	(54)	8,913
Other assets	3,061	37	(25)	(346)	(26)	2,701
Assets in progress and advances	17,502	16,439	(9)	---	---	33,932
Total	182,957	23,822	(5,802)	(17,314)	(2,365)	181,298

Assets in progress mainly concern the construction of the new production facility by Zignago Vetro Spa.

Purchases and capitalisations and decreases includes reclassifications from the acquisition of the company Vetro Revet Srl during the previous period.

	30.06.2018	31.12.2017 (restated)	30.06.2017 (restated)
2 - Goodwill	2,682	2,883	724

The Euro 2,682 thousand recognised as goodwill at 30 June 2018 mainly reflects the higher value paid for the acquisition of Huta Szkla “Czechy” (Euro 702 thousand) and Vetro Revet Srl (Euro 2,017 thousand).
The excess of the consideration recognised in 2017 for the acquisition of 51% of Vetro Revet Srl, and the consequent recognition of goodwill, are justified by the intention of the Group to tap into the strategic opportunities and synergies that may arise between the operations of this company and those of the Group, in particular Zignago Vetro SpA.
The goodwill also arises from the possibility to ensure the procurement of recycled glass in Tuscany in service of the adjacent Empoli facility.
Consequently, this goodwill not only relates to Vetro Revet Srl, but was also allocated to Zignago Vetro.
The poor performance reported by the company for the first half of 2018 is not considered an indication that goodwill was impaired in the period.
This goodwill was therefore not subject to an impairment test.

	30.06.2018	31.12.2017 (restated)	30.06.2017 (restated)
3 - Equity accounted Joint Ventures	67,340	69,237	62,650

The Group holds two investments in jointly-controlled companies:
- Vetri Speciali SpA;
- Vetreco Srl

Vetri Speciali SpA derives from a corporate restructuring operation undertaken in 2004 and is involved in the production and sale of specialty glass containers. The company’s registered offices are at via Manci 5, Trento. Production is carried out at the Spini di Gardolo (TN), Pergine Valsugana (TN), Ormelle (TV) and San Vito al Tagliamento (PN) facilities.
The JV is a strategic investment for the Group, undertaken as part of the production diversification pursued by the Parent.
The Zignago Group holds 50% of ordinary company shares; all shares guarantee equal rights.
In 2018, the Company distributed dividends totalling Euro 19.9 million to shareholders.

Vetreco Srl is an Italian limited company domiciled in Supino (FR), incorporated in July 2010 as a joint venture, involved in the processing of raw glass and the supply of cullet ready for re-use in production.
The holding of Zignago Vetro SpA is 30%.

As previously stated, in accordance with IAS 31 *Interests in joint ventures* (before passage to IFRS 11), the share of assets, liabilities, revenues and costs of the Group in both companies were consolidated proportionally until 31 December 2013. Since the adoption of IFRS 11 they have been valued at equity.

The valuation of both joint ventures at equity and the movements in the period are summarised below:

(Euro thousands)	30.06.2018	31.12.2017 (restated)	30.06.2017 (restated)
Value of **Vetri Speciali SpA** investment in Zignago Vetro	25,320	25,320	25,320
Vetri Speciali Equity at 100%	133,704	139,032	125,656
Vetri Speciali Equity at 50%	66,852	69,421	62,774
Difference between value of investment and share of Eq. of the subsidiary	41,532	44,101	37,454
Valuation using the equity method of Vetri Speciali investment			
Share of equity	66,852	69,421	62,774
Uniform accounting principles	542	(522)	(377)
Total valuation using the equity method	67,394	68,899	62,397
Increase/(decrease) of carrying amount of investment compared to valuation using the equity method	42,074	43,579	37,077
Movement in valuation using the equity method			
Valuation using the equity method at beginning of year	68,994	64,109	0
Profit: pro quota	7,393	14,130	7,524
Other statement of comprehensive income items in year:	(20)	0	0
IAS 19 effect	---	41	---
Dividends	(9,962)	(9,157)	(9,157)
Uniform accounting principles	542	(129)	(39)
Valuation under the equity method at end of year	66,947	68,994	(1,672)
P&L effect of valuation using the equity method of the investment	7,935	14,001	7,485

(Euro thousands)	30.06.2018	31.12.2017	30.06.2017
Value of **Vetreco Srl** investment in Zignago Vetro	1,059	1,059	1,059
Vetreco Equity at 100%	1,625	1,193	1,018
Vetreco Equity at 30%	488	358	305
Difference between value of investment and share of Eq. of the subsidiary	(572)	(702)	(754)
Valuation under the equity method of Vetreco Srl investment			
Share of equity	488	358	305
Uniform accounting principles	---	---	---
Total valuation using the equity method	488	358	305
Increase/(decrease) of carrying amount of investment compared to valuation using the equity method	(572)	(701)	(754)
Movement in valuation under the equity method			
Valuation under the equity method at beginning of period	358	197	196
Net Profit: pro quota	130	161	109
Other statement of comprehensive income items in year:			
IAS 19 effect			
Dividends paid			
Increase of share capital portion	---	---	---
Uniform accounting principles	---	---	---
Valuation under the equity method at end of year	488	358	305
P&L effect of valuation using the equity method of the investment	130	161	109

The key financial and performance indicators of the jointly-controlled companies recognised to the consolidated financial statements and valued at equity are also reported.

