ZIGNAGO VETRO

Interim Financial Report at 30 September 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

AT 8 NOVEMBER 2019

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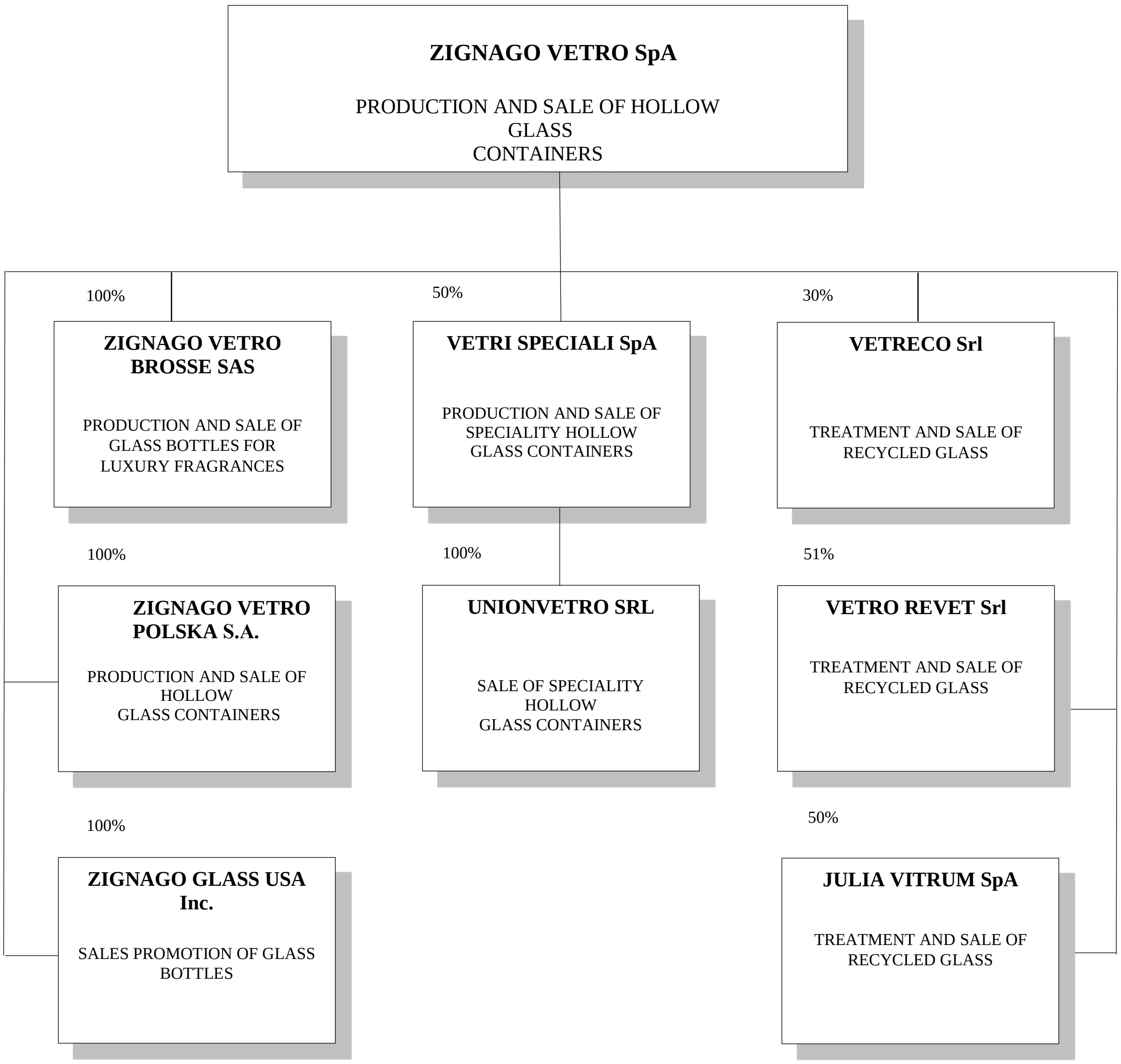

