Gruppo Zignago Vetro

Interim Financial Report at 31 March 2019

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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

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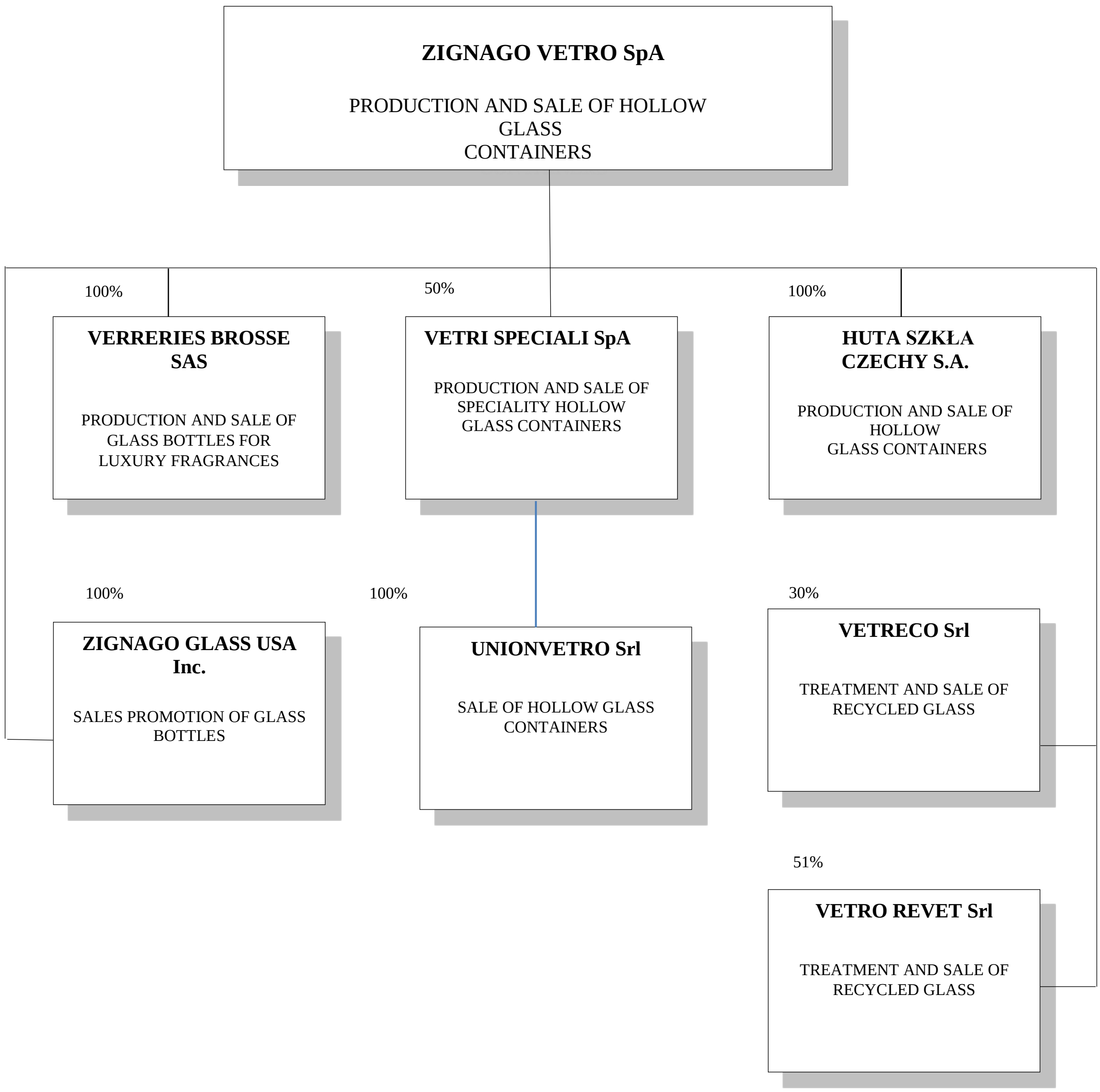
ACTIVITIES AND SHAREHOLDINGS



CORPORATE 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

Management

general manager
Roberto Cardini

chief financial officer
and investor relations manager
Roberto Celot

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 utilises 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 Interim Report for the period ended 31 March 2019 and 2018, unaudited, was prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board ("IASB") and approved by the European Union in accordance with Regulation No. 1606/2002 ("IFRS").

The Interim Report at 31 March 2019 is prepared in accordance with IAS 34 "Interim Reporting" and Article 154-ter of the CFA, following the summary form permitted under the standard. This Interim Report therefore does not include all the information published in the annual report and must be read together with the financial statements at 31 December 2018 for full and complete disclosure of the Group accounts.

In particular, the accounting principles adopted for the preparation of the Interim Report for the period ended 31 March 2019 and 2018 are the same as those utilised for the consolidated financial statements of the Zignago Vetro Group for the year ended 31 December 2018, with the exception of that reported below, and were applied consistently for all periods presented, except for the adoption of the new standards, amendments and interpretations approved by the IASB and approved for adoption in Europe and obligatory for accounting periods beginning 1 January 2019.

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 Consolidated Financial Statements to the Interim Report for the period ended 31 March 2019 and for the comparative financial statements at 31 March 2018 and the annual financial statements at 31 December 2018, 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 Balance Sheet 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.

New accounting policies and interpretations adopted by the Group from 1 January 2019

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.

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.

Effects of adoption of IFRS 16

The Group, where acting as lessee, has recorded new assets and liabilities for operating leases of structures hosting warehouses and production facilities. The nature of the costs concerning these leases shall change as the company will amortise the assets relating to the usage right and the financial charges on the leasing liabilities.

The Group applies IFRS 16 from 1 January 2019 utilising the modified retrospective method.
Therefore, the cumulative effect from the adoption of IFRS 16 is recognised as an adjustment to the opening balance of retained earnings at 1 January 2019, without restating the comparative disclosure.
On the basis of contracts in place at 31.03.2019, the effect from application of this standard was higher liabilities for leasing of Euro 4,308 thousand, higher assets for leasing of Euro 4,302 thousand, lower leasing charges of Euro 241 thousand, higher amortisation and depreciation of Euro 234 thousand and higher financial expense of Euro 13 thousand.
The Group considers that the adoption of IFRS 16 shall not affect its capacity to comply with the covenants regarding the maximum debt limit permitted under the existing loan contracts.

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 between an Investor and its Associate or Joint Venture	September 2014	Deferred until the completion of the IASB project on the equity method	Postponed ahead of the conclusion of the 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

The Interim Report at 31 March 2019 and 2018 was prepared in accordance with the Issuers' Regulation No. 11971 of 14 May 1999, as amended and supplemented.

Reference should be made to the Notes with regards to the accounting policies and consolidation principles adopted.

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:

- net financial debt is defined by the Company as the sum of current loans and borrowings, liquidity and non-current loans and borrowings. This net figure is the same as the net financial position as per CONSOB communication No. DEM/6064293 of 28 July 2006;
- value of production: 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;
- value added: 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 payroll and employee benefit costs (including those of temporary workers), plus the result of the investments in joint ventures under 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 Group's interim operating results;
- EBIT: the Company defines this as the difference between EBITDA and depreciation & amortisation of tangible assets plus provisions & write-downs, including allowance for bad debts;
- 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, grants, 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 this Interim Report, if not otherwise stated, are expressed in thousands of Euro in the financial statements and in millions of Euro in the Explanatory Notes, excepted where otherwise stated.

* * *

The Zignago Vetro Group, according to management's view, operates through five Business Units, each being a separate legal entity. Given this, information concerning the operating performance of the various operating and geographical segments (segment reporting under 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 products 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 31 March 2019 is unchanged compared to 31 December 2018 and 31 March 2018.
The companies consolidated using the line-by-line method are 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

The companies valued under the equity method are the following:

- Vetri Speciali SpA;
- Vetreco Srl.

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.

Events in the first three months of 2019

Dividends distributed.

The Shareholders' Meeting of Zignago Vetro SpA on 27 April 2018 approved the distribution of a dividend of Euro 0.32 per share, totalling Euro 28.061 million, with payment date of 16 May 2018.

Treasury shares.

On 27 April 2018, the Shareholders' Meeting 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 three months of 2019, no treasury shares were sold.

At 31 March 2019, 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 three months of 2019, no treasury shares were acquired.

Performance of the Zignago Vetro Group

The first quarter of 2019 featured generally favourable market conditions across all Group sectors.

Beverage and Food glass container demand grew across all the main market segments - both in Italy and more generally across Europe - thanks mainly to strong end consumption (particularly for the export market) and an increasing preference among users for glass packaging.

The global Perfumery markets also performed strongly, particularly in the specialised categories (mainly the luxury segment) and stemming largely from the emerging markets. For the Cosmetics market, Skincare and Make Up container demand grew, driven particularly by the emerging markets. The nail varnish container market however remains weak.

In order to better illustrate the performance, as previously stated, the figures are based on the "management view of the Group business", which provides for the proportional consolidation of joint ventures, as permitted by the accounting standards in force until 31 December 2013.

According to management's view therefore, **consolidated revenues** of the Zignago Vetro Group for the first quarter of 2019 amounted to Euro 100.6 million (+6.7% on the same period of the previous year: Euro 94.3 million).

Materials and external services, including changes in inventories and internal production of fixed assets, amounted to Euro 55.2 million compared to Euro 47.1 million in Q1 2018 (+17.2%), with a revenue percentage of 54.9% compared to 50% in the same period of the previous year.

Personnel expense amounted to Euro 23.1 million, compared to Euro 21.6 million in Q1 2018 (+6.8%). As a percentage of revenue, they remain unchanged at 22.9%.

EBITDA was Euro 26 million (Euro 25 million in Q1 2018), up 3.7% on the same period of 2018, despite the reduced contribution from white certificates and inefficiencies related to the start-up of new production lines. This is a 25.8% revenue margin, compared to 26.5% in the same period of 2018.

Consolidated EBIT amounts to Euro 14 million and is substantially unchanged on Euro 14 million for Q1 2018, with a 14% revenue margin (compared to 14.8%).

The **consolidated operating profit** in the first quarter of 2019 grew 0.8% on the same period of the previous year (Euro 14.2 million compared to Euro 14.1 million), a 14.1% margin compared 14.9%.

The **consolidated profit** was Euro 10.5 million compared to Euro 9.8 million in the same period of 2018 (+7%). This represents an unchanged margin of 10.4%. The tax rate decreased from 26.2% in the first quarter of 2018 to 24.2% in the first quarter of 2019.

The **cash flow** generated from the profit in the period and amortisation/depreciation amounted to Euro 22.1 million compared to Euro 20.2 million in the same period of the previous year (+9.4%).

The key data of the reclassified **consolidated income statement** of the Zignago Vetro Group in Q1 2019 and 2018, prepared based on management's view as described previously, are reported below.