These figures relate also to the Parent interim reporting date and incorporate the totality of investments held. All investments operate on a going concern basis.

The statement of financial position and income statement of Vetri Speciali SpA is summarised below:

Vetri Speciali SpA Group (100%)

(Euro thousands)	30.06.2018	31.12.2017 (restated)	30.06.2017 (restated)
Goodwill	80,171	80,171	80,171
Other non-current assets	123,948	105,153	93,263
Non-current assets	204,119	185,324	173,434
Cash and cash equivalents	12,078	18,788	8,744
Other current assets	72,108	74,764	72,596
Current assets	84,186	93,552	81,340
TOTAL ASSETS	288,305	278,876	254,774
Capital and reserves	133,704	138,841	125,544
Equity	133,704	138,841	125,544
Non-current bank loans and borrowings	52,047	39,680	46,692
Other non-current liabilities	5,662	5,527	5,935
Non-current liabilities	57,709	45,207	52,627
Bank loans & borrowings and current portion of medium/long-term loans	54,427	54,500	42,462
Other current liabilities	42,465	40,328	34,141
Current liabilities	96,892	94,828	76,603
TOTAL LIABILITIES	288,305	278,876	254,774

Vetri Speciali SpA Group (100%)

(Euro thousands)	H1 2018	H1 2017
Revenues	80,837	78,986
Costs of production	(54,668)	(52,383)
Amortisation & Depreciation	(6,777)	(6,030)
Operating Profit	19,392	20,573
Financial Income	70	---
Financial Expense	(243)	(219)
Exchange rate gains/(losses)	(29)	(28)
Profit before taxes	19,190	20,326
Income taxes	(4,400)	(5,282)
Profit for the period	14,790	15,044
Other positive (negative) statement of comprehensive income items	---	---
Total comprehensive income	14,790	15,044

The balance sheet and income statement of Vetreco Srl is summarised below:

Vetreco (100%) (Euro thousands)	30.06.2018	31.12.2017	30.06.2017
Other non-current assets	14,176	14,513	14,828
Non-current assets	14,176	14,513	14,828
Cash and cash equivalents	15	798	920
Other current assets	6,934	6,697	5,889
Current assets	6,949	7,495	6,809
TOTAL ASSETS	21,125	22,008	21,637
Capital and reserves	1,625	1,192	1,019
Equity	1,625	1,192	1,019
Other non-current liabilities	13,136	13,139	14,507
Non-current liabilities	13,136	13,139	14,507
Bank loans & borrowings and current portion of medium/long-term loans	1,858	3,113	2,355
Other current liabilities	4,506	4,564	3,756
Current liabilities	6,364	7,677	6,111
TOTAL LIABILITIES	21,125	22,008	21,637

Vetreco (100%) (Euro thousands)	H1 2018	H1 2017
Revenues	7,873	7,479
Costs of production	(6,496)	(6,166)
Amortisation & Depreciation	(512)	(516)
Operating Profit	865	797
Financial Expense	(235)	(251)
Profit before taxes	630	546
Income taxes	(198)	(182)
Profit for the period	432	364
Total comprehensive income	432	364

Neither joint venture is listed, while a fair value deriving from a listed market price is not available for either.
Relating to the goodwill which constitutes part of the book value attributed to the Vetri Speciali joint venture following the application of the equity method, it should be noted that this was separately subject to an impairment test by the directors of the joint venture Vetri Speciali SpA, as per IAS 36. The recoverability of this goodwill shall also be considered in any impairment tests on the value of the investment. In relation to this there was no indication of an impairment loss on the joint venture.

	30.06.2018	31.12.2017 (restated)	30.06.2017 (restated)
4 – Other non-current assets	721	806	2,782

The account principally includes the tax asset related to investments in the second half of 2014 and firsthalf of 2015 (capital grants based on Article 18 of Legs. Decree 91/2014) and receivables for guarantee deposits provided to suppliers and for lease companies, the duration of which correlates to that of the contract, normally between one and five years.

In particular, the majority concerned a tax asset on investment expenditure of a unitary amount above Euro 10 thousand, incurred in the second half of 2014 and first half of 2015 in excess of the average investment in core assets in the five preceding tax years, excluding from the calculation the period in which the investments were higher. The receivable could be used as an offset over three equal annual portions from the second tax period subsequent to which the investment was made. At 30.06.2018, the remaining receivable was Euro 533 thousand.

CURRENT ASSETS

	30.06.2018	31.12.2017 (restated)	30.06.2017 (restated)
5 - Inventories	74,369	74,090	72,275

The table below shows the composition of inventories:

(Euro thousands)	Balance at 30.06.2018	Balance at 31.12.2017	Balance at 30.06.2017
Raw material, ancillaries and consumables	14,191	12,704	12,772
Work-in-progress and semi-finished products	5,651	7,047	8,341
Finished products	58,151	57,166	53,598
Inventory provision	(3,624)	(2,827)	(2,436)
Total	74,369	74,090	72,275

Following the introduction of IFRS 15, inventories at 30 June 2018 include an asset concerning the right to recover products from customers of Euro 2,546 thousand (Euro 1,250 thousand at 31.12.2017 and Euro 2,296 thousand at 30.06.2017). Inventories are measured making reference to the previous carrying amount of inventories sold, less any expected costs for the recovery of returns.