COMPANY BODIES

Board of Directors
in office for the three-year period 2019 - 2021

chairman
Paolo Giacobbo

vice chairman
Nicolò Marzotto

chief executive officer
Paolo Giacobbo

directors
Alessia Antonelli
Ferdinando Businaro
Roberto Cardini
Giorgina Gallo
Daniela Manzoni
Gaetano Marzotto
Luca Marzotto
Stefano Marzotto
Franco Moscetti
Barbara Ravera
Manuela Romei

Control and Risks Committee

Alessia Antonelli
Luca Marzotto
Giorgina Gallo

Renumeration Committee

Daniela Manzoni
Stefano Marzotto
Franco Moscetti

Committee for Transactions with Related Parties

Ferdinando Businaro
Barbara Ravera
Manuela Romei

Lead Independent Director

Franco Moscetti

Board of Statutory Auditors
in office for the three-year period 2019 - 2021

statutory auditors
Alberta Gervasio - chairman
Carlo Pesce
Andrea Manetti

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

chief financial officer
and investor relations manager
Roberto Celot

general manager for Italy
Roberto Cardini

commercial management
Biagio Costantini
Stefano Bortoli

Directors' Report

THE ZIGNAGO VETRO GROUP

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

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

* * *

The Interim Report for the period ended 30 September 2019, 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 Report at 30 September 2019 was 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 30 September 2019 are the same as those utilised for the consolidated financial statements of the Zignago Vetro Group for the year ended 31 December 2018 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 30 September 2019 and for the comparative financial statements at 30 September 2018 and the annual financial statements at 31 December 2018, the Group recognised the investments held in Vetri Speciali, Vetreco and Julia Vitrim, which are classified as joint ventures, under the equity method, instead of the proportional consolidation method.
However, in the Directors' Report to the Interim Report (and subsequent comments) the figures are based on the management view of the Group business, which provides for the proportional consolidation of the joint venture, in continuity with the accounting policies adopted until 31 December 2013. These figures however must not be considered as an alternative to those provided for by IFRS, but rather exclusively for supplementary disclosure and reflective of management's view of the business.
For this purpose, a reconciliation of the Statement of Financial Position and of the Income Statement, prepared according to IFRS in force from 1 January 2014 and those in force at 31 December 2013 in line with management's view, is provided in the Interim Report.

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

- net financial debt is defined by the Company as the sum of current loans and borrowings, cash and cash equivalents and non-current loans and borrowings, net of cash and cash equivalents and current financial assets. This net figure is the same as the net financial position as per CONSOB communication No. DEM/6064293 of 28 July 2006;

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

  Within this context, the issuer utilised a calculation model in line with its core business which included the effects deriving from the application of IFRS 11. The Company considers the results deriving from its equity investments in joint ventures as operating items and non-financial items of the Group's business, related to a clearly defined investment strategy and as such classified within the Group's first nine months 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 and other minor positive and negative items;
- Free cash flow: the Company defines this as the sum of the cash flows from operating activities and cash flows from investing activities.

The figures reported in the tables of the Interim Report are expressed for greater clarity in thousands of Euro. The comments in the Report are expressed in millions of Euro, except where otherwise specified.

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

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

Disclosure by region is not considered appropriate for the Group.

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

- Zignago Vetro SpA: this Business Unit carries out the production of glass containers for food and beverages and for cosmetics and perfumery;
- Zignago Glass USA Inc.: this Business Unit carries out the sales promotion of glass containers for food and beverages and for cosmetics and perfumery on the American continent;
- Zignago Vetro Polska 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;
- Zignago Vetro 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, spirits, vinegar and olive oil;
- Vetreco Srl, Vetro Revet Srl and Julia Vitrum SpA: these Business Units are engaged in the processing of raw glass into the finished material ready for use by glassmakers.

The consolidation scope of the Zignago Vetro Group at 30 September 2019 and at 31 December 2018 was as follows:

- Zignago Vetro SpA (parent)

The companies consolidated using the line-by-line method are as follows:
- Zignago Vetro Brosse SAS
- Zignago Vetro Polska S.A.
- Zignago Glass USA Inc.
- Vetro Revet Srl

The companies valued under the equity method are the following:
- Vetri Speciali SpA
- Vetreco Srl
- Julia Vitrum SpA

The consolidation scope at 30 September 2018 did not include Julia Vitrum SpA, acquired on 16 April 2019.