(Euro thousands)	Q1 2019		Q1 2018		Change
	Euro thou.	%	Euro thou.	%	%
Revenues	100,610	100.0%	94,283	100.0%	6.7%
Changes in finished and semi-finished products and work in progress	2,266	2.3%	(1,385)	(1.5%)	n.a.
Internal production of fixed assets	1,378	1.4%	842	0.9%	63.7%
Value of production	104,254	103.6%	93,740	99.4%	11.2%
Cost of goods and services	(55,230)	(54.9%)	(47,130)	(50.0%)	17.2%
Value added	49,024	48.7%	46,610	49.4%	5.2%
Personnel expense	(23,056)	(22.9%)	(21,578)	(22.9%)	6.8%
EBITDA	25,968	25.8%	25,032	26.5%	3.7%
Amortisation & Depreciation	(11,597)	(11.5%)	(10,461)	(11.1%)	10.9%
Accruals to provisions	(302)	(0.3%)	(617)	(0.7%)	(51.1%)
EBIT	14,069	14.0%	13,954	14.8%	0.8%
Net recurring non-operating income	103	0.1%	105	0.1%	(1.9%)
Operating Profit	14,172	14.1%	14,059	14.9%	0.8%
Net financial expense	(565)	(0.6%)	(760)	(0.8%)	(25.7%)
Net exchange rate gains/(losses)	11	---	(497)	(0.5%)	n.a.
Profit before taxes	13,618	13.5%	12,802	13.6%	6.4%
Income taxes *(Tax-rate Q1 2019: 24.2%)* *(Tax-rate Q1 2018: 26.2%)*	(3,302)	(3.3%)	(3,357)	(3.6%)	(1.6%)
(Profit) loss non-con. int.	146		330		
Profit for the period	10,462	10.4%	9,775	10.4%	7.0%

(Euro thousands)	Q1 2019	Q1 2018	Change %
Zignago Vetro SpA	51,280	50,587	1.4%
Verreries Brosse SAS	17,829	16,218	9.9%
HSC SA	11,928	10,335	15.4%
Zignago Glass USA Inc.	95	55	72.7%
Vetri Speciali SpA	22,495	19,255	16.8%
Vetreco Srl	1,091	1,145	(4.7%)
Vetro Revet Srl	1,634	949	72.2%
Total aggregate	106,352	98,544	7.9%
Elimination inter-company revenues	(5,742)	(4,261)	34.8%
Total Consolidated	100,610	94,283	6.7%

The breakdown of **consolidated revenues** for Q1 2019 and 2018 are shown below:

Revenues breakdown by **geographic area**:

(Euro thousands)	Q1 2019	Q1 2018	Change %
Italy	61,893	62,103	(0.3%)
European Union (Italy excluded)	34,047	28,230	20.6%
Other areas	4,670	3,950	18.2%
Total	100,610	94,283	6.7%

Group revenues outside Italy amounted to Euro 41.9 million, compared to Euro 35.4 million in the first quarter of 2018 (+18.4%) and account for 41.6% of revenues (Q1 2018: 37.6%). In detail:

(Euro thousands)	Q1 2019	Q1 2018	Change %
Zignago Vetro SpA	10,586	9,282	14.0%
Verreries Brosse SAS and its subsidiary	16,398	15,327	7.0%
HSC SA	7,163	4,266	67.9%
Vetri Speciali SpA	4,570	3,305	38.3%
Total	38,717	32,180	20.3%

The **profit** in the first quarter of 2019 and 2018 was as follows:

(Euro thousands)	Q1 2019	Q1 2018	Change %
Zignago Vetro SpA	4,787	6,271	(23.7%)
Verreries Brosse SAS	1,343	414	224.4%
HSC SA	768	244	214.8%
Zignago Glass USA Inc.	(59)	(116)	(49.1%)
Vetri Speciali SpA	3,763	2,823	33.3%
Vetreco S.r.l.	207	30	590.0%
Vetro Revet S.r.l.	(297)	(674)	(55.9%)
Total aggregate	10,512	8,992	16.9%
Consolidation adjustments	(196)	453	
(Profit) loss non-con. int.	146	330	(55.8%)
Profit for the period	10,462	9,775	7.0%

The key data of the **reclassified consolidated income statement** of the Zignago Vetro Group in Q1 2019, in application of IFRS 11 and compared with the same quarter of the previous year is illustrated below.

	Q1 2019		Q1 2018		Change
	Euro thou.	%	Euro thou.	%	%
Revenues	77,287	100.0%	74,209	100.0%	4.1%
Changes in finished and semi-finished products and work in progress	1,924	2.5%	(576)	(0.8%)	n.a.
Internal production of fixed assets	1,378	1.8%	842	1.1%	n.a.
Value of production	80,589	104.3%	74,475	100.4%	8.2%
Cost of goods and services	(44,407)	(57.5%)	(38,679)	(52.1%)	14.8%
Value added	36,182	46.8%	35,796	48.2%	1.1%
Personnel expense	(17,646)	(22.8%)	(16,872)	(22.7%)	4.6%
Effect of measurement of JV using Equity method	3,970	5.1%	3,395	4.6%	16.9%
EBITDA	22,506	29.1%	22,319	30.1%	0.8%
Amortisation & Depreciation	(9,423)	(12.2%)	(8,698)	(11.7%)	8.3%
Accruals to provisions	(233)	(0.3%)	(595)	(0.8%)	(60.8%)
EBIT	12,850	16.6%	13,026	17.6%	(1.4%)
Net recurring non-operating income	10	---	24	---	(58.3%)
Operating Profit	12,860	16.6%	13,050	17.6%	(1.5%)
Net financial expense	(460)	(0.6%)	(670)	(0.9%)	(31.3%)
Net exchange rate gains/(losses)	6	---	(479)	(0.6%)	n.a.
Profit before taxes	12,406	16.1%	11,901	16.0%	4.2%
Income taxes *(Tax-rate Q1 2019: xx.x%)* *(Tax-rate Q1 2018: 20.6%)*	(2,090)	(2.7%)	(2,456)	(3.3%)	(14.9%)
Profit non-con. int.	146	0.2%	330	---	(55.8%)
Profit for the period	10,462	13.5%	9,775	13.2%	7.0%

For a better understanding of the results for Q1 2019, stated in accordance with management's view, a reconciliation is provided below of the reclassified statement of profit and loss between the version which values the investments in joint ventures at equity and the version utilising the proportional consolidation method, as adopted by the Group until 31 December 2013.

	Q1 2019 IAS/ IFRS	Proportional consolidation Vetri Speciali SpA	Vetreco Srl	Neutralisation JV with the method of the equity	Adjustment policies parent	Q1 2019 before IFRS 11 (management view)
	Euro thou.	Euro thou.	Euro thou.	Euro thou.	Euro thou.	Euro thou.
Revenues	77,287	22,495	1,091	---	(263)	100,610
Changes in finished and semi-finished products and work in progress	1,924	271	71	---	---	2,266
Internal production of fixed assets	1,378	---	---	---	---	1,378
Value of production	80,589	22,766	1,162	---	(263)	104,254
Cost of goods and services	(44,407)	(10,524)	(654)	---	355	(55,230)
Value added	36,182	12,242	508	---	92	49,024
Personnel expense	(17,646)	(5,219)	(99)	---	(92)	(23,056)
Effect of measurement of JV using Equity method	3,970	---	---	(3,970)	---	---
EBITDA	22,506	7,023	409	(3,970)	---	25,968
Amortisation & Depreciation	(9,423)	(2,095)	(79)	---	---	(11,597)
Accruals to provisions	(233)	(69)	---	---	---	(302)
EBIT	12,850	4,859	330	(3,970)	---	14,069
Net recurring non-operating income	10	93	---	---	---	103
Operating Profit	12,860	4,952	330	(3,970)	---	14,172
Net financial expense	(460)	(70)	(35)	---	---	(565)
Net exchange rate gains/(losses)	6	5	---	---	---	11
Profit/(loss) before taxes	12,406	4,887	295	(3,970)	---	13,618
Income taxes	(2,090)	(1,124)	(88)	---	---	(3,302)
(Profit) loss non-con. int.	146	---	---	---	---	146
Profit/(loss) for the period	10,462	3,763	207	(3,970)	---	10,462

The **reclassified statement of financial position** of the Zignago Vetro Group at 31 March 2019, prepared according to management's view as described previously, is presented below in condensed form and compared with 31 March and 31 December 2018:

	31.03.2019		31.03.2018		31.12.2018	
	Euro thou.	%	Euro thou.	%	Euro thou.	%
Trade receivables	95,388		89,106		81,207	
Other receivables	24,664		13,643		25,075	
Inventories	99,504		92,615		99,241	
Current non-financial payables	(102,004)		(84,177)		(92,573)	
Payables on fixed assets	(23,900)		(5,654)		(25,640)	
A) Working capital	93,652	21.5%	105,533	28.2%	87,310	20.9%
Net tangible and intangible assets	307,365		237,185		294,681	
Goodwill	43,221		42,834		43,184	
Other equity investments and non-current assets	6,594		6,387		8,169	
Non-current provisions and non-financial payables	(14,234)		(17,921)		(16,124)	
B) Net fixed capital	342,946	78.5%	268,485	71.8%	329,910	79.1%
A+B= Net capital employed	436,598	100.0%	374,018	100.0%	417,220	100.0%
Financed by:						
Current loans and borrowings	120,202		82,712		108,534	
Cash and cash equivalents	(44,271)		(67,581)		(36,253)	
Current net debt	75,931	17.4%	15,131	4.0%	72,281	17.3%
Non-current loans and borrowings	149,972	34.4%	165,808	44.3%	144,798	34.7%
C) Net financial debt	225,903	51.7%	180,939	48.4%	217,079	52.0%
Opening equity	200,132		177,470		177,497	
Dividends	---		---		(28,061)	
Other equity changes	238		5,925		5,676	
Profit for the period	10,462		9,775		45,020	
D) Closing equity	210,832	48.3%	193,170	51.6%	200,132	48.0%
E) Non-controlling interest equity	(137)		(91)		9	
D+E Group Equity	210,695		193,079		200,141	
C+D +E= Total financial debt & equity	436,598	100.0%	374,018	100.0%	417,220	100.0%

Working capital decreased at 31 March 2019 by Euro 11.9 million compared to 31 March 2018 and increased by Euro 6.3 million compared to 31 December 2018.
In comparison to 31 March 2018, trade receivables increased (+Euro 6.3 million), as did other receivables (+Euro 11 million) and inventories (+Euro 6.9 million); current non-financial payables increased (+Euro 17.8 million), as did payables on fixed assets (+Euro 18.2 million).

The **net fixed capital** at 31 March 2019 increased on 31 December 2018 (Euro 342.9 million compared to Euro 329.9 million: +3.9%), principally due to higher depreciation than investments in the period.

Zignago Vetro Group **capital expenditure** in the first quarter of 2019 totalled Euro 20 million (Euro 8.2 million in the first quarter of 2018). This related in particular to:

- Zignago Vetro SpA for Euro 16.2 million (Euro 3.7 million in the same period of 2018), mainly for new plant, machinery, and equipment and for the purchase of moulds;
- Verreries Brosse SAS for Euro 0.4 million for plant and industrial equipment, including moulds. In the first quarter of 2018, investments of Euro 0.6 million were made;
- Huta Szkła "Czechy" S.A. for Euro 1.9 million, principally for the completion of plant interventions; in the first quarter of 2018 investments of Euro 0.4 million were made;
- Vetri Speciali SpA (for its share) for Euro 1.2 million for interventions on industrial plant and equipment, including moulds and pallets (Euro 4.3 million in Q1 2018).
- Vetreco Srl, (for its share) for Euro 0.3 million (Euro 0.1 million in 2018), for the extension and improvement of plant.

Consolidated equity, inclusive of the profit for the period, amounted to Euro 210.8 million (31 December 2018: Euro 200.1 million). The increase of Euro 10.7 million is mainly due to the consolidated profit for the period (+Euro 10.5 million) and other changes (+Euro 0.2 million).

The **net financial debt** at 31 March 2019 was Euro 225.9 million, increasing Euro 8.8 million on 31 December 2018 and increasing Euro 45 million on 31 March 2018.