	30.06.2018	31.12.2017 (restated)	30.06.2017 (restated)
6 - Trade receivables	73,711	67,493	64,108

The table below illustrates the trade receivables and the relative doubtful debt provision:

(Euro thousands)	Balance at 30.06.2018	Balance at 31.12.2017	Balance at 30.06.2017
Trade receivables - Italy	49,435	42,409	35,083
Trade receivables - Foreign	22,939	20,247	21,864
Receivables from parent companies	---	930	---
Bills	3,063	5,431	9,597
Doubtful debt provision	(1,726)	(1,524)	(2,436)
Total	73,711	67,493	64,108

At 30 June 2018 and 31 December 2017 the overdue trade receivables, but not individually written down were as follows:

(Euro thousands)	Not overdue	< 30 days	30 - 60 days	60 - 90 days	other	Total
30 June 2018	55,103	12,068	2,504	1,355	2,653	73,683
31 December 2017	52,569	9,616	1,948	1,419	1,929	67,481
30 June 2017	52,777	9,036	1,383	494	2,733	66,423

The largest part of the receivables of Zignago Vetro SpA, representing 77% of the Group receivables, are covered by insurance policies.
The Company does not have significant concentrations of credit risk at the balance sheet date.

The movements during the period in the doubtful debt provision were as follows:

(Euro thousands)	Balance at 30.06.2018	Balance at 31.12.2017	Balance at 30.06.2017
Provision at beginning of period	1,524	3,335	3,335
Provisions	226	855	277
Utilisations	(24)	(2,666)	(1,176)
Total	1,726	1,524	2,436

The doubtful debt provision at 30.06.2018 amounted to Euro 1,726 thousand, subsequent to the allocation of an accrual and net of utilisations of Euro 202 thousand.

The table below shows the breakdown of trade receivables by geographical segment:

(Euro thousands)	Balance at 30.06.2018	Balance at 31.12.2017	Balance at 30.06.2017
Italy	51,296	47,577	42,195
E.U.	19,747	17,324	18,652
Other countries	2,668	2,592	3,261
Total	73,711	67,493	64,108

	30.06.2018	31.12.2017 (restated)	30.06.2017 (restated)
7 – Other current assets	10,111	13,275	8,069

The table below shows the composition of "Other current assets":

(Euro thousands)	Balance at 30.06.2018	Balance at 31.12.2017	Balance at 30.06.2017
VAT receivables	3,171	4,311	2,533
Advances to social security institutions and other employee & agent receivables	207	84	81
Tax receivables as per Law 91/14	556	1,793	1622
Other receivables	5,822	6,570	3,648
sub)	9,756	12,758	7,884
Accrued income for:			
- interest on bank deposits	---	---	---
- services	---	---	---
Prepayments:			
- insurance premiums	198	399	123
- rent expenses and leases	0	---	24
- services	157	118	38
sub)	355	517	185
Total	10,111	13,275	8,069

The account "Other receivables" principally includes receivables for the energy consumption contribution and for white certificates.

	30.06.2018	31.12.2017 (restated)	30.06.2017 (restated)
8 - Cash and cash equivalents	39,234	31,686	18,133

The table below shows the composition of cash and cash equivalents:

(Euro thousands)	Balance at 30.06.2018	Balance at 31.12.2017	Balance at 30.06.2017
Time deposits	7,000	7,000	8,738
Bank and postal accounts	32,217	24,642	9,376
Cash in hand and similar	17	44	19
Total	39,234	31,686	18,133

For the cash flow performance of the company, reference should be made to the half-year consolidated statement of cash flows.

EQUITY

	30.06.2018	31.12.2017 (restated)	30.06.2017 (restated)
9 - Group Equity	174,741	177,470	152,644

Equity at 30 June 2018 decreased on 31 December 2017 by Euro 2,729 thousand, attributable to the profit for the period (Euro +20,020 thousand), the distribution of dividends (Euro -28,061 thousand), the change in the translation reserve (Euro -876 thousand) and the reserve generated by the sale of treasury shares (Euro +6,275 thousand).
An analysis of the movements in consolidated equity is shown in the condensed consolidated half-year financial statements.
During the periods considered, non-controlling interest equity concerning the investment of the shareholder La Revet Spa in Vetro Revet Srl was 49%.

NON-CURRENT LIABILITIES

	30.06.2018	31.12.2017 (restated)	30.06.2017 (restated)
10 - Provisions for risks and charges	5,483	4,377	3,422

The table below shows the composition of the provisions for risks and charges:

(Euro thousands)	Balance at 30.06.2018	Balance at 31.12.2017	Balance at 30.06.2017
Agents' supp. indemnity provision	213	213	204
Provision for contractual risks	1,885	885	285
Provision for industrial risks	1,972	1,846	1,487
Post-employment benefits provision	1,157	997	1,285
Provision for emission trading	256	436	161
Total	5,483	4,377	3,422

In particular, the increase in the contractual risks provision of Euro 1 million concerned prudent estimates of contingent liabilities relating to current contracts.