The consolidation and accounting principles, including the holdings of Zignago Vetro S.p.A. are outlined in the paragraph "IFRS accounting standards used for the preparation of the Interim Report at 30 September 2019".
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.

Significant events in the first nine months of 2019

Distribution of dividends

The Shareholders' Meeting of Zignago Vetro SpA on 2 May 2019 approved the distribution of a dividend of Euro 0.36 per share, totaling Euro 31.569 million, with payment date of 15 May 2019.

Treasury shares

On 2 May 2019, the Shareholders' Meeting of Zignago Vetro SpA revoked, for the part not executed, the resolution granted in favour of the Board of Directors to purchase and sell treasury shares, as approved by the Shareholders' Meeting of 27 April 2018 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 2 May 2019. 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 nine months of 2019, no treasury shares were acquired or sold.
At 30 September 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.

The Shareholders' Meeting of 02.05.2019 authorised the share incentive plan regarding ordinary Zignago Vetro Spa shares called the "2019-2021 stock options plan", reserved for the Chairman and/or the Chief Executive Officer of the company, in addition to the Senior executives on the Internal Executive Committee. The plan regulation and the subsequent communication to beneficiaries shall be formalised in the second half of the year.

Investments

On 16 April 2019, the company Julia Vitrum SpA was incorporated as a Joint Venture, with registered office in San Vito al Tagliamento (PN). The company processes raw glass into glass ready for production and is considered a strategic Group investment.

Performance of the Zignago Vetro Group

The markets on which the Group companies operate have generally experienced good demand levels.
Specifically, glass Beverage and Food container demand has been particularly buoyant and has seen growth on all segments, both in Italy and more widely across Europe. End-consumption growth, particularly for more export-focused finished product sectors, appears to be the main factor behind this movement, while the appreciation among consumers for glass packaging seems to have increased.
The global Perfumery markets also generally performed well, thanks mainly to emerging country demand, although the more specialised categories saw a slowdown due to supply chain stock levels. Cosmetic container demand was up, driven mainly by the emerging countries, with the exception of nail varnish containers, which remains weak, although with expectations of recovery.

* * *

Consolidated revenues of the Zignago Vetro Group for the third quarter of 2019 amounted to Euro 105.8 million (+20.0% on the same period of the previous year: Euro 88.2 million); in the first nine months of 2019 revenues amounted to Euro 315.4 million, +13.4% on the same period of 2018 (Euro 278.1 million).

Materials and external services, including changes in inventories and internal production of fixed assets, amounted in Q3 2019 to Euro 52.4 million (49.6% of revenue), +16% compared to Euro 43 million (48.8% of revenue) in Q3 2018; in the first nine months of 2019, these costs amounted to Euro 158.5 million compared to Euro 137.7 million (+15.1%), with a similar percentage on revenue of 50.2%.

The **consolidated added value** in the third quarter of 2019 increased +18% (Euro 53.3 million compared to Euro 45.2 million for the same period of the preceding year) and the added value margin decreased from 51.2% to 50.4%. In the first nine months of 2019, this indicator amounted to Euro 157 million, increasing (+11.8%) on the same period of the previous year (Euro 140.4 million). The margin remains stable at 49.8%.

Personnel expense in the third quarter of 2019 totalled Euro 21.9 million compared to Euro 20.8 million in 2018 (+5.4%), accounting for 20.7% of revenues compared to 23.6%. In 9M 2019 personnel expense totalled Euro 69.2 million compared to Euro 64.5 million (+7.3%) in the same period of the previous year, decreasing from 23.2% of revenues in 2018 to 22% in 2019. The increase in the first nine months of the current year is principally related to higher wage costs.

The **Consolidated EBITDA** in the third quarter of 2019 was Euro 31.4 million compared to Euro 24.4 million in the third quarter of 2018 (+28.8%) – a margin of 29.7% compared to 27.7% in Q3 2018. The 9M consolidated EBITDA amounted to Euro 75.8 million compared to Euro 75.8 million in the first nine months of 2018 (+15.7%). The revenue margin was 27.8% compared to 27.3% in 2018.

The **Consolidated EBIT** in the third quarter of 2019 amounted to Euro 18 million compared to Euro 13.3 million in Q3 2018 (+12%). In the first nine months of 2019, consolidated EBIT totalled Euro 48.8 million compared to Euro 42.1 million in the same period of the previous year (+15.8%). The margin increased from 15% to 17.2% in the third quarter and from 15.1% to 15.5% in the first nine months of 2018 compared to 2019.