The cash flow movements affecting the consolidated net financial position in Q1 2019 and 2018 and in the previous full year, based on management's view, were as follows:

(Euro thousands)	March 31, 2019	March 31, 2018	December 31, 2018
Net financial debt at end of preceding period	**(217,079)**	**(195,482)**	**(195,482)**
Self-financing:			
- profit for the period	10,462	9,775	45,020
- amortisation & depreciation	11,597	10,461	39,006
- net accruals to provisions (utilisations)	(1,890)	162	(1,635)
- net gain (loss) on sale of property, plant & equipment	(104)	---	(1,704)
	20,065	20,398	80,687
(Increase) decrease in working capital	(4,602)	1,575	(282)
Investments in property, plant and equipment	(21,719)	(12,728)	(79,687)
Investments in intangible assets	(37)	---	(215)
Net decrease (increase) of other medium/long term assets	1,575	251	(2,797)
Realisable value of property, plant and equipment sold	104	9	2,576
	(24,679)	(10,893)	(80,405)
Free cash flow	**(4,614)**	**9,505**	**282**
Dividends distributed	---	---	(28,061)
Consolidation Vetro Revet	(4,302)	---	---
Sale of treasury shares	---	6,095	6,275
Unionvetro acquisition	---	(1,292)	---
Effect on equity of translation of foreign currency financial statements & other changes	92	235	(93)
	(4,210)	5,038	(21,879)
Decrease (increase) of net financial debt	**(8,824)**	**14,543**	**(21,597)**
Net financial debt at end of period	**(225,903)**	**(180,939)**	**(217,079)**

The table below shows the composition of the consolidated net financial position at 31 March 2019, compared to 31 March 2018 and 31 December 2018.

(Euro thousands)	31.03.2019	31.03.2018	31.12.2018
A Cash	17	42	24
B. Other cash equivalents	37,201	67,539	32,314
C. Securities held for trading			
D Liquidity (A) + (B) + (C)	**37,218**	**67,581**	**32,338**
E. Current financial assets	---	---	---
F. Current bank loans & borrowings	54,243	49,833	40,791
G. Current portion of non-current debt	39,752	31,933	39,752
H Other current financial payables (derivatives)	1,462	946	1,405
I. Current financial debt (F)+(G)+(H)	**95,457**	**82,712**	**81,948**
J. Net current financial debt (I)-(E)-(D)	**58,239**	**15,131**	**49,610**
K Non-current loans and borrowings	119,615	165,808	117,768
L. Bonds issued	---	---	---
M Other non-current liabilities	---	---	---
N Non-current financial debt (K)+(L)+(M)	**119,615**	**165,808**	**117,768**
O Net financial debt (J)+(N)	**177,854**	**180,939**	**167,378**

The **reclassified statement of financial position** of the Zignago Vetro Group at 31 March 2019 according to IFRS in force, including the effects of applying IFRS 11, compared to 31 March and 31 December 2018 is shown below:

	31.03.2019		31.03.2018		31.12.2018	
	Euro thou.	%	Euro thou.	%	Euro thou.	%
Trade receivables	73,673		72,474		64,903	
Other receivables	20,601		10,259		20,602	
Inventories	80,933		72,946		79,183	
Current non-financial payables	(80,890)		(67,017)		(72,748)	
Payables on fixed assets	(22,984)		(3,135)		(23,793)	
A) Working capital	71,333	18.4%	85,527	26.0%	68,147	18.5%
Net tangible and intangible assets	243,016		178,462		229,567	
Goodwill	2,731		2,747		2,694	
Equity investments measured using the equity method	78,726		72,632		74,757	
Other equity investments & non-current assets	6,035		4,328		5,645	
Non-current provisions and non-financial payables	(13,292)		(15,095)		(13,291)	
B) Net fixed capital	317,216	81.6%	243,074	74.0%	299,372	81.5%
A+B= Net capital employed	388,549	100.0%	328,601	100.0%	367,519	100.0%
Financed by:						
Current loans and borrowings	95,457		55,748		81,948	
Cash and cash equivalents	(37,218)		(63,035)		(32,338)	
Current net debt	58,239	15.0%	(7,287)	(2.2%)	49,610	13.5%
Non-current loans and borrowings	119,615	30.8%	142,809	43.5%	117,768	32.0%
C) Net financial debt	177,854	45.8%	135,522	41.2%	167,378	45.5%
Opening equity	200,132		177,470		177,497	
Dividends	---		---		(28,061)	
Other equity changes	238		5,925		5,676	
Profit for the period	10,462		9,775		45,020	
D) Closing equity	210,832	54.3%	193,170	58.8%	200,132	54.5%
E) Non-controlling interest equity	(137)	(0.0%)	(91)	n.a.	9	0.0%
D)+E) Consolidated Group equity	210,695	54.2%	193,079	58.8%	200,141	54.5%
C+D+E = Total financial debt and equity	388,549	100.0%	328,601	100.0%	367,519	100.0%

For a better understanding of the balance sheet of the Zignago Vetro Group at 31 March, 2019, stated in accordance with management’s view, a reconciliation is provided below of the version which values the investments in joint ventures at equity and the version utilising the proportional consolidation method, as adopted by the Group until 31 December, 2013.

	31.03.2019 IAS / IFRS	Proportional consolidation Vetri Speciali SpA	Proportional consolidation Vetreco Srl	Neutralisation JV with the method of the result net Value	Adjustment to policies accounting arent Company	31.03.2019 before adoption IFRS 11 (*management view*)
	Euro thou.	Euro thou.	Euro thou.	Euro thou.	Euro thou.	Euro thou.
Trade receivables	73,673	20,599	1,182	---	(66)	95,388
Other receivables	20,601	3,575	488	---	---	24,664
Inventories	80,933	18,169	402	---	---	99,504
Current non-financial payables	(80,890)	(19,951)	(1,229)	---	66	(102,004)
Payables on fixed assets	(22,984)	(671)	(245)	---	---	(23,900)
A) Working capital	71,333	21,721	598	---	---	93,652
Net tangible and intangible assets	243,016	59,688	4,661	---	---	307,365
Goodwill	2,731	40,490	---	---	---	43,221
Equity investments measured using the equity method	78,726	---	---	(78,726)	---	---
Other equity investments & non-current assets	6,035	559	---	---	---	6,594
Non-current provisions and non-financial payables	(13,292)	(918)	(24)	---	---	(14,234)
B) Net fixed capital	317,216	99,819	4,637	(78,726)	---	342,946
A+B= Net capital employed	388,549	121,540	5,235	(78,726)	---	436,598
Financed by:						
Current loans and borrowings	95,457	24,226	519	---	---	120,202
Cash and cash equivalents	(37,218)	(6,235)	(818)	---	---	(44,271)
Current net debt	58,239	17,991	(299)	---	---	75,931
Non-current loans and borrowings	119,615	25,543	4,814	---	---	149,972
C) Net financial debt	177,854	43,534	4,515	---	---	225,903
Opening equity	200,132	74,243	513	(74,756)	---	200,132
Dividends	---	---	---	---	---	---
Other equity changes	238	---	---	---	---	238
Profit/(loss) for the period	10,462	3,763	207	(3,970)	---	10,462
D) Closing equity	210,832	78,006	720	(78,726)	---	210,832
E) Non-controlling interest equity	(137)	---	---	---	---	(137)
D)+E) Consolidated Group equity	210,695	78,006	720	(78,726)	---	210,695
C+D +E= Total financial debt & equity	388,549	121,540	5,235	(78,726)	---	436,598

The Group **workforce** at 31 March 2019 numbered 2,560, compared to 2,510 at 31 March 2018 and 2,567 at 31 December 2018. The employees of Vetri Speciali SpA and Vetreco Srl have been fully included.

Research, development and advertising costs

The companies of the Group undertook research and development focused on 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, Zignago Vetro SpA avails 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 quarter of 2019, 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.

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.

Financial instruments: Group objectives & policies and description of risks

With regards to No. 6 *bis* of paragraph 3 of Article 2428 of the Civil Code, the main financial instruments used by the Zignago Vetro Group consist of trade receivables and payables, cash & cash equivalents, bank borrowings and interest rate swap contracts. The exchange risk is not currently considered significant.

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.

The Zignago Vetro SpA Group had undertaken at 31 March 2019 five interest rate swaps in order to hedge the interest rate risk on medium-long term loans undertaken by Zignago Vetro SpA. The mark to market of these derivatives at 31 March 2019 were as follows (in Euro):

Company	Bank	Underlying	Date of Signing	Notional at reference date	Expiry	Market value at 31.03.2019
Zignago Vetro SpA	UBI	Loan	18/12/2014	3,827,776	18/12/2019	(20,401)
Zignago Vetro SpA	BNL	Loan	22/12/2014	32,000,000	22/06/2021	(419,867)
Zignago Vetro SpA	Mediobanca	Loan	21/01/2015	6,994,286	31/12/2020	(55,897)
Zignago Vetro SpA	Mediobanca	Loan	31/03/2015	9,325,714	31/12/2020	(74,529)
Zignago Vetro SpA	Unicredit	Loan	27/10/2017	43,000,000	27/10/2021	(391,360)
Zignago Vetro SpA	Intesa SanPaolo	Loan	13/12/2018	40,000,000	30/12/2022	(451,793)
Zignago Vetro SpA	Credit Agricole	Loan	27/12/2018	10,000,000	29/12/2023	(141,257)
Total				145,147,776		(1,555,104)

The above-mentioned transactions were undertaken for hedging purposes and provide for the payment of a fixed interest rate against the receipt of a variable interest rate. However, these transactions do not comply with all the requirements of IFRS to qualify for hedge accounting. Therefore, the Zignago Vetro Group 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 also that most are insured. Allowance for impairment debts has in any case been made to cover against any residual credit risks. We specify that such allowance was 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.
The currency risk is currently not considered significant, as transactions are almost exclusively carried out in Euro.

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 Zignago Vetro Group remains exposed to the currency risk on the assets and liabilities in foreign currencies at year-end, which is not considered significant. A number of subsidiaries of the Zignago Vetro Group are located in countries not within the Eurozone: the United States and Poland. As the Zignago Vetro 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. Where considered appropriate, in order to neutralise the price effect, the Company undertook hedging transactions through the use of derivative financial instruments.
At 31 March 2019, Zignago Vetro SpA did not have any commodity swap contracts to hedge against fluctuations in energy factors.

The markets of the companies of the Zignago Vetro Group are not located in areas 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, it is considered, based on the strong profitability, on the Group's solid balance sheet and in spite of the current economic environment, that there are no uncertainties or risks on the going concern of the business.

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 operational results, for the overall operations and in the various sectors, in accordance with the size and complexity of the Group's business operations.

Reconciliation between the Group and Zignago Vetro SpA result and equity

The reconciliation of the equity and profit of Zignago Vetro SpA and the consolidated accounts at 31 March, 2019 are disclosed below as per Consob communication No. DEM/6064293 of 28 July 2006.

*   *   *

(Euro thousands)	2019	
	Net profit/(loss) Q1 2019	Equity 31/03/2019
Financial statements of the Parent	4,787	130,656
Consolidation adjustments:		
- interests in joint ventures measured using equity method	3,970	52,347
- reversal of inter-group dividends	---	---
- reversal of inter-company Profit	(201)	(198)
- goodwill on acquisition of HSC SA and adjustment to year-end exchange rate	---	714
- goodwill on acquisition of Vetro Revet	---	2,017
- Loan HSC	5	(171)
	3,774	**54,709**
Carrying amount of equity investments:		
Verreries Brosse SAS	---	(4,000)
Zignago Glass USA Inc.	---	(189)
HSC SA		(10,327)
Vetro Revet Srl	---	(3,030)
	---	**(17,546)**
Profit/(loss) and equity of the subsidiaries:		
Verreries Brosse SAS	1,343	21,238
Zignago Glass USA Inc.	(59)	(628)
HSC SA	768	22,545
Vetro Revet Srl	(297)	(142)
	1,755	**43,013**
Non-controlling interest equity:	**146**	**(137)**
Consolidated Financial Statements	**10,462**	**210,695**

In the following pages we review and comment upon the results of the Parent and of individual subsidiaries.