	30.06.2018	31.12.2017 (restated)	30.06.2017 (restated)
11 – Post-employment benefits	5,232	5,405	5,115

The table below shows the movements in the provision in the periods considered:

(Euro thousands)	Balance at 30.06.2018	Balance at 31.12.2017	Balance at 30.06.2017
Balance at 1 January	5,405	5,164	5,164
Vetro Revet Provision	---	150	---
Interest	125	316	71
Actuarial profit/(loss)	---	42	---
Payments	(298)	(267)	(120)
Provision at end of period	5,232	5,405	5,115

	30.06.2018	31.12.2017 (restated)	30.06.2017 (restated)
12 - Non-current loans and borrowings	127,486	124,608	75,351

The table below shows the composition of non-current bank loans and borrowings:

(Euro thousands)		Balance at 30.06.2018	Balance at 31.12.2017	Balance at 30.06.2017
(A)	Unsecured loan, nominal value Euro 30 million, BNL, Euribor 3 months variable rate, maturity 22 June 2021, repayment by quarterly instalments in arrears	37,905	20,878	23,879
(B)	Unsecured loan, nominal value Euro 70 million, Unicredit / Mediobanca, Euribor 3 months variable rate, maturity 31 December 2020, repayment by half-yearly instalments	19,449	22,811	61,678
(C)	Unsecured loan, nominal value Euro 15 million, Banco di Brescia, Euribor 3 months variable rate, maturity 18 December 2019, repayment by half-yearly instalments in arrears	5,699	7,573	9,448
(D)	Unicredit Bank Austria AG loan, nominal value Euro 50 million, Euribor 3 months variable rate, maturity 27 December 2021, repayment by half-yearly instalments	46,369	49,850	---
(E)	Banca Intesa SpA loan, nominal value Euro 40 million, Euribor 3 months variable rate, maturity 31 December 2022, repayment by half-yearly instalments	39,910	39,900	---
(F)	BNP Paribas Loan	590	900	567
(G)	BNL loan	2,778	3,333	3,888
(H)	CRCA Loan	591	619	729
(I)	Bank Pekao Loan HSC SA	---	---	559
(L)	HSC SA finance leases	13	13	23
(M)	BNP Paribas Loan	50	661	730
(N)	BPI Paribas Loan	850	900	1,000
(O)	Societè Generale Loan	578	647	718
(P)	Casse D'Epargne Loan	532	621	603
(Q)	Credit du Nord Loan	---	125	---
(R)	Vetro Revet Outstanding Loans	6,062	2,452	---
	Total non-current loans & borrowings	161,376	151,283	103,822
	Less current portion	(33,889)	(26,675)	(28,471)
	Non-current portion	127,486	124,608	75,351

	30.06.2018	31.12.2017	30.06.2017
13 – Other non-current liabilities	2,693	2,965	3,230

The account includes at 30 June 2018 and 31 December and 30 June 2017 the deferred income recognised against the tax asset for investments in new machinery under Legislative Decree 91/2014, which is recognised to the income statement on the basis of the depreciation calculated on the investments.

CURRENT LIABILITIES

	30.06.2018	31.12.2017 (restated)	30.06.2017 (restated)
14 - Bank loans and borrowings Current portion	63,199	60,245	90,309

The table below shows the composition of bank payables and the current portion of non-current loans and borrowings:

(Euro thousands)	Balance at 30.06.2018	Balance at 31.12.2017	Balance at 30.06.2017
Current accounts	---	---	4
Loan advances	8,909	10,000	34,839
Advances on bank drafts	3,063	4,177	9,597
Current loans	15,936	13,865	16,308
Fin. liabilities for fair value int. rates derivatives	1,402	946	1,090
Current portion of non-current loans	33,889	31,257	28,471
Total	63,199	60,245	90,309

For further details on leases and non-current loans, the current portion of which is included under bank loans and borrowings, reference should be made to the paragraph *"Non-current loans and borrowings".*

The following table highlights the composition of the net financial debt at 30 June 2018, 31 December 2017 and 30 June 2016 in accordance with CONSOB communication No.DEM/6064293 of 28 July 2006:

(Euro thousands)

		30.06.2018	31.12.2017 (restated)	30.06.2017 (restated)
A. Cash		17	20	19
B. Other cash equivalents		39,217	31,666	18,114
C. Securities held for trading		---	---	---
D. Liquidity	(A) + (B) + (C)	39,234	31,686	18,133
E. Current financial assets		---	---	---
F. Current bank loans & borrowings		27,908	28,042	60,748
G. Current portion of non-current debt		33,889	31,257	28,471
H. Other current fin. payables (derivatives)		1,402	946	1,090
I. Current financial debt	(F) + (G) + (H)	63,199	60,245	90,309
J. Net current financial position	(I) - (E) - (D)	23,965	28,559	72,176
K. Non-current bank loans & borrowings		127,486	124,608	75,351
L. Bonds issued		---	---	---
M. Other non-current payables		---	---	---
N. Non-current financial debt	(K) + (L) + (M)	127,486	124,608	75,351
O. Net financial debt	(J) + (N)	151,451	153,167	147,527

	30.06.2018	31.12.2017 (restated)	30.06.2017 (restated)
15 - Trade and other payables	55,172	54,651	47,544

The table below shows the breakdown of trade payables by geographic area:

(Euro thousands)	Balance at 30.06.2018	Balance at 31.12.2017	Balance at 30.06.2017
Italy	46,327	39,295	35,597
E.U.	8,807	15,326	11,911
Other countries	38	30	36
Total	55,172	54,651	47,544

Included among trade payables are capital expenditure payables of Euro 10,587 thousand at 30 June 2018 (Euro 6,992 thousand at 31 December 2017; Euro 7,497 thousand at 30 June 2017).