The **consolidated operating profit** in the third quarter of 2019 increased 35.6% (Euro 18.1 million compared to Euro 13.3 million in Q3 2018), with the margin decreasing from 17.1% to 15.1%. The operating profit for the first nine months of 2019 was up 11.5% on the same period of the previous year (Euro 49 million compared to Euro 43.9 million), accounting for 15.5% of revenues (15.8% in 9M 2018).

The **consolidated profit** in the third quarter of 2019 amounted to Euro 13.2 million (12.5% of revenues) compared to Euro 11.2 million and 12.7% of revenues in the same period of the previous year (+17.7%). The profit amounted to Euro 35.6 million, increasing 14.1% on Euro 31.2 million in the first nine months of 2018, while the margin amounted to 11.3% (11.2% in the previous year). The tax-rate in the first nine months was 23.3%, compared to 25.5% in 2018.
The **cash flow** generated from the profit and amortisation/depreciation in the first nine months of the year amounted to Euro 73.7 million (23.4% of revenues) compared to Euro 63.2 million (22.7% of revenues) in the same period of the previous year.

The key data of the **reclassified consolidated income statement** of the Zignago Vetro Group in **Q3 2019**, compared to the same period in the previous year, according to management's view, as described previously, are shown below.

	Q3 2019		Q3 2018		Change
	Euro thou.	%	Euro thou.	%	%
Revenues	105,760	100.0%	88,162	100.0%	20.0%
Changes in finished and semi-finished products and work in progress	5,113	4.8%	5,297	6.0%	-3.5%
Internal production of fixed assets	144	0.1%	1,105	1.3%	-87.0%
Value of production	111,017	105.0%	94,564	107.3%	17.4%
Cost of goods and services	(57,685)	(54.5%)	(49,384)	(56.0%)	16.8%
Value added	53,332	50.4%	45,180	51.2%	18.0%
Personnel expense	(21,898)	(20.7%)	(20,781)	(23.6%)	5.4%
EBITDA	31,434	29.7%	24,399	27.7%	28.8%
Amortisation & Depreciation	(13,054)	(12.3%)	(10,977)	(12.5%)	18.9%
Accruals to provisions	(343)	(0.3%)	(155)	(0.2%)	121.3%
EBIT	18,037	17.1%	13,267	15.0%	36.0%
Net recurring non-operating income	55	0.1%	71	0.1%	-22.5%
Operating Profit	18,092	17.1%	13,338	15.1%	35.6%
Net financial expense	(460)	(0.4%)	(244)	(0.3%)	88.5%
Exchange gains/(losses)	(1,004)	(0.9%)	906	1.0%	(210.8%)
Profit before taxes	16,628	15.7%	14,000	15.9%	18.8%
Income taxes	(3,327)	(3.1%)	(3,070)	(3.5%)	8.4%
(Tax-rate Q3 2019: 20.0%)					
(Tax-rate Q3 2018: 21.6%)					
(Profit) Loss non-con. int.	(99)	n.a.	286	n.a.	n.a.
Profit for the period	13,202	12.5%	11,216	12.7%	17.7%

The key data of the **reclassified consolidated income statement** of the Zignago Vetro Group in **9M 2019**, compared to the same period in the previous year, according to management's view, as described previously, are shown below.