For greater clarity the operating results and balance sheets of Zignago Vetro SpA and its subsidiaries are presented according to the contribution of each of them to the Interim Financial Report at 31 March 2019. They are shown according to normal reporting practices.

THE COMPANY

Zignago Vetro SpA

In the first quarter of the year, Food and Beverage glass container demand grew, driven by strong end consumption and particularly exports, in addition to an increasing preference among users for glass packaging.

The Perfumery market also reported continued growth, particularly for the higher-quality product brackets and driven in part by the emerging markets. The Cosmetics market reported good levels of Skincare and Make up container demand, also in this case driven by the emerging markets, while nail varnish container demand remained weak.

The **reclassified income statement** of Zignago Vetro SpA for the first quarter of 2019 compared to the same period of the previous year is shown below:

	Q1 2019		Q1 2019		Changes
	Euro thou.	%	Euro thou.	%	%
Revenues	51,280	100.0%	50,587	100.0%	1.4%
Changes in finished and semi-finished products and work in progress	3,097	6.0%	1,016	2.0%	204.8%
Value of production	54,377	106.0%	51,603	102.0%	5.4%
Cost of goods and services	(31,738)	(61.9%)	(27,404)	(54.2%)	15.8%
Value added	22,639	44.1%	24,199	47.8%	(6.4%)
Personnel expense	(10,153)	(19.8%)	(9,623)	(19.0%)	5.5%
EBITDA	12,486	24.3%	14,576	28.8%	(14.3%)
Amortisation & Depreciation	(6,225)	(12.1%)	(5,399)	(10.7%)	15.3%
Accruals to provisions	(55)	(0.1%)	(483)	(1.0%)	(88.6%)
EBIT	6,206	12.1%	8,694	17.2%	(28.6%)
Recurring non-operating income	(6)	---	96	0.2%	(106.3%)
Operating Profit	6,200	12.1%	8,790	17.4%	(29.5%)
Income from investments	---	18.7%	---	---	n.s.
Net financial expense	(149)	(0.3%)	(345)	(0.7%)	n.s.
Net exchange gains/(losses)	8	---	(58)	(0.1%)	n.s.
Profit before taxes	6,059	11.8%	8,387	16.6%	(27.8%)
Income taxes *(Tax-rate Q1 2019:21.0%)* *(Tax-rate Q1 2018:25.2%)*	(1,272)	(2.5%)	(2,116)	(4.2%)	(39.9%)
Profit for the period	4,787	9.3%	6,271	12.4%	(23.7%)

Revenues in the first three months of 2019 amounted to Euro 51.3 million (+1.4% compared to Q1 2018: Euro 50.6 million). Sales of glass containers and accessories (the latter referring to Zignago Vetro SpA's services on the market) amounted to Euro 48.6 million (-0.4% on Euro 49.2 million in Q1 2018).

Exports in the quarter, as shown in the following table, increased by 14.9% on Q1 2018, representing 22.0% of revenues from containers and accessories (19.2% in 2018).

Revenues by geographic area, excluding sundry materials and services:

(Euro thousands)	Q1 2019	Q1 2018	Change %
Italy	37,509	39,028	(3.9%)
European Union (Italy excluded)	8,581	7,395	16.0%
Other areas	2,005	1,887	6.3%
Total	48,095	48,310	(0.4%)
of which export	10,586	9,282	14.0%
%	22.0%	19.2%	

The percentage of raw material and service costs on revenues, including changes in inventories, increased in the quarter from 52.2% to 55.2%.

Personnel expense rose in the first quarter of 2019 compared to the same period in 2018 by 5.5%, principally due to normal wage rises. It accounted for 19.8% of revenues compared to 19%.

EBITDA was Euro 12.8 million, contracting 11.9% on Euro 14.6 million for the same period of 2018, mainly due to the lower contribution from white certificates and inefficiencies related to the start-up of new production lines. This represented a 25.1% revenue margin (28.8% in the same period of 2018).

EBIT in Q1 2019 reduced 28.6% on Q1 2018 (Euro 6.2 million compared to Euro 8.7 million), with a revenue margin of 12.1% (17.2% in 2018).

Investments income was impacted by the absence of Vetri Speciali dividends, which were however subsequently approved on 31.03.2019.

The profit before taxes in Q1 2019 of Euro 6.1 million (Euro 8.4 million in the first quarter of 2018; -27.8%) constituted a 11.8% revenue margin and was impacted by the absence of the above-mentioned dividends.

The tax-rate was 21% for Q1 2019 (25.2% in Q1 2018) and benefitted from the tax incentives introduced on high technological content investment.

The Q1 2019 profit amounted to Euro 4.8 million, decreasing 23.7% compared to Euro 6.3 million in the first quarter of 2018, with revenue margins respectively of 9.3% and 12.4%.

The cash flow generated from profit and depreciation/amortisation in the first quarter of 2019 amounted to Euro 11 million, compared to Euro 11.7 million in Q1 2018 (+5.6%), 21.5% of revenues compared to 23.1%.

The **reclassified statement of financial position** of Zignago Vetro SpA at 31 March 2019 and 2018 and 31 December 2018 was as follows:

	31.03.2019		31.03.2018		31.12.2017	
	Euro thou.	%	Euro thou.	%	Euro thou.	%
Trade receivables	54,749		54,978		50,964	
Other receivables	15,294		5,509		14,786	
Inventories	51,063		46,722		49,337	
Current non-financial payables	(63,051)		(48,292)		(53,216)	
Payables on fixed assets	(21,586)		(2,581)		(23,357)	
A) Working capital	36,469	15.1%	56,336	29.6%	38,514	16.8%
Net tangible and intangible assets	167,836		100,637		153,697	
Equity investments	43,925		43,160		43,925	
Other equity in. & non-cur. assets	3,025		2,026		3,025	
Non-current provisions and non-financial payables	(10,423)		(11,646)		(10,421)	
B) Net fixed capital	204,363	84.9%	134,177	70.4%	190,226	83.2%
A+B= Net capital employed	240,832	100.0%	190,513	100.0%	228,740	100.0%
Financed by:						
Current loans and borrowings	74,686		34,919		62,428	
Cash and cash equivalents	(76,100)		(106,948)		(69,125)	
Current net debt	(1,414)	(0.6%)	(72,029)	(37.8%)	(6,697)	(2.9%)
Non-current loans and borrowings	111,590	46.3%	136,622	71.7%	109,568	47.9%
C) Net financial debt	110,176	45.7%	64,593	33.9%	102,871	45.0%
Opening equity	125,869		113,554		113,554	
Dividends	---		---		(28,061)	
Profit for the period	4,787		6,271		34,035	
Other changes	---		6,095		6,341	
D) Closing equity	130,656	54.3%	125,920	66.1%	125,869	55.0%
C+D = Total financial debt and Shareholders' equity	240,832	100.0%	190,513	100.0%	228,740	100.0%

Compared to 31 December 2018, working capital at 31 March decreased (-Euro 2 million), on the basis of higher inventories (+Euro 1.7 million), while trade receivables increased (+Euro 3.8 million), with payables on fixed assets decreasing (-Euro 1.8 million) and short-term non-financial payables (+Euro 9.8 million) increasing.

Working capital at 31 March 2019 reduced Euro 19.9 million on 31 March 2018 (-35.3%), principally due to higher other receivables (Euro +9.8 million), higher inventories (Euro +4.3 million) and increased current non-financial payables (Euro +14.8 million).

Net fixed capital at 31 March 2019 increased by Euro 70.2 million compared to 31 March 2018, while increasing Euro 14.1 million compared to 31 December 2018.

Net capital employed at 31 March 2019 increased by Euro 50.3 million compared to 31 March 2018 and Euro 12.1 million compared to 31 December 2018.

Equity at 31 March 2019 increased Euro 4.8 million on 31 December 2018, mainly due to the profit for the first quarter of 2019.

The net financial debt, taking account of the above-stated movements, at 31 March 2019 amounted to Euro 110.2 million, an increase of Euro 45.6 million compared to Euro 64.6 million at 31 March 2018 and increasing Euro 7.3 million compared to Euro 102.9 million at 31 December 2018.

The number of employees of the Company at 31 March 2019 was 654, broken down as follows: 13 executives, 143 white-collars and 498 blue-collars.
At 31 December 2018, employees numbered 671: 13 executives, 125 white-collars and 492 blue-collars.

Based on the available information, it would appear reasonable to forecast that demand for the coming months of the year will remain in line with that witnessed in the first quarter.

THE CONSOLIDATED SUBSIDIARIES

Verreries Brosse SAS

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

President:	Maurizio Guseo
“Board of Directors”	Maurizio Guseo - General Manager Roberto Celot Alberto Faggion Franco Grisan Nicolò Marzotto Michele Pezza Sergio Pregliasco

In the first quarter of 2019, “Luxury perfume” container demand maintained the strong levels of the previous year, with a significant recourse to flankers.
Skincare container demand was also again strong.
The Carafes market for quality spirits is stable.

The **consolidated reclassified income statement of Verreries Brosse SAS** in the first quarter of 2019 compared to the same period in the previous year is shown below:

	Q1 2019		Q1 2018		Change
	Euro thou.	%	Euro thou.	%	%
Revenues	17,829	100.0%	16,218	100.0%	9.9%
Changes in finished and semi-finished products and work in progress	364	2.0%	(879)	(5.4%)	(141.4%)
Value of production	18,193	102.0%	15,339	94.6%	18.6%
Cost of goods and services	(10,010)	(56.1%)	(8,417)	(51.9%)	18.9%
Value added	8,183	45.9%	6,922	42.7%	18.2%
Personnel expense	(4,644)	(26.0%)	(4,555)	(28.1%)	2.0%
EBITDA	3,539	19.8%	2,367	14.6%	49.5%
Amortisation & Depreciation	(1,300)	(7.3%)	(1,401)	(8.6%)	(7.2%)
Accruals to provisions	(150)	(0.8%)	(83)	(0.5%)	80.7%
EBIT	2,089	11.7%	883	5.4%	136.6%
Recurring non-operating income	---	---	(53)	(0.3%)	(100.0%)
EBIT	2,089	11.7%	830	5.1%	151.7%
Net financial expense	(70)	(0.4%)	(113)	(0.7%)	(38.1%)
Profit before taxes	2,019	11.3%	717	4.4%	181.6%
Income taxes *(Tax-rate Q1 2019: 33%)* *(Tax-rate Q1 2018: 42%)*	(676)	(3.8%)	(303)	(1.9%)	123.1%
Profit for the period	1,343	7.5%	414	2.6%	224.4%

Net consolidated revenues amounted to Euro 17.8 million, an increase of 9.9% on Q1 2018 (Euro 16.2 million).

Revenue by geographic segment

(Euro thousands)	Q1 2019	Q1 2018	change %
Italy	1,396	891	56.7%
European Union	15,862	14,853	6.8%
Other areas	571	474	20.5%
Total	17,829	16,218	9.9%

The raw material and service costs, including inventory changes, in the first three months of the year amounted to 54.1% of revenues, compared to 57.3% in the same period of 2018.

Personnel expense in Q1 2019 increased 2% on Q1 2018. They accounted for 26% of revenues compared to 28.1% in Q1 2018.