Following the introduction of IFRS 15, current payables at 30 June 2018 include a liability for future repayments of Euro 2,546 thousand (Euro 1,250 thousand at 31.12.2017 and Euro 2,296 thousand at 30.06.2017).

	30.06.2018	31.12.2017 (restated)	30.06.2017 (restated)
16 – Other current liabilities	18,609	18,747	17,247

The table below shows the composition of "Other current liabilities":

(Euro thousands)	Balance at 30.06.2018	Balance at 31.12.2017	Balance at 30.06.2017
Social security institutions	4,048	3,800	3,702
Employees and consultants withholding taxes	1,452	1,530	1,436
Employee payables	10,435	10,862	10,881
Contribution payables	46	38	1
Advances from customers	470		74
Current portion of tax credit on Law 91/2014 investment	550	556	556
Other payables	274	588	191
VAT payables	393	416	406
Accruals and deferred income			
- employees	919	919	---
- interest	22	38	---
Total	18,609	18,747	17,247

	30.06.2018	31.12.2017 (restated)	30.06.2017 (restated)
17 - Current tax liabilities	2,021	686	105

Tax liabilities relate to income tax for the period for the Group Companies. The Parent Zignago Vetro SpA, where applicable, complied with the option exercised by its Parent Zignago Holding SpA in relation to the national fiscal consolidation.

NOTES TO THE MAIN INCOME STATEMENT ACCOUNTS

	H1 2018	H1 2017 (restated)
18 - Revenues	146,975	130,968

The following table shows the breakdown of revenues by product line:

(Euro thousands)	H1 2018	H1 2017 (restated)
Core business products	142,241	126,965
Various materials	947	1,026
Service revenue	1,699	567
Other revenues	2,088	2,410
Total	146,975	130,968

Further information on revenues is reported in the Directors' Report.
Revenues by region are outlined in the table below:

(Euro thousands)	H1 2018
Italy	85,194
E.U.	54,331
Other countries	7,450
Total	146,975

	H1 2018	H1 2017 (restated)
19- Raw materials, consumables and goods	32,108	31,581

The table below shows the costs for raw materials, ancillaries, consumables and goods:

(Euro thousands)	H1 2018	H1 2017 (restated)
Purchases	32,700	31,985
Change in inventories of raw materials ancillaries, consumables and finished goods	(366)	(2,333)
Changes in inventory of work-in-progress semi finished and finished	57	2,226
Increases of fixed assets from works-in-progress	(283)	(297)
Total	32,108	31,581

	H1 2018	H1 2017 (restated)
20 - Service costs	41,134	37,048

The following table shows service costs:

(Euro thousands)	H1 2018	H1 2017
Energy and industrial services	24,182	19,805
Transport and other trading costs	8,698	6,865
Conai contribution	1,278	1,403
Other costs	6,976	8,975
Total	41,134	37,048

	H1 2018	H1 2017
21 - Personnel expense	34,148	31,366

The following table reports personnel expense:

(Euro thousands)	H1 2018	H1 2017
Wages and salaries	25,100	22,855
Social security charges	8,247	7,687
Post-employment benefits	801	824
Total	34,148	31,366

	H1 2018	H1 2017 (restated)
22 - Amortisation & Depreciation	17,400	15,531

The following table reports amortisation & depreciation:

(Euro thousands)	H1 2018	H1 2017
Depreciation of fixed assets	17,314	15,480
Amortisation of intangible assets	86	51
Total	17,400	15,531

	H1 2018	H1 2017 (restated)
23 - Financial expense	1,667	708

The following table shows financial expense:

(Euro thousands)	H1 2018	H1 2017
Interest on bank accounts	73	71
Loan interest	1,000	717
Financial charges on interest rate hedges	119	397
Effect of IRS valuation at fair value	455	(511)
Others	20	34
Total	1,667	708

	H1 2018	H1 2017 (restated)
24 - Income taxes	5,092	3,686

The table below shows the composition of the income taxes between deferred and current taxes:

(Euro thousands)	H1 2018	H1 2017
Current taxes	5,227	3,668
Net deferred tax charge/(income)	(135)	18
Total	5,092	3,686

OTHER INFORMATION

Earnings per share

The share capital of Zignago Vetro SpA at 30 June 2018 consists of 88,000,000 ordinary shares with a par value of Euro 0.10 each, fully subscribed and paid-in.

As outlined on page 14, Zignago Vetro SpA, in execution of its buy-back programmes, at 30 June 2018 held a total of 308,975 treasury shares for a total value of Euro 1.09 million.In the first half of 2018 and until the approval date of this Half-Year Report, sales of Euro 9.2 million were made, with a gain of Euro 5.3 million.