	9M 2019		9M 2018		Change
	Euro thou.	%	Euro thou.	%	%
Revenues	315,449	100.0%	278,074	100.0%	13.4%
Changes in finished and semi-finished products and work in progress	11,218	3.6%	2,036	0.7%	451.0%
Internal production of fixed assets	1,675	0.5%	3,359	1.2%	(50.1%)
Value of production	328,342	104.1%	283,469	101.9%	15.8%
Cost of goods and services	(171,367)	(54.3%)	(143,106)	(51.5%)	19.7%
Value added	156,975	49.8%	140,363	50.5%	11.8%
Personnel expense	(69,248)	(22.0%)	(64,526)	(23.2%)	7.3%
EBITDA	87,727	27.8%	75,837	27.3%	15.7%
Amortisation & Depreciation	(38,032)	(12.1%)	(31,920)	(11.5%)	19.1%
Accruals to provisions	(935)	(0.3%)	(1,816)	(0.7%)	(48.5%)
EBIT	48,760	15.5%	42,101	15.1%	15.8%
Net recurring non-operating income	223	(0.0%)	1,817	0.7%	(87.7%)
Operating Profit	48,983	15.5%	43,918	15.8%	11.5%
Net financial expense	(2,075)	(0.7%)	(1,979)	(0.7%)	4.9%
Net exchange rate gains/(losses)	(621)	(0.3%)	(1,116)	---	n.a.
Profit before taxes	46,287	14.7%	40,823	14.7%	13.4%
Income taxes *(Tax-rate 9M 2019: 23.3%)* *(Tax-rate 9M 2018: 25.5%)*	(10,776)	(3.4%)	(10,420)	(3.7%)	3.4%
(Profit) Loss non-con. int.	123	n.a.	833	n.a.	n.a.
Profit for the period	35,634	11.3%	31,236	11.2%	14.1%

Consolidated Revenues for Q3 2019 and 2018 were as follows:

(Euro thousands)	9M 2019	9M 2018	Change %
Zignago Vetro SpA	169,097	150,581	12.3%
Zignago Vetro Brosse SAS	45,712	45,439	0.6%
Vetri Speciali SpA	70,532	58,216	21.2%
Zignago Vetro Polska SA	37,192	30,961	20.1%
Vetro Revet Srl	5,391	3,559	n.a.
Zignago Glass USA	452	272	66.2%
Vetreco Srl	3,611	3,647	(1.0%)
Total aggregate	331,987	292,675	13.4%
Elimination of inter-company sales	(16,538)	(14,601)	13.3%
Total Consolidated	315,449	278,074	13.4%

Consolidated Revenues breakdown by **geographic segment**:

(Euro thousands)	Q3			9M		
	2019	2018	Change %	2019	2018	Change %
Italy	67,821	54,721	23.9%	202,289	174,599	15.9%
European Union (Italy excluded)	32,416	28,770	12.7%	96,686	89,024	8.6%
Other areas	5,523	4,671	18.2%	16,474	14,451	14.0%
Total	105,760	88,162	20.0%	315,449	278,074	13.4%

Group revenues outside Italy for the first nine months of 2019 amounted to Euro 113.2 million, compared to Euro 103.5 million in the first nine months of of the previous year (+9.3%) and account for 35.9% of total revenues (first nine months 2018: 37.2%).

The **consolidated profit** for the first nine months of 2019 and 2018 was as follows:

(Euro thousands)	Q3			9M		
	2019	2018	Change %	2019	2018	Change %
Zignago Vetro SpA	8,619	6,387	34.9%	27,665	28,070	(1.4%)
Zignago Vetro Brosse SAS and its subsidiary	594	899	(33.9%)	3,486	2,468	n.a.
Vetri Speciali SpA	3,807	2,778	37.0%	12,951	10,171	27.3%
Zignago Vetro Polska SA	(127)	1,300	n.a.	1,373	857	60.2%
Zignago Glass USA	35	(64)	n.a.	(72)	(254)	(71.7%)
Vetro Revet Srl	203	(584)	n.a.	(251)	(1,700)	(85.2%)
Vetreco Srl	233	233	0.0%	593	363	63.4%
Total aggregate	13,364	10,949	22.1%	45,745	39,975	14.4%
Consolidation adjustments	(162)	267	0.0%	(10,111)	(8,739)	15.7%
Profit for the period	13,202	11,216	17.7%	35,634	31,236	14.1%

The consolidation adjustments at 30 September 2019 and 2018 relate principally to the elimination of the Vetri Speciali SpA dividends (Euro 10.2 million in 2019, Euro 9.9 million in 2018).