EBITDA amounted to Euro 2.4 million, increasing by Euro 1.2 million (+49.5%) compared to Euro 2.4 million in the same period of 2018, with a 19.8% revenue margin compared to 14.6%.

Q1 2019 reports an operating profit of Euro 2.1 million, compared to Euro 0.8 million in the first quarter of the previous year.

The net result in Q1 2019 was a profit of Euro 1.3 million, compared to Euro 0.4 million in Q1 2018.

The cash flow generated from the profit and amortisation/depreciation in the first three months of the year amounted to Euro 2.6 million compared to Euro 1.8 million in the same period of 2018.

The **consolidated statement of financial position** of Verreries Brosse SAS at 31 March 2019 and 2018 and 31 December 2018 are stated below:

	31.03.2019		31.03.2018		31.12.2018	
	Euro thou.	%	Euro thou.	%	Euro thou.	%
Trade receivables	13,928		12,163		8,562	
Other receivables	2,942		2,890		3,410	
Inventories	21,523		17,234		20,994	
Current non-financial payables	(13,156)		(11,960)		(11,110)	
Payables on fixed assets	(268)		(280)		(634)	
A) Working capital	24,969	60.8%	20,047	52.6%	21,222	55.4%
Net tangible and intangible assets	17,339		18,648		18,250	
Other non-current assets	434		1,101		437	
Non-current provisions and non-financial payables	(1,661)		(1,707)		(1,576)	
B) Net fixed capital	16,112	39.2%	18,042	47.4%	17,111	44.6%
A+B= Net capital employed	41,081	100.0%	38,089	100.0%	38,333	100.0%
Financed by:						
Current loans and borrowings	26,789		26,880		26,791	
Cash and cash equivalents	(9,607)		(9,623)		(11,486)	
Current net debt	17,182	41.8%	17,257	45.3%	15,305	39.9%
Non-current loans and borrowings	2,661	6.5%	4,550	11.9%	3,133	8.2%
C) Net financial debt	19,843	48.3%	21,807	57.3%	18,438	48.1%
Opening equity	19,895		15,868		15,869	
Profit for the period	1,343		414		4,026	
D) Closing equity	21,238	51.7%	16,282	42.7%	19,895	51.9%
C+D = Total financial debt and Equity	41,081	100.0%	38,089	100.0%	38,333	100.0%

Trade receivables at 31 March 2019 increased 14.5% compared to 31 March 2018 and 62.7% compared to 31 December.

Inventories at 31 March 2018 increased 24.9% compared to 31 March 2018 and 2.5% compared to 31 December.

Net fixed capital decreased at the end of first quarter of 2019 by Euro 1.9 million compared to 31 March 2018 and by Euro 1 million compared to the end of 2018.

The net financial debt at 31 March 2019 was Euro 19.8 million, a reduction of Euro 2 million on 31 March 2018 and an increase of Euro 1.4 million on 31 December 2018.

At 31 March 2019, employees numbered 280 (4 executives, 73 white-collar and 203 blue-collar employees), unchanged on 31 December 2018.

On the basis of the available information, it is expected that in the coming months of the year market conditions shall continue to remain substantially positive.

Huta Szkła "Czechy" S.A. (HSC SA)

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

Chairman:	Paolo Giacobbo
"Management Board":	Michele Pezza – 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 quarter of 2019, the global Perfume container market continued the growth reported for the preceding quarters, supported also by emerging market demand and particularly on the higher end of the market, while European demand remains stable.
For the Cosmetics market, nail varnish container demand was again weak, while positive signs emerged from the Skincare and Make up segments.
The European Beverage and Foods market continues to perform well, supported by strong consumption.

The **reclassified income statement** of HSC SA for Q1 2019 and Q1 2018 is reported below. The comments below refer to thousands of Euro.

	Q1 2019		Q1 2018		Change
	Euro thou.	%	Euro thou.	%	%
Revenues	11,928	100.0%	10,335	100.0%	15.4%
Changes in finished and semi-finished products and work in progress	(362)	(3.0%)	(103)	(1.0%)	n.a.
Internal production of fixed assets	202	1.7%	230	2.2%	(12.2%)
Value of production	11,768	98.7%	10,462	101.2%	12.5%
Cost of goods and services	(6,419)	(53.8%)	(5,589)	(54.1%)	14.9%
Value added	5,349	44.8%	4,873	47.2%	9.8%
Personnel expense	(2,382)	(20.0%)	(2,109)	(20.4%)	12.9%
EBITDA	2,967	24.9%	2,764	26.7%	7.3%
Amortisation & Depreciation	(1,762)	(14.8%)	(1,828)	(17.7%)	(3.6%)
Other accruals to provisions	(28)	(0.2%)	(29)	(0.3%)	n.a.
EBIT	1,177	9.9%	907	8.8%	29.8%
Net recurring non-operating income		---	(1)	---	n.a.
EBIT	1,177	9.9%	906	8.8%	29.9%
Net financial expense	(192)	(1.6%)	(210)	(2.0%)	(8.6%)
Net exchange rate gains/(losses)	(13)	(0.1%)	(387)	(3.7%)	n.a.
Profit before taxes	972	8.1%	309	3.0%	214.6%
Income taxes *(Tax-rate Q1 2019: 21%)* *(Tax-rate Q1 2018: 21%)*	(204)	(1.7%)	(65)	(0.6%)	213.8%
Profit for the period	768	6.4%	244	2.4%	214.8%

Revenues include, in addition to glass containers, also the contribution charged to clients for the creation of moulds for specific products and other services, particularly transport costs.

Revenue by geographic segment

(Euro thousands)	Q1 2019	Q1 2018	change %
Italy	3,275	3,808	(14.0%)
Europe	7,896	5,700	38.5%
Other countries	756	827	(8.6%)
Total	11,927	10,335	15.4%

Raw materials and service costs, including changes in inventories and internal production of fixed assets, amounted in Q1 2019 to Euro 6.6 million, compared to Euro 5.5 million in Q1 2018 (+20.5%). The percentage of revenues was 55.2% compared to 52.8%.

Personnel expense of Euro 2.4 million in the first quarter of 2018 (+12.9% on Q1 2018) reflects general labour cost movements.

EBITDA in Q1 2019 was Euro 3 million, a revenue margin of 24.9% (Euro 2.8 million in Q1 2018, revenue margin of 26.7%).

The first quarter of 2019 reports a profit of Euro 0.8 million (6.4% revenue margin), after taxes of Euro 0.1 million (Euro 0.2 million, 2.4% revenue margin in the same period of 2018, after taxes of Euro 0.1 million).

The cash flow generated from net profit and amortisation/depreciation amounted to Euro 2.5 million, comprising 21.2% of revenues (Euro 2.1 million in Q1 2018, 20% of revenues).

The **reclassified balance sheet and financial position** of HSC SA at 31 March 2019 and 2018 and 31 December 2018 was as follows (comments follow with figures in thousands of Euro):

	31.03.2018		31.03.2018		31.12.2018	
	Euro thou.	%	Euro thou.	%	Euro thou.	%
Trade receivables	7,680		6,629		6,520	
Other receivables	731		476		803	
Inventories	8,584		9,117		9,099	
Current non-financial payables	(5,717)		(5,498)		(6,471)	
Payables on fixed assets	(1,130)		(274)		(498)	
A) Working capital	10,148	16.5%	10,450	16.4%	9,453	15.6%
Net tangible and intangible assets	49,899		53,725		49,869	
Other eq. in. & non-current assets	2,474		1,133		2,077	
Non-current provisions and non-financial payables	(1,022)		(1,578)		(989)	
B) Net fixed capital	51,351	83.5%	53,280	83.6%	50,957	84.4%
A+B= Net capital employed	61,499	100.0%	63,730	100.0%	60,410	100.0%
Financed by:						
Current loans and borrowings	4,508		5,798		4,186	
Cash and cash equivalents	(3,565)		(2,192)		(3,539)	
Current net debt	943	1.5%	3,606	5.7%	647	1.1%
Non-current loans and borrowings	38,011	61.8%	40,506	63.6%	37,992	62.9%
C) Net financial debt (cash)	38,954	63.3%	44,112	69.2%	38,639	64.0%
Opening equity	21,771		19,535		19,535	
Other equity changes	6		(161)		(594)	
Profit for the period	768		244		2,830	
D) Closing equity	22,545	36.7%	19,618	30.8%	21,771	36.0%
C+D= Total Financial Debt and Equity	61,499	100.0%	63,730	100.0%	60,410	100.0%

Working capital at 31 March 2019 was Euro 0.3 million lower than 31 March 2018 (-2.9%) due to the increase in trade receivables (+Euro 1.1 million), the decrease in inventories (-Euro 0.5 million) and higher short-term non-financial payables and payables on fixed assets (+Euro 1.1 million).

Working capital at 31 March 2019 increased Euro 0.7 million (+7.4%) on 31 December 2018.

The financial position reports a net debt of Euro 39 million, compared Euro 44.1 million and Euro 38.6 million respectively at 31 March and 31 December 2018.

At 31 March 2018, employees numbered 587 (4 executives, 94 white-collar and 489 blue-collar employees). At 31 December 2018, employees numbered 582 (4 executives, 90 white-collars and 488 blue-collars).

It is forecast that market conditions permitting continued company business volume growth may again be apparent in the current year.

Vetri Speciali SpA

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

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

In the first quarter of 2019, special container demand grew, thanks to strong consumption levels in the premium wines and liquor categories, driven mainly by exports.

The **reclassified income statement** of Vetri Speciali SpA for Q1 2019 compared to the same period of the previous year, for the share pertaining to Zignago Vetro SpA (50%), is summarised below:

	Q1 2019		Q1 2018		Change
	Euro thou.	%	Euro thou.	%	%
Revenues	22,495	100.0%	19,255	100.0%	16.8%
Changes in finished and semi-finished products and work in progress	271	1.2%	(840)	(4.4%)	n.a.
Value of production	22,766	101.2%	18,415	95.6%	23.6%
Cost of goods and services	(10,524)	(46.8%)	(8,391)	(43.6%)	25.4%
Value added	12,242	54.4%	10,024	52.1%	22.1%
Personnel expense	(5,219)	(23.2%)	(4,616)	(24.0%)	13.1%
EBITDA	7,023	31.2%	5,408	28.1%	29.9%
Amortisation & Depreciation	(2,095)	(9.3%)	(1,687)	(8.8%)	24.2%
Accruals to provisions	(69)	(0.3%)	(22)	(0.1%)	213.6%
EBIT	4,859	21.6%	3,699	19.2%	31.4%
Net recurring non-operating income	93	0.4%	81	0.4%	14.8%
Operating Profit	4,952	22.0%	3,780	19.6%	31.0%
Net financial expense	(70)	(0.3%)	(55)	(0.3%)	27.3%
Net exchange rate gains/(losses)	5	---	(18)	(0.1%)	n.a.
Profit before taxes	4,887	21.7%	3,707	19.3%	31.8%
Income taxes *(Tax-rate Q1 2019: 23%)* *(Tax-rate Q1 2018: 23.8%)*	(1,124)	(5.0%)	(884)	(4.6%)	27.1%
Profit for the period	3,763	16.7%	2,823	14.7%	33.3%

The share of revenues in the first quarter of 2019 amounted to Euro 22.5 million, an increase of 16.8%
compared to the first quarter of the previous year.

Exports in Q1 2019 of Euro 4.6 million were up 34.93% on Euro 3.4 million in Q1 2018 (20.3% compared to 17.6% of revenues).