Information is shown below concerning the results for the period and the calculation of the basic and diluted earnings per share:

	30.06.2018	30.06.2017
Profit attributed to ordinary shareholders of the Parent for the basic earnings and the diluted earnings per share (in Euro thousands)	20,020	18,239
Weighted average number of ordinary shares, including treasury shares, to calculate basic earnings per share	88,000,000	88,000,000
Weighted average number of treasury shares	(308,975)	(1,421,390)
Weighted average number of ordinary shares, excluding treasury shares, to calculate basic earnings per share	87,691,025	86,578,610
Earnings per share		
- basic, for profit attributed to the ordinary shareholders of the parent	0.228	0.211
- diluted, for profit attributed to the ordinary shareholders of the parent	0.228	0.211

The basic earnings per share is calculated by dividing the profit attributable to the ordinary shareholders of the parent by the average weighted number of ordinary shares outstanding during the period, excluding the average weighted number of treasury shares.

No capital transactions which would have dilutive effects on the profits attributable to each share were noted.

Segment disclosure

Segment reporting which coincides with the various legal entities is provided below.
The information on the secondary segment (geographic area) is not significant in relation to the Group.
In particular, the Business Units identified are reported at pages 10 and 11.

The criteria applied for the identification of the segment reporting were based on, among other issues, the manner in which management directs the Group and attributes managerial responsibility.

The segment disclosure is provided below:

(Euro thousands)	H1 2018						
	Zignago Vetro SpA	Verreries Brosse	HSC	Zignago Glass USA	Vetro Revet	(Elim.)	Consolidated
Revenues	101.369	31.683	20.564	158	2.167	(8.966)	146.975
Amort. & Deprec.	(10.798)	(2.842)	(3.621)	(1)	(745)	607	(17.400)
Operating Result	17.069	2.492	1.722	(185)	(1.042)	8.095	28.151
Net Result	21.683	1.569	(443)	(190)	(1.116)	(1.483)	20.020
Assets	345.558	61.415	69.377	162	10.838	(30.811)	456.539
Liabilities	232.107	43.978	51.150	716	10.725	(56.570)	282.106
Investments in:							
Intangible assets	---	134	3	---	172	---	309
Property, plant and equipment	107.480	17.926	50.564	16	6.159	(847)	181.298

(Euro thousands)	H1 2017					
	Zignago Vetro SpA	Verreries Brosse	HSC	Zignago Glass USA	(Elims.)	Consol.
Revenues	96,264	29,548	13,469	143	(4,196)	135,228
Amort. & Deprec.	(10,606)	(3,064)	(2,168)	---	7	(15,831)
Operating Result	11,281	2,530	1,115	(65)	7,640	22,501
Net Result	16,976	2,194	807	(65)	(1,673)	18,239
Assets	294,999	61,456	69,985	133	(31,550)	395,023
Liabilities	197,075	46,762	52,049	329	(53,890)	242,325
Investments in:						
Intangible assets	99	17	22	---	---	138
Property, plant and equipment	88,604	20,521	54,838	---	(243)	163,720

Related party transactions

In accordance with Consob letter 6064293 of 28 July 2006, related party transactions are reported below.
The table below shows the composition of the receivables of the Zignago Vetro Group with related party companies at the reporting date:

(Euro thousands)	Balance at 30.06.2018	Balance at 31.12.2017	Balance at 30.06.2017
Zignago Holding SpA	1,235	1,235	1,235
Zignago Immobiliare Srl	---	---	11
Santa Margherita SpA and its subsidiaries	1,186	1,080	1,441
Total receivables from related parties	2,421	2,315	2,687

The receivables from Zignago Holding SpA relate to the repayment of taxes for previous years, in relation to the Group tax consolidation, while the receivables from Santa Margherita and its subsidiaries derive from commercial operations.

The table below shows the composition of the payables of the Zignago Vetro Group with related party companies at the balance sheet date:

(Euro thousands)	Balance at 30.06.2018	Balance at 31.12.2017	Balance at 30.06.2017
Zignago Holding SpA	---	---	---
Zignago Immobiliare Srl	---	15	64
Santa Margherita SpA and its subsidiaries	84	120	101
La Vecchia Scarl	90	86	72
Zignago Servizi Srl	467	374	923
Zignago Power Srl	---	474	399
Vetreco Srl	253	---	---
Multitecno Srl	2	14	---
Total payables to related parties	896	1,083	1,559

The payables to Zignago Immobiliare Srl, La Vecchia Scarl and Zignago Servizi Srl are related to services received.
The payables to Zignago Power Srl relate to the purchase of electricity.

The table below shows the composition of the revenues of the Zignago Vetro Group from related parties in the period:

(Euro thousands)	H1 2018	H1 2017
Santa Margherita SpA and its subsidiaries	2,191	2,646
Zignago Power Srl	---	---
Total revenues from related parties	2,191	2,646

The revenues from Santa Margherita and its subsidiaries derive from commercial operations.