The key data of the **reclassified consolidated income statement** of the Zignago Vetro Group in Q3 2019, based on the application of international accounting standards, and therefore IFRS 11, are illustrated below:

	Q3 2019		Q3 2018		Change
	Euro thou.	%	Euro thou.	%	%
Revenues	81,842	100.0%	70,100	100.0%	16.8%
Changes in finished and semi-finished products and work in progress	4,492	5.5%	3,205	4.6%	40.2%
Internal production of fixed assets	144	0.2%	1,105	1.6%	(87.0%)
Value of production	86,478	105.7%	74,410	106.1%	16.2%
Cost of goods and services	(46,036)	(56.2%)	(39,964)	(57.0%)	15.2%
Value added	40,442	49.4%	34,446	49.1%	17.4%
Personnel expense	(16,777)	(20.4%)	(16,106)	(23.0%)	4.2%
Equity-accounted joint ventures	4,007	4.9%	3,011	4.3%	33.1%
EBITDA	27,672	33.8%	21,351	30.5%	29.6%
Amortisation & Depreciation	(10,772)	(13.3%)	(8,702)	(12.4%)	23.8%
Accruals to provisions	(226)	(0.3%)	(255)	(0.4%)	(11.4%)
EBIT	16,674	20.4%	12,394	17.7%	34.5%
Net recurring non-operating income	(15)	0.1%	(80)	(0.1%)	n.a.
Operating Profit	16,659	20.4%	12,314	17.6%	35.3%
Net financial expense	(356)	(0.4%)	(50)	(0.1%)	612.0%
Net exchange rate gains/(losses)	(1,013)	(1.2%)	865	1.2%	n.a.
Profit before taxes	15,290	18.7%	13,129	18.7%	16.5%
Income taxes *(Tax-rate 2019: 13.0%)* *(Tax-rate 2018: 16.7%)*	(1,989)	(2.4%)	(2,199)	(3.1%)	(9.5%)
(Profit) Loss non-con. int.	(99)	(0.1%)	286	n.a.	n.a.
Profit for the period	13,202	16.1%	11,216	16.0%	17.7%

The key data of the **reclassified consolidated income statement** of the Zignago Vetro Group in 9M 2019, based on the application of international accounting standards, and therefore IFRS 11, are illustrated below:

	9M 2019		9M 2018		Change
	Euro thou.	%	Euro thou.	%	%
Revenues	242,074	100.0%	217,075	100.0%	11.5%
Changes in finished and semi-finished products and work in progress	10,995	4.5%	3,482	1.6%	215.8%
Internal production of fixed assets and contributions on investments	1,675	0.7%	3,359	1.5%	(50.1%)
Value of production	254,744	105.2%	223,916	103.2%	13.8%
Cost of goods and services	(138,122)	(57.1%)	(116,268)	(53.6%)	18.8%
Value added	116,622	48.2%	107,648	49.6%	8.3%
Personnel expense	(53,499)	(22.1%)	(50,254)	(23.2%)	6.5%
Equity-accounted joint ventures	13,490	5.6%	11,076	5.1%	21.8%
EBITDA	76,613	31.6%	68,470	31.5%	11.9%
Amortisation & Depreciation	(31,420)	(13.0%)	(26,102)	(12.0%)	20.4%
Accruals to provisions	(692)	(0.3%)	(1,675)	(0.8%)	(58.7%)
EBIT	44,501	18.4%	40,693	18.7%	9.4%
Net recurring non-operating income	(71)	---	(228)	(0.1%)	(68.9%)
Operating Profit	44,430	18.4%	40,465	18.6%	9.8%
Net financial expense	(1,729)	(0.7%)	(1,669)	(0.8%)	3.6%
Net exchange rate gains/(losses)	(632)	(0.3%)	(1,102)	(0.5%)	(42.6%)
Profit before taxes	42,069	17.4%	37,694	17.4%	11.6%
Income taxes	(6,558)	(2.7%)	(7,291)	(3.4%)	(10.1%)
(Tax-rate 9M 2019: 15.6%)					
(Tax-rate 9M 2018: 19.3%)					
(Profit) Loss non-con. int.	123	0.1%	833	n.a.	n.a.
Profit for the period	35,634	14.7%	31,236	14.4%	14.1%

For a better understanding of the results for 9M 2019, stated in accordance with management's view, a reconciliation is provided below of the reclassified income statement 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:

	9M 2019 IAS/IFRS	Proportional consolidation					9M 2019 pre-IFRS 11 (management view)
		Vetri Speciali SpA	Vetreco Srl	Julia Vitrum Spa	Adjustment to Parent principles	Neutralisation JV using the equity criteria	
	Euro thou.	Euro thou.	Euro thou.		Euro thou.	Euro thou.	Euro thou.
Revenues	242,074	70,532	3,611	---	(768)	---	315,449
Changes in finished and semi-finished products and work in progress	10,995	99	124	---	---	---	11,218
Internal production of fixed assets	1,675	---	---	---	---	---	1,675
Value of production	254,744	70,631	3,735	---	(768)	---	328,342
Cost of goods and services	(138,122)	(31,735)	(2,224)	(54)	768	---	(171,367)
Value added	116,622	38,896	1,511	(54)	---	---	156,975
Personnel expense	(53,499)	(15,426)	(323)	---		---	(69,248)
Equity-accounted joint ventures	13,490	---	---	---	---	(13,490)	---
EBITDA	76,613	23,470	1,188	(54)	---	(13,490)	87,727
Amortisation & Depreciation	(31,420)	(6,369)	(243)	---			(38,032)
Accruals to provisions	(692)	(243)	---	---	---	---	(935)
EBIT	44,501	16,858	945	(54)	---	(13,490)	48,760
Net recurring non-operating income	(71)	294	---	---			223
Operating Profit/(loss)	44,430	17,152	945	(54)	---	(13,490)	48,983
Net financial expense	(1,729)	(244)	(102)	---			(2,075)
Net exchange rate gains/(losses)	(632)	11	---	---			(621)
Profit/(loss) before taxes	42,069	16,919	843	(54)	---	(13,490)	46,287
Income taxes	(6,558)	(3,968)	(250)	---			(10,776)
Consolidated profit/(loss)	35,511	12,951	593	(54)	---	---	35,511
(Profit) Loss non-con. int.	123	---	---	---	---	---	123
Profit/(loss) for the period	35,634	12,951	593	(54)	---	---	35,634

Statement of financial position

The **reclassified consolidated statement of financial position** at 30 September and 30 June 2019 and at 31 December and 30 September 2018 of the Zignago Vetro Group, prepared according to management's view described previously, is as follows:

	30.09.2019		30.06.2019		31.12.2018		30.09.2018	
	Euro thou.	%	Euro thou.	%	Euro thou.	%	Euro thou.	%
Trade receivables	99,867		107,578		81,207		87,124	
Other receivables	18,734		19,346		25,075		13,333	
Inventories	109,909		104,641		99,241		98,768	
Current non-financial payables	(95,749)		(97,347)		(92,573)		(89,951)	
Payables on fixed assets	(6,134)		(13,010)		(25,640)		(17,027)	
A) Working capital	126,627	27.1%	121,208	26.0%	87,310	20.9%	92,247	24.2%
Net tangible and intangible assets	308,623		314,267		294,681		258,854	
Goodwill	43,208		43,230		43,184		42,784	
Other equity investments and non-current assets	4,460		4,363		8,169		6,103	
Non-current provisions and non-financial payables	(16,170)		(16,259)		(16,124)		(18,157)	
B) Net fixed capital	340,121	72.9%	345,601	74.0%	329,910	79.1%	289,584	75.8%
A+B= Net capital employed	466,748	100.0%	466,809	100.0%	417,220	100.0%	381,831	100.0%
Financed by:								
Current loans and borrowings	168,170		175,187		108,534		93,768	
Cash and cash equivalents	(39,116)		(30,886)		(36,253)		(52,062)	
Current net debt	129,054	27.6%	144,301	30.9%	72,281	17.3%	41,706	10.9%
Non-current loans and borrowings	134,023	28.7%	131,401	28.1%	144,798	34.7%	154,355	40.4%
C) Net financial debt	263,077	56.4%	275,702	59.1%	217,079	52.0%	196,061	51.3%
Opening equity	200,132		200,132		177,497		177,470	
Dividends paid in the period	(31,569)		(31,569)		(28,061)		(28,061)	
Change in translation reserve & other eq. changes	(412)		325		5,676		5,719	
Cash Flow Hedge reserve			---		---		---	
Profit for the period	35,634		22,432		45,020		31,236	
D) Group equity	203,785	43.7%	191,320	41.0%	200,132	48.0%	186,364	48.8%
E) Non-controlling interest equity	(114)	0.1%	(213)		9	0.0%	(594)	
D+E) Total Consolidated Equity	203,671		191,107		200,141		185,770	
C+D+E = Total financial debt and equity	466,748	100.0%	466,809	100.0%	417,220	100.0%	381,831	100.0%

The **working capital** increased 45% (+Euro 39.3 million) compared to 31 December 2018 and rose 4.5% (+Euro 5.4 million) compared to 30 June 2019.