Revenues by geographic area (relative share):

(Euro thousands)	Q1 2019	Q1 2018	change %
Italy	17,917	15,861	13.0%
European Union (Italy excluded)	3,167	2,345	35.1%
Other areas	1,410	1,050	34.3%
Total	22,494	19,255	16.8%
of which export	4,577	3,394	34.9%
%	20.3%	17.6%	

Raw materials and service costs, including the changes in inventories, represent 45.6% of revenues compared to 47.9% in the first quarter 2018.

Personnel expense in the period increased overall by 13.1% compared to the same period of 2018. They accounted for 23.2% of revenues (compared to 24%).

The EBITDA of Euro 7 million in Q1 2019 grew 29.9% on Q1 2018 (Euro 5.4 million) and the revenue margin increased from 28.1% to 31.2%.

EBIT of Euro 4.9 million in the first three months of 2019 increased by Euro 1.2 million (+31.36%) on the same period of 2018, reporting a 21.6% revenue margin compared to 19.2%.

The profit in the quarter was Euro 3.8 million, compared to Euro 2.8 million in the first quarter of 2016 (+33.3%), equal to 16.7% and 14.7% of revenues respectively, net of the tax provision. The tax rate was 23% in the first quarter of 2019, compared to 23.8% in the first quarter of 2017.

The cash flow generated from the net profit and amortisation/depreciation amounted to Euro 5.9 million, increasing 29.9% on the same period of 2018 (Euro 4.5 million), comprising 26% of revenues compared to 23.4%.

The **reclassified balance sheet and financial position** of Vetri Speciali SpA at 31 March 2019 and 2018 and at 31 December 2018, for the share pertaining to Zignago Vetro SpA (50%), was as follows:

	31.03.2019		31.03.2018		31.12.2018	
	Euro thou.	%	Euro thou.	%	Euro thou.	%
Trade receivables	20,599		15,904		15,634	
Other receivables	3,576		2,552		3,784	
Inventories	18,169		19,269		19,800	
Current non-financial payables	(19,951)		(15,724)		(19,296)	
Payables on fixed assets	(671)		(2,515)		(1,151)	
A) Working capital	21,722	17.9%	19,486	17.2%	18,771	15.7%
Net tangible and intangible assets	59,688		54,427		60,649	
Goodwill	40,490		40,086		40,490	
Other equity invest. & non-current assets	558		2,052		2,517	
Non-current provisions and non-financial payables	(918)		(2,806)		(2,802)	
B) Net fixed capital	99,818	82.1%	93,759	82.8%	100,854	84.3%
A+B= Net capital employed	121,540	100.0%	113,245	100.0%	119,625	100.0%
Financed by:						
Current loans and borrowings	24,226		26,017		26,017	
Cash and cash equivalents	(6,235)		(4,092)		(2,851)	
Current net debt	17,991	14.8%	21,925	19.4%	23,166	19.4%
Non-current loans and borrowings	25,543	21.0%	19,076	16.8%	22,216	18.6%
C) Net financial debt	43,534	35.8%	41,001	36.2%	45,382	37.9%
Opening equity	74,243		69,421		69,447	
Dividends	---		---		(9,962)	
Other equity changes	---				1	
Profit for the period	3,763		2,823		14,757	
D) Closing equity	78,006	64.2%	72,244	63.8%	74,243	62.1%
C+D= Total financial debt & equity	121,540	100.0%	113,245	100.0%	119,625	100.0%

The working capital at 31 March 2019 increased on 31 March 2018 by Euro 2.2 million. The share of trade and other receivables increased by Euro 5.7 million. Inventories reduced (-Euro 1.1 million). Current non-financial payables rose Euro 4.2 million.

The share of net fixed capital at 31 March 2018 rose Euro 6.1 million compared to 31 March 2018.

The net capital employed at 31 March 2019 was Euro 121.5 million compared to Euro 113.2 million at 31 March 2018 and Euro 119.6 million at 31 December 2018.

Equity increased Euro 3.8 million on 31 December 2018.

The share of net debt at 31 March 2019 amounted to Euro 43.5 million, a decrease of Euro 1.8 million (-4.1%) on 31 December 2018 and increasing Euro 2.5 million (+6.2%) on 31 March 2018.

At 31 March 2019, personnel numbers were substantially unchanged on 31 December 2018 (774 employees, of which 9 executives, 180 white-collars and 576 blue-collars); The figures include 100% of employees.

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

For completeness the reclassified income statement and balance sheet and financial position of Vetri Speciali SpA (100% of the data) are shown below.

The **reclassified income statement** for Q1 2019 of Vetri Speciali SpA (100% of the data), compared with Q1 2017, is shown below:

	Q1 2019		Q1 2018		Change
	Euro thou.	%	Euro thou.	%	%
Revenues	44,989	100.0%	38,510	100.0%	16.8%
Changes in finished and semi-finished products and work in progress	541	1.2%	(1,679)	(4.4%)	n.a.
Value of production	45,530	101.2%	36,831	95.6%	23.6%
Cost of goods and services	(21,047)	(46.8%)	(16,781)	(43.6%)	25.4%
Value added	24,483	54.4%	20,050	52.1%	22.1%
Personnel expense	(10,438)	(23.2%)	(9,232)	(24.0%)	13.1%
EBITDA	14,045	31.2%	10,818	28.1%	29.8%
Amortisation & Depreciation	(4,190)	(9.3%)	(3,374)	(8.8%)	24.2%
Accruals to provisions	(137)	(0.3%)	(43)	(0.1%)	218.6%
EBIT	9,718	21.6%	7,401	19.2%	31.3%
Recurring non-operating income	186	0.4%	162	0.4%	n.a.
Operating Profit	9,904	22.0%	7,563	19.6%	31.0%
Net financial expense	(140)	(0.3%)	(110)	(0.3%)	27.3%
Net exchange rate gains/(losses)	9	---	(35)	(0.1%)	n.a.
Profit before taxes	9,773	21.7%	7,418	19.3%	31.7%
Income taxes	(2,249)	(5.0%)	(1,770)	(4.6%)	27.1%
(Tax-rate Q1 2019: 23%)					
(Tax-rate Q1 2018: 23.9%)					
Profit for the period	7,524	16.7%	5,648	14.7%	33.2%

The **reclassified statement of financial position** of Vetri Speciali SpA (100% of the data) at 31 March 2019 and 2018 and 31 December 2018 is summarised below:

	31.03.2019		31.03.2018		31.12.2018	
	Euro thou.	%	Euro thou.	%	Euro thou.	%
Trade receivables	41,198		31,808		31,272	
Other receivables	7,152		5,104		7,567	
Inventories	36,337		38,538		36,066	
Current non-financial payables	(35,832)		(28,810)		(35,056)	
Payables on fixed assets	(1,341)		(5,029)		(2,301)	
A) Working capital	47,514	19.5%	41,611	18.4%	37,548	15.7%
Net tangible and intangible assets	119,376		108,854		121,297	
Goodwill	80,979		80,171		80,979	
Other eq. invest. & non-current assets	1,116		4,103		5,033	
Non-current provisions and non-financial payables	(5,906)		(8,250)		(5,603)	
B) Net fixed capital	195,565	80.5%	184,878	81.6%	201,706	84.3%
A+B= Net capital employed	243,079	100.0%	226,489	100.0%	239,254	100.0%
Financed by:						
Current loans and borrowings	48,451		52,033		52,033	
Cash and cash equivalents	(12,470)		(8,183)		(5,701)	
Current net debt	35,981	14.8%	43,850	19.4%	46,332	19.4%
Non-current loans and borrowings	51,085	21.0%	38,151	16.8%	44,431	18.6%
C) Net financial debt	87,066	35.8%	82,001	36.2%	90,763	37.9%
Opening equity	148,489		138,841		138,893	
Dividends paid	---		---		(19,924)	
Other equity changes	---				2	
Profit for the period	7,524		5,647		29,520	
D) Closing equity	156,013	64.2%	144,488	63.8%	148,491	62.1%
C+D= Total financial debt & equity	243,079	100.0%	226,489	100.0%	239,254	100.0%

Vetreco Srl (*)

Registered office: Supino – Via Morolense km. 5.500
Business sector: treatment and sale of recycled glass

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

(*) The figures reported in the tables and in the comments reflect, for greater clarity, 100% of company data. Vetreco Srl is consolidated at Equity for the relative share (30%).

In the first quarter of 2019, the company reported strong operating results, increasing quantities and the further streamlining of production.

Operating performance

The **reclassified income statement** of Vetreco Srl, with 100% of data, for Q1 2019 and 2018 is reported below:

	Q1 2019		Q1 2018		Change
	Euro thou.	%	Euro thou.	%	%
Revenues	3,637	100.0%	3,816	100.0%	(4.7%)
Changes in finished and semi-products and work in progress	238	6.5%	103	2.7%	131.1%
Value added	3,875	106.5%	3,919	102.7%	(1.1%)
Cost of goods and services	(2,180)	(59.9%)	(3,096)	(81.1%)	(29.6%)
Value added	1,695	46.6%	823	21.6%	106.0%
Personnel expense	(329)	(9.0%)	(299)	(7.8%)	10.0%
EBITDA	1,366	37.6%	524	13.7%	n.a.
Amortisation & Depreciation	(262)	(7.2%)	(254)	(6.7%)	3.1%
EBIT	1,104	30.4%	270	7.1%	308.9%
Net recurring non operating income (expense)	---	---	---	---	n.a.
Operating profit	1,104	30.4%	270	7.1%	308.9%
Net financial expense	(116)	(3.2%)	(117)	(3.1%)	(0.9%)
Profit before taxes	988	27.2%	153	4.0%	545.8%
Income taxes, deferred taxes & IRAP	(293)	(8.1%)	(52)	(1.4%)	463.5%
Profit for the period	695	19.1%	101	2.6%	588.1%

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.

Deferred tax assets were provisioned, in view of future expected assessable income.

The profit for the first quarter of 2019 was Euro 0.7 million (Euro 0.1 million in the first quarter of 2018), principally due to the improved production performances.

The **reclassified statement of financial position** of Vetreco Srl (100% of the data) at 31 March 2019 and 2018 and 31 December 2018 is summarised below:

	31.03.2019		31.03.2018		31.12.2018	
	Euro thou.	%	Euro thou.	%	Euro thou.	%
Trade receivables	3,939		3,270		2,417	
Other receivables	1,625		2,773		2,301	
Inventories	1,341		1,333		861	
Current non-financial payables	(4,096)		(5,631)		(4,273)	
Payables on fixed assets	(817)		(12)		0	
A) Working capital	1,992	11.4%	1,733	10.8%	1,306	8.1%
Net tangible and intangible assets	15,542		14,322		14,876	
Other investments and non-current assets			22		22	
Non-current provisions & loans and borrowings	(78)		(66)		(94)	
B) Net fixed capital	15,464	88.6%	14,278	89.2%	14,804	91.9%
A+B= Net capital employed	17,456	100.0%	16,011	100.0%	16,110	100.0%
Financed by:						
Current loans and borrowings	1,734		3,159		1,903	
Cash and cash equivalents	(2,728)		(1,514)		(3,548)	
Current net debt	(994)		1,645		(1,645)	
Non-current loans and borrowings	16,046		13,072		16,046	
C) Net financial debt	15,052	86.2%	14,717	91.9%	14,401	89.4%
Opening equity	1,709		1,193		1,193	
Other equity changes			---			
Profit for the period	695		101		516	
D) Closing equity	2,404	13.8%	1,294	8.1%	1,709	10.6%
C+D = Total financial debt and equity	17,456	100.0%	16,011	100.0%	16,110	100.0%

The working capital at 31 March 2019 increased on 31 March 2018 by Euro 0.3 million.