The table below shows the composition of the costs of the Zignago Vetro Group from related parties in the period:

(Euro thousands)	H1 2018	H1 2017
Zignago Holding SpA	226	207
Zignago Immobiliare Srl	140	2,342
Santa Margherita SpA and its subsidiaries	171	166
La Vecchia Scarl	216	198
Zignago Servizi Srl	1,328	998
Zignago Power Srl	---	4,928
Multitecno Srl	2	---
Vetreco Srl	2,364	1,939
Total costs from related parties	4,447	10,778

The costs in the first half of 2018 of Euro 2,364 thousand concerning Vetreco Srl relate to the purchase of scrap glass.

Management of capital

The share capital includes the shares and the equity attributable to owners of the parent.
The primary capital management objective of the Group is to guarantee the maintenance of a strong credit rating in order to support operations and to maximise value for shareholders.
In order to achieve this objective, the management of Group capital aims, among other matters, to ensure compliance with covenants, related to interest bearing loans, based on financial performance indicators. Breaches in the covenants would permit the banks to request immediate repayment of the loans. There were no breaches of the covenants in the current year in relation to interest bearing loans for any of the Group companies.

The Zignago Vetro Group has payables to financial intermediaries and has a financial debt position related to the business development plan. The high generation of operating cash flows enables Group Companies not only to repay existing loans, but also to guarantee an adequate dividend to Shareholders and pursue a growth strategy.
In this context, the Group, in order to maintain or amend the capital structure, may pay dividends to Shareholders, acquire treasury shares on the market or issue new shares.
No substantial amendments were made to these objectives, to policies or to processes in the first half of 2018 and 2017 or for the year 2017.

Risk management policies

The Group will continue to prudently manage risks in all departments with careful monitoring in order to identify, reduce and eliminate such risk, therefore extensively protecting shareholder interests.

Currency risk

The currency risk is the risk that the fair value or the future cash flows of a financial instrument are altered following changes in exchange rates.
The exposure of the Group to changes in exchange rates principally concerns the operating activities of the Group (when revenues and costs are denominated in a currency other than the presentation currency of the Group).
Where these transactions are significant, the Group Companies assess the possibility of undertaking currency hedges in order to mitigate these fluctuations. During the years presented the Group has not undertaken exchange risk hedge operations, as such transactions undertaken by the companies of the Group are not considered significant.

Credit and country risks

The credit risk represents the exposure of the Group to potential losses deriving from non-compliance with obligations by trading partners; this activity is subject to ongoing monitoring within the normal management of business operations, in order to minimise the exposure to "counterparty" credit risk, also utilising appropriate insurance instruments to protect the solvency of the client or of the country risk in which this latter operates.
The Group Companies constantly assess political, social and economic risks in the areas in which they operate. No significant cases of non-fulfilment by trading partners have occurred and no significant credit risk by individual area and/or client exists.
The Group in fact only deals with established and reliable clients. Customers that request extensions of payment are subject to a credit rating check. Moreover, the collection of receivables is monitored during the year so that the exposure to losses is not substantial. Finally, in the case of new clients operating in non EU countries, the Group companies obtain letters of credit and advance payments.

Interest rate risk

The interest rate risk is a risk that the fair value for the future cash flows of a financial instrument alters due to changes in market interest rates. The Companies of the Group are exposed to the risk of fluctuations in interest rates principally in relation to the non current bank loans and borrowings, negotiated at floating interest rates, and amount to Euro 141 million. Where these risks are considered significant, the Companies of the Group undertake interest rate swaps in order to convert the floating rate of the non current loans into fixed rates, which reduces the impact of the fluctuations in interest rates
Therefore, the Parent Company undertook interest rate swaps in order to hedge the interest rate risk on medium-long term loans for a notional value of Euro 141 million.

The characteristics of the derivative contracts, their notional value and the market value at 30 June 2018, are as follows (in Euro):

Company	Bank	Underlying	Date of Signing	Notional at reference date	Maturity	Market value at 30.06.2018
Zignago Vetro SpA	Unicredit	Loan	27/10/2017	50,000,000	27/10/2021	(421,361)
Zignago Vetro SpA	Mediobanca	Loan	21/01/2015	9,925,714	31/12/2020	(87,100)
Zignago Vetro SpA	Mediobanca	Loan	31/03/2015	13,234,286	31/12/2020	(116,133)
Zignago Vetro SpA	Banco Brescia	Loan	18/12/2014	7,603,233	18/12/2019	(40,122)
Zignago Vetro SpA	Intesa SanPaolo	Loan	13/02/2018	40,000,000	30/12/2022	(309,153)
Zignago Vetro SpA	BNL	Loan	22/12/2014	21,000,000	22/06/2021	(428,377)
Total				141,763,233		(1,402,246)

Liquidity risk

The Group monitors the risk of a deficiency in liquidity utilising liquidity planning instruments.
The Group objective is to maintain a balance between continuity of available funds, flexibility of utilisation through utilisation of instruments such as bank overdrafts, bank loans, finance leases and adequate remuneration of its liquidity, temporarily investing exclusively with banking counterparties.
In particular the profile of the financial liabilities at 30 June 2018, 31 December 2017 and 30 June 2017 on the basis of the non-discounted contractual payments, including trade payables and other current liabilities, is summarised as follows:

(Euro thousands)	2018				
June 30, 2018	Less than 3 months	3 to 12 months	1 to 5 years	Beyond 5 years	Total
Non-current loans and borrowings	---	---	125.626	1.860	127.486
Other non-current liabilities	---	---	2.693	---	2.693
Bank loans & borrowings and current portion of non-current loans & borrowings	29.310	33.889	---	---	63.199
Trade and other payables	55.172	---	---	---	55.172
Other current liabilities	18.609	---	---	---	18.609
Current income taxes	2.021	---	---	---	2.021
Total	105.112	33.889	128.319	1.860	269.180

(Euro thousands)	2017				
30 June 2017	Less than 3 months	3 to 12 months	From 1 to 5 years	Beyond 5 years	Total
Non-current loans and borrowings	---	---	75.351	---	75.351
Other non-current liabilities	---	---	3.230	---	3.230
Bank loans & borrowings and current portion of non-current loans & borrowings	60.748	28.471	1.090	---	90.309
Trade and other payables	47.544	---	---	---	47.544
Other current liabilities	17.247	---	---	---	17.247
Current income taxes	105	---	---	---	105
Total	125.644	28.471	79.671	---	233.786

(Euro thousands)	2017				
31 December 2017	Less than 3 months	3 to 12 months	1 to 5 years	Beyond 5 years	Total
Non-current loans and borrowings	---	---	122.972	1.636	124.608
Other non-current liabilities	---	---	2.965	---	2.965
Bank loans & borrowings and current portion of medium/long-term loans	25.684	33.615	946	---	60.245
Trade and other payables	54.651	---	---	---	54.651
Other current liabilities	18.747	---	---	---	18.747
Current income taxes	---	686	---	---	686
Total	99.082	34.301	126.883	1.636	261.902

The terms and conditions of financial liabilities are listed below:

¶ There is no interest on trade payables and they are normally paid at 60 days;

¶ Other payables are normally paid within the month following recognition.

Risks related to the fluctuation in energy prices

The Group is exposed to fluctuations in energy purchase costs, a significant cost component in the glass sector. Where this risk is considered as significant, hedging operations may be undertaken in order to convert the variable cost into a fixed cost, which reduces the impact of fluctuations.
From 2012 the supply of energy at Fossalta di Portogruaro of the Parent has been guaranteed by Zignago Power Srl, a company wholly-owned by the parent Zignago Holding SpA., which started up a natural biomass energy production plant. The risk concerning energy cost fluctuation is therefore greatly reduced.
In 2018, the Parent also agreed supply contracts at fixed prices, in line with its production programmes.

In the first half of 2018, Zignago Vetro did not undertake any fuel hedging derivative contracts.
The exposure of the Group to the risk of fluctuations in energy prices is therefore considered marginal.

Significant non-recurring events or transactions arising from atypical and/or unusual transactions

There were no significant non-recurring atypical and/or unusual transactions for the period ended 30 June 2018 as defined by Consob Communication DEM/6064293.

Notes

Statement
as per Article 81-ter, CONSOB Regulation
No. 11971/1999

STATEMENT

Statement of the Condensed Interim Consolidated Financial Statements as per Article 81-ter of CONSOB Regulation No. 11971 of 14 May 1999 and subsequent modifications and integrations.

1) The undersigned Paolo Giacobbo, CEO, and Roberto Celot, Executive Officer for Financial Reporting of Zignago Vetro SpA, also in consideration of Article 154-bis, paragraphs 3 and 4, of Legislative Decree No. 58 of 24 February 1998 state:
   ¶ the accuracy of the information on company operations and
   ¶ the effective application,

   of the administrative and accounting procedures for the condensed interim consolidated financial statements for the period from 1 January to 30 June 2018.

2) No significant aspects emerged concerning the above. The adequacy of the administrative and accounting procedures for the compilation of the condensed consolidated half-year financial statements at 30 June 2018 was evaluated through an Internal Control System based on the Internal Control – Integrated Framework model issued by the Committee of Sponsoring Organisations of the Treadway Commission which represents a standard framework generally accepted at international level.

3) We also declare that:

3.1) The condensed interim consolidated financial statements:

   a) are drawn up in conformity with the applicable international accounting standards endorsed by the European Union in conformity with Regulation (EC) No. 1606/2002 of the European Parliament and the Commission of 19 July 2002;
   b) correspond to the underlying accounting documents and records;
   c) provide a true and fair view of the financial position, financial performance and cash flows of the issuer and of the other companies in the consolidation scope.

3.2) The Directors' Report on operations includes a reliable analysis of the significant events in the first six months of the year and their impact on the condensed interim consolidated financial statements, with a description of the principal risks and uncertainties for the remaining six months. This Directors' Report also contains a reliable analysis of the significant transactions with related parties.

Fossalta di Portogruaro, 27 July 2018

Mr. Paolo Giacobbo
Chairman & Chief Executive Officer

Mr. Roberto Celot
Executive Officer for Financial Reporting

Independent Auditors' Report on the Condensed Interim Consolidated Financial Statements

The attached auditors' report and the related condensed interim consolidated financial statements are in accordance with the original version in the Italian language filed at the registered office of Zignago Vetro SpA and published in accordance with law and, subsequent to this date, KPMG SpA has not undertaken any further audit work.

ZIGNAGO VETRO SpA
Registered office: Fossalta di Portogruaro (VE), Via Ita Marzotto n. 8