The net fixed capital at 31 March 2018 of Euro 15.53 million increased 0.7% on 31 December 2018, principally due to amortisation and depreciation.

Equity amounted to Euro 2.4 million, increasing Euro 0.7 million on 31 December 2018 on the basis of the quarterly result.
At 31 March 2019, the workforce was substantially unchanged on 31 December 2018 (27 units).

It is expected that the company will continue to report good results, 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 (FR) – 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

In the first quarter of 2019, significant focus centred on improving technology and plant. Together with other operations, the initial benefits from this activity emerged in the period - also in terms of financial results (although remaining in negative territory).
Initiatives are underway to streamline plant performance and to improve the organisation of production and the procurement of raw glass, particularly in terms of quality and a consequent reduction in processing waste.

The **reclassified income statement** of Vetro Revet Srl for Q1 2019 and 2018 is reported below:

	Q1 2019		Q1 2018		Change
	Euro thou.	%	Euro thou.	%	%
Revenues	1,634	100.0%	949	100.0%	72.2%
Changes in finished and semi-products and work in progress	1	0.1%	2	0.2%	(50.0%)
Value added	1,635	100.1%	951	100.2%	71.9%
Cost of goods and services	(1,360)	(83.2%)	(1,033)	(108.9%)	31.7%
Value added	275	16.8%	(82)	(8.6%)	(435.4%)
Personnel expense	(438)	(26.8%)	(464)	(48.9%)	(5.6%)
EBITDA	(163)	(10.0%)	(546)	(57.5%)	(70.1%)
Amortisation & Depreciation	(115)	(7.0%)	(74)	(7.8%)	55.4%
EBIT	(278)	(17.0%)	(620)	(65.3%)	(55.2%)
Net recurring non operating income (charges)	16	1.0%	(18)	(1.9%)	(188.9%)
EBIT	(262)	(16.0%)	(638)	(67.2%)	(58.9%)
Net financial expense	(35)	(2.1%)	(36)	(3.8%)	(2.8%)
Profit/(loss) before taxes	(297)	(18.2%)	(674)	(71.0%)	(55.9%)
Income taxes, deferred taxes & IRAP	---	---	---	---	---
Profit/(loss) for the period	(297)	(18.2%)	(674)	(71.0%)	(55.9%)

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.

Deferred tax assets were provisioned, in view of future expected assessable income.

The loss for the first quarter of 2019 was Euro 0.3 million (loss of Euro 0.7 million in the first quarter of 2018), due to the production performances.

The **reclassified statement of financial position** of Vetro Revet Srl at 31 March 2019 and 2018 and 31 December 2018 was as follows:

	31.03.2019		31.03.2018		31.12.2018	
	Euro thou.	%	Euro thou.	%	Euro thou.	%
Trade receivables	2,157		2,013		1,559	
Other receivables	1,433		1,185		1,402	
Inventories	37		18		37	
Current non-financial payables	(3,769)		(4,527)		(3,946)	
A) Working capital	(142)	(1.7%)	(1,311)	(27.1%)	(948)	(12.7%)
Net tangible and intangible assets	8,616		6,288		8,722	
Other equity investments and non-current assets	27		27		27	
Non-current provisions and non-financial payables	(186)		(164)		(308)	
B) Net fixed capital	8,457	101.7%	6,151	127.1%	8,441	112.7%
A+B= Net capital employed	8,315	100.0%	4,840	100.0%	7,493	100.0%
Financed by:						
Current loans and borrowings	2,473		2,492		1,554	
Cash and cash equivalents	(193)		(1)		(393)	
Net current loans and borrowings	2,280		2,491		1,161	
Non-current loans and borrowings	5,572		1,794		5,572	
C) Net financial debt	7,852	94.4%	4,285	88.5%	6,733	89.9%
Opening equity	760		(271)		(271)	
Other equity changes	---		1,500		3,000	
Profit for the period	(297)		(674)		(1,969)	
D) Equity at period end	463	5.6%	555	11.5%	760	10.1%
C+D = Total financial debt & equity	8,315	100.0%	4,840	100.0%	7,493	100.0%

The working capital at 31 March 2019 increased on 31 March 2018 by Euro 1.2 million.

The net fixed capital at 31 March 2018 of Euro 8.5 million increased 0.2% on 31 December 2018, principally due to amortisation and depreciation.
Equity amounted to Euro 0.5 million, decreasing Euro 0.3 million on 31 December 2018 on the basis of the quarterly result.

At 31 March 2018 the Company workforce numbered 41, of which 19 temporary personnel. At 31 March 2018, employees numbered 43 (6 on temporary contracts).

As a result of the initiatives being rolled out, operating results are expected to gradually improve over the coming quarters.

SUBSEQUENT EVENTS

No additional significant events are reported.

OUTLOOK.

Based on the information available, demand in the sectors in which the Group operates is again in the coming months of the year expected to remain at a good level.

Fossalta di Portogruaro, 2 May 2019

For the BOARD OF DIRECTORS
The Chairman
Paolo Giacobbo

Consolidated Interim Financial Statements at 31 March 2019

Consolidated Statement of Financial Position

(Euro thousands)	31.03.2019	31.03.2018	31.12.2018
ASSETS			
Non-current assets			
Property, plant and equipment	242,845	178,160	229,391
Goodwill	2,731	2,747	2,694
Intangible assets	171	300	176
Equity-accounted Joint Ventures	78,726	72,632	74,757
Equity investments	391	392	391
Other non-current assets	1,568	783	1,175
Deferred tax assets	4,076	3,146	4,078
Total non-current assets	**330,508**	**258,160**	**312,662**
Current assets			
Inventories	80,933	72,946	79,183
Trade receivables	73,673	72,484	64,903
Other current assets	16,818	8,045	16,830
Tax Assets	3,783	4,568	3,773
Cash and cash equivalents	37,218	63,035	32,338
Total current assets	**212,425**	**221,078**	**197,027**
TOTAL ASSETS	**542,933**	**479,238**	**509,689**
EQUITY & LIABILITIES			
EQUITY			
Share capital	8,800	8,800	8,800
Reserves	39,797	37,798	41,765
Treasury shares	(1,093)	4,022	(1,093)
Retained earnings and profit for the period	152,866	143,637	105,640
Other equity items	10,462	(1,087)	45,020
TOTAL EQUITY OWNERS OF THE PARENT	**210,832**	**193,170**	**200,132**
NON-CONTROLLING INT. EQUITY	**(137)**	**(91)**	**9**
TOTAL EQUITY	**210,695**	**193,079**	**200,141**
LIABILITIES			
Non-current liabilities			
Provisions for risks and charges	4,232	4,080	4,257
Post-employment benefits	4,557	5,269	4,529
Non-current loans and borrowings	119,615	142,810	117,768
Other non-current liabilities	2,415	2,832	2,415
Deferred tax liabilities	2,088	2,254	2,090
Total non-current liabilities	**132,907**	**157,245**	**131,059**
Current liabilities			
Bank loans and borrowings current portion	95,457	55,748	81,948
Trade and other payables	77,336	50,758	72,748
Other current liabilities	21,039	19,622	19,927
Current income taxes	5,499	2,786	3,866
Total current liabilities	**199,331**	**128,914**	**178,489**
TOTAL LIABILITIES	**332,238**	**286,159**	**309,548**
TOTAL EQUITY AND LIABILITIES	**542,933**	**479,238**	**509,689**

Income Statement

(Euro thousands)	Q1 2019	Q1 2018	2018
Revenues	**77,287**	**74,209**	**289,838**
Raw material, ancillary, consumables and goods	(14,779)	(17,662)	(61,255)
Service costs	(25,807)	(20,246)	(86,604)
Personnel expense	(17,646)	(16,872)	(67,474)
Amortisation & Depreciation	(9,423)	(8,698)	(31,115)
Other operating costs	(958)	(1,428)	(8,581)
Other operating income	216	352	7,593
Measurement of interests in Joint ventures using equity method	3,970	3,395	15,454
Operating Profit	**12,860**	**13,050**	**57,856**
Financial income	37	24	240
Financial expense	(497)	(694)	(2,944)
Net exchange rate gains/(losses)	6	(479)	(1,399)
Profit before taxes	**12,406**	**11,901**	**53,753**
Income taxes	(2,090)	(2,456)	(9,698)
Profit for the period	**10,316**	**9,445**	**44,055**
Non-controlling interests profit	**46**	**330**	**965**
Group Profit	**10,362**	**9,775**	**45,020**
Attributable to			
Owners of the parent	10,316	9,445	44,055
Non-controlling interests	146	330	965
	10,462	**9,775**	**45,020**
Earnings per share:			
Basic (and diluted) earnings per share	**0.119**	**0.113**	**0.520**

Consolidated Statement of Comprehensive Income

(Euro thousands)		Data Q1 2019	Data Q1 2018	Data 2018
Profit for the period		**10,316**	**9,445**	**44,055**
Items that will subsequently be reclassified to profit or loss				
Translation difference for foreign operations		(7)	(150)	(615)
Tax effect		---	---	---
Total items that will be subsequently reclassified to profit or loss	A)	(7)	(150)	(615)
Items that will not subsequently be reclassified to profit or loss				
Actuarial gains/(losses) on defined benefit plans		---	---	46
Tax effect		---	---	(11)
Total items that will not subsequently be reclassified to profit or loss	B)	---	---	35
Other comprehensive income (expense) for the period, net of taxes	A+B)	(7)	(150)	(580)
Total comprehensive income for the period		**10,309**	**9,295**	**43,475**
Attributable to:				
Owners of the parent		10,309	9,295	44,440
Non-controlling interests		146	330	(965)
		10,455	9,625	43,475

Consolidated Statement of Cash Flows

(Euro thousands)		Q1 2019	Q1 2018	2018
CASH FLOW FROM OPERATING ACTIVITIES:				
Profit before taxes		**12,406**	**11,901**	**47,631**
Adjustments to reconcile net profit with cash flow generated from operating activities:				
Amortisation & Depreciation		9,402	8,698	31,245
Losses/(gains) on sale of property, plant & equipment		(49)	---	(346)
Accrual to allowance for impairment		233	55	59
Net changes to post-employment benefits		28	(136)	241
Net changes to other provisions		(25)	(297)	836
Financial income and exchange gains		(43)	(24)	(2,441)
Financial expenses and exchange losses		486	2,095	1,220
Income taxes paid in the period		(466)	(239)	(10,231)
Measurement of investments at Equity		(3,970)	(3,395)	(14,257)
Dividends distributed by equity-accounted joint ventures		-	-	9,157
Changes in operating assets and liabilities:				
Decrease/(increase) in trade receivables		(9,003)	(5,046)	(10,886)
Decrease/(increase) in other current assets		12	5,230	(1,044)
Decrease/(increase) in inventories		(1,750)	1,144	(3,224)
Increase/(decrease) in trade & other payables		9,693	(41)	4,887
Increase/(decrease) in other current liabilities		1,112	876	1,929
Change in other non-current assets and liabilities		(441)	62	1,037
Total adjustments and changes		**5,219**	**8,982**	**8,182**
Net Cash Flows from operating activities	**(A)**	**17,625**	**20,883**	**55,813**
CASH FLOW FROM INVESTING ACTIVITIES:				
Gross investments in intangible assets		(136)	---	(186)
Gross investments in property, plant and equipment		(18,282)	(4,252)	(57,533)
Effect adoption IFRS 16		(4,302)	---	---
Increase/(decrease) in payables for purchases of non-current assets		(5,105)	(3,720)	(6,258)
Investments (divestments) in financial investments		---	---	(1,500)
Sales price of securities		---	6,095	2,954
Sales price of property, plant and equipment		49	---	4,826
Net cash flow used in investing activities	**(B)**	**(27,776)**	**(1,877)**	**(57,697)**
CASH FLOWS FROM FINANCING ACTIVITIES:				
Interest paid in the year		(507)	(1,640)	(1,973)
Interest received in the year		43	24	753
Net increase (decrease) of short-term bank payables		13,509	(9,375)	(39,247)
Repayment of medium/long-term loans		1,847	23,079	34,577
Dividends distributed		---	---	(21,818)
Net cash flow used in financing activities	**(C)**	**14,892**	**12,088**	**(27,708)**
Change in assets and liabilities items due to translation effect	**(D)**	**(7)**	**(150)**	**994**
Net change in cash and cash equivalents	**(A+B+C+D)**	**4,734**	**30,944**	**(28,598)**
Vetro Revet cash and cash equivalents		**146**	**405**	**923**
Cash & cash equivalents at beginning of the period		**32,338**	**31,686**	**59,361**
Cash & cash equivalents at end of the period		**37,218**	**62,630**	**31,686**

Statement of changes in Equity

(Euro thousands)	Share capital	Legal reserve	Revaluation reserve	Other reserves	Translation reserve	Capital paid-in	Treasury shares	Actuarial profit/(loss) on ind. defined benefit plans	Retained earnings	Profit for the period	Total Owners of parent Equity	Total Non-controlling interest Equity	Total Consolidated Equity
31 December 2017 - restated	**8,800**	**1,760**	**27,334**	**7,945**	**(633)**	**157**	**(3,748)**	**(957)**	**97,033**	**39,806**	**177,497**	**(496)**	**177,001**
Consolidated profit	---	---	---	---	---	---	---	---	---	9,775	9,775	330	10,105
Sale of treasury shares	---	---	---	3,516	---	---	2,579	---	---	---	6,095	---	6,095
Other profits/(losses), net	---	---	---	---	(150)	---	---	---	---	---	(150)	---	(150)
Total comprehensive income (expense)	---	---	---	3,516	(150)	---	2,579	---	---	9,775	15,720	330	16,050
Allocation of result	---	---	---	---	---	---	---	---	---	---	---	---	---
Consolidation V. Revet	---	---	---	---	---	---	---	---	---	---	---	---	---
Allocation of non-controlling interests	---	---	---	---	(47)		---	---	---	---	(47)	75	28
31 March 2018	**8,800**	**1,760**	**27,334**	**11,461**	**(830)**	**157**	**(1,169)**	**(957)**	**97,033**	**49,581**	**193,170**	**(91)**	**193,079**
Consolidated profit	---	---	---	---	---	---	---	---	---	35,245	35,245	(874)	34,371
Other profits/(losses), net	---	---	---	---	(465)	---	---	35	---	---	(430)	---	(430)
Total comprehensive	---	---	---	---	(465)	---	---	35	---	35,245	34,815	(874)	33,941
Allocation of result	---	---	---	---	---	---	---	---	45,020	(45,020)	---	---	---
Sale of treasury shares	---	---	---	104	---	---	76	---	---	---	180	---	180
Distribution dividends	---	---	---	---	---	---	---	---	(28,061)	---	(28,061)	---	(28,061)
Other changes	---	---	---	(19)	47	---	---	---	---	---	28	---	28
Allocation of non-controlling interests	---	---	---	---	---		---	---	---	---	---	974	974
31 December 2018	**8,800**	**1,760**	**27,334**	**11,546**	**(1,248)**	**157**	**(1,093)**	**(922)**	**113,992**	**39,806**	**200,132**	**9**	**200,141**
Consolidated profit	---	---	---	---	---	---	---	---	---	10,462	10,462	(146)	10,316
Other profits/(losses), net of tax effect	---	---	---	---	(7)	---	---	---	---	---	(7)	---	(7)
Total comprehensive income (expense)	---	---	---	---	(7)	---	---	---	---	10,462	10,455	(146)	10,309
Allocation of result	---	---	---	---	---	---	---	---	---	---	---	---	---
Other changes	---	---	---	---	---	---	---	---	245	---	245	---	245
Allocation of non-controlling interests	---	---	---	---	---	---	---	---	---	---	---	---	---
31 March 2019	**8,800**	**1,760**	**27,334**	**11,546**	**(1,255)**	**157**	**(1,093)**	**(922)**	**114,237**	**50,268**	**210,832**	**(137)**	210,695

Notes to the
Consolidated Interim Financial Statements
at 31 March 2019

SUMMARY OF IFRS INTERNATIONAL ACCOUNTING STANDARDS ADOPTED FOR THE PREPARATION OF THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS AT 31 MARCH 2018

Zignago Vetro SpA is a limited liability company and is domiciled at Fossalta di Portogruaro via Ita Marzotto No. 8.

The publication of the Interim Report at 31 March 2019 of Zignago Vetro S.p.A. was approved by the Board of Directors on 9 May 2019.

General preparation criteria

The Interim Report as at 31 March 2019 and for the period ended at that date was presented in accordance with IAS 34 – *Interim financial reporting*, which relates to the reporting of interim financial information and data. 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 Interim Report, which was 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 2018, 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 Interim Report at 31 March 2019 consists 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.

As previously indicated, the accounting policies adopted for the preparation of the Interim Report are the same as those utilised for the consolidated financial statements of the Zignago Vetro Group for the year ended 31 December 2018, except for the adoption of new standards, amendments and interpretations approved by the IASB and approved for adoption in Europe and obligatory for accounting periods beginning 1 January 2019.

Reference should be made to that stated above for further details.

Consolidation scope and basis of consolidation

The main consolidation principles 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 consolidation at equity;
- Group investments in associates are measured using the equity method. The investment is initially recognised at cost. The carrying amount is subsequently increased or decreased to recognise the group's share of the profit or loss after the date of acquisition;
- the recognition of any non-controlling interests in equity;
- the elimination of all intragroup transactions, consisting of payables and receivables, sales and purchases, and unrealised profits and losses;
- the interim financial statements of the subsidiaries utilised for the preparation of the consolidated financial statements are those approved by the respective Board of Directors. The reporting date of the consolidated companies is the same as the parent. The interim financial statements of the investees are adjusted, where necessary, in line with the accounting principles utilised by the Parent, which are in accordance with the IFRS endorsed by the European Union.

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.

Business combinations are recognised using the purchase method. 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 recorded in the asset account "Goodwill"; if negative, it is recognised to the statement of 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 assuming non-total control,
the entire amount of goodwill generated by the acquisition is recorded considering, therefore, also the shareholding of minority interests (full goodwill method); minority interests are recorded at their overall fair value including therefore the share of goodwill. The goodwill calculation method is chosen on a case by case basis for each business combination.

In the case of business combinations undertaken in a series of phases, the previous holding is remeasured at fair value at the acquisition date and any gain or loss is recorded to the income statement. It is therefore considered in the determination of goodwill.

Any potential payment to be recognised is recorded by the acquirer at fair value at the acquisition date. The change in the fair value of the potential payment classified as an asset or liability, as a financial instrument which is subject to IAS 39 financial instruments: recognition and measurement, must be recognised in the income statement and in the other items of the statement of comprehensive income. Where the potential payment is not within the scope of IAS 39, the amount is measured in accordance with the appropriate IFRS. If the potential payment is classified in equity, the amount is not remeasured and its subsequent settlement is recorded in equity.

With regard to equity investments acquired subsequent to the acquisition of control (non-controlling interest acquisitions), any positive 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.

Goodwill deriving from the acquisition of investees is initially recorded at cost and represents the surplus of acquisition cost compared to the purchaser's share of net fair value with respect to identifiable amounts of the assets and liabilities acquired, current and potential. After initial recognition, goodwill is not amortised and is reduced for impairment loss. This is determined following an impairment test, as described below.

If the goodwill is allocated to a cash-generating unit and the entity sells part of the activities of this unit, the goodwill associated with the activity sold is included in the book value of the activity when determining the gain or loss deriving from the sale. The goodwill associated to assets sold is calculated based on the relative values of the asset sold and the part maintained by the cash generating unit.

On the first-time adoption of IFRS, the Group has chosen not to apply IFRS 3 - Business Combinations in retrospective manner for the acquisition of companies prior to 1 January 2004 - consequently, the possible goodwill generated on the acquisitions prior to the transition date to IFRS was maintained at the previous value determined in accordance with Italian GAAP, with the prior impairment testing and recording of any impairment loss.

The Companies included in the Consolidated Interim Report at 31 March 2019 are shown in the following table:

Consolidated Companies (Euro)	Registered office	Share capital (in local currency)	Percentage 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%
Equity-accounted investees:			
Vetri Speciali SpA and its subsidiary Unionvetro	Trento (TN)	10,062,400	50%
Vetreco Srl	Supino (FR)	400,000	30%

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 are translated using the exchange rate at the reporting date;
- the costs and revenues, and income and expenses, are 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, and also those generated from the translation of opening equity at an exchange rate which is 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.

The exchange rates applied are reported in the following table – those published by the Italian Exchange Office:

	2019 Exchange Rates		2018 Exchange Rates	
Currency	at 31 March	average	at 31 March	year average
USD	1.1235	1.1358	1.2321	1.1844
PLN	4.3006	4.3016	4.2106	4.2591

Earnings per share

The basic earnings per share is calculated by dividing the consolidated profit for the year attributable to the Company's shareholders by the weighted average number of ordinary shares outstanding during the year, net of treasury shares.
In order to calculate the diluted earnings per share, the average weighted number of shares outstanding is adjusted assuming the conversion of all shares with potential dilution effect. The Group's net result is also adjusted to account for the effects of conversion, net of taxes.

Use of estimates

The preparation of the interim 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 financial statements and on the disclosures relating to the assets and contingent liabilities at the reporting 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, valuations of assets, employee benefits, income taxes and other provisions and funds. Estimates and assumptions are periodically reviewed and the effect of a change in an accounting estimate is immediately recognized through the income statement.

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 107 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 145 million.

The characteristics of the derivative contracts, their notional value and the market value at 31 March 2019, are as follows (in Euro):

Company	Bank	Underlying	Date of Signing	Notional at the refrence date	Expiry	Market Value at 31.03.2019
Zignago Vetro SpA	UBI	Loan	18/12/2014	3,827,776	18/12/2019	(20,401)
Zignago Vetro SpA	BNL	Loan	22/12/2014	32,000,000	22/06/2021	(419,867)
Zignago Vetro SpA	Mediobanca	Loan	21/01/2015	6,994,286	31/12/2020	(55,897)
Zignago Vetro SpA	Mediobanca	Loan	31/03/2015	9,325,714	31/12/2020	(74,529)
Zignago Vetro SpA	Unicredit	Loan	27/10/2017	43,000,000	27/10/2021	(391,360)
Zignago Vetro SpA	Intesa SanPaolo	Loan	13/12/2018	40,000,000	30/12/2022	(451,793)
Zignago Vetro SpA	Credit Agricole	Loan	27/12/2018	10,000,000	29/12/2023	(141,257)
Totale				145,147,776		(1,555,104)

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.

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 2019, the Parent also agreed supply contracts at fixed prices, in line with its production programmes. The exposure of the Group to the risk of fluctuations in energy prices is therefore considered marginal.

* * *

Declaration of the Executive Officer

The Executive Responsible for Financial Reporting, Mr. Roberto Celot, declares in accordance with Article 154-bis, paragraph 2, of the Consolidated Finance Act, that the accounting information contained in the present Consolidated Interim Report at 31 March 2019 corresponds to the underlying accounting documents, records and entries.

ZIGNAGO VETRO SpA

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