Trade receivables increased 23% (+Euro 18.7 million) compared to 31 December 2018 and reduced 7.2% (-Euro 7.7 million) compared to 30 June 2019. Inventories increased on the end of 2018 by Euro 10.7 million and by Euro 5.3 million on 30 June 2019. Current non-financial payables increased Euro 3.2 million compared to 31 December 2018 and decreased by Euro 1.6 million compared to 30 June 2019.
Payables on fixed assets reduced 76.1% (-Euro 19.5 million) compared to 31 December 2018 and 52.9% (-Euro 6.9 million) on 30 June 2019.

Net fixed capital at 30 September 2019 increased compared to 31 December 2018 by Euro 10.2 million. **Tangible and intangible asset investment** by the Zignago Vetro Group in the first nine months of 2019 amounted to approx. Euro 47 million. In the same period of the previous year, it amounted to approx. Euro 53 million.
Investments in the first nine months of 2019 and 2018 concerned in particular:

- Zignago Vetro SpA for Euro 28.8 million (Euro 34.2 million in the same period of 2018) mainly for the construction of new production lines, in addition to other industrial plant, machinery, and equipment, including moulds;
- Zignago Vetro Brosse SAS for Euro 1.3 million (Euro 2.3 million in the first nine months of 2018) principally for plant and industrial equipment replacement, including moulds;
- Zignago Vetro Polska SA for Euro 8 million for plant and equipment (Euro 1.6 million in 9M 2018), including moulds;
- Vetreco Srl, for its share, for Euro 0.5 million (Euro 0.1 million in the first nine months of 2018) concerning scheduled investment.
- Vetri Speciali SpA, for its share, for Euro 7.6 million (Euro 12 million in the first nine months of 2018) for plant and equipment, including moulds and buildings;
- Vetro Revet Srl for its share of Euro 0.8 million concerning the modernisation of the existing production plant.

Consolidated equity, including the net result for the first nine months of the year, amounted at 30 September 2019 to Euro 203.7 million compared to Euro 200.1 million at 31 December 2018 (+1.8%) and Euro 191.1 million at 30 June 2019 (+6.6%). The increase on 31 December 2018 of Euro 3.5 million is due to a consolidated profit for the period (Euro +35.6 million) greater than the dividend distributed (-Euro 28.1 million) and the change in the translation reserve and the treasury shares reserve (+Euro 5.7 million).

The Zignago Vetro Group **workforce** at 30 September 2019 numbered 2,602 compared to 2,346 at the same period of the previous year. At 30 June 2019 there were 2,601 employees, while at 31 December 2018 employees numbered 2,497. The employees of Vetri Speciali SpA and of Vetreco Srl have been fully incorporated.

The composition of Group personnel at 30 September 2019 is shown in the table below:

Composition	Executives	White-collars	Blue-collars
Workforce	33	553	2,016
Average age	52	52	42
Years worked	12	16	14

The net financial debt, again according to management's view as outlined in the introduction, at 30 September 2019 was Euro 263.1 million, increasing Euro 46 million (+21.2%) on Euro 217.1 million at 31 December 2018 and reducing Euro 6.9 million (-2.5%) on 30 June 2019.

The cash flow movements affecting the consolidated net financial position in the third quarter and in the first nine months of the year compared with the same periods in the previous year were as follows:

	30 September 2019	31 December 2018	30 September 2018
	(Euro thousands)	(Euro thousands)	(Euro thousands)
Net debt at 1 January	**(217,079)**	**(195,482)**	**(195,482)**
Self-financing:			
- profit for the period	35,634	45,020	31,236
- amortisation & depreciation	38,032	39,006	31,920
- net change in provisions	46	(3,339)	398
	73,712	**80,687**	**63,554**
Changes in working capital	(19,811)	(282)	3,393
Net investments	(71,504)	(77,326)	(44,329)
Net Decrease (increase) of other medium/long term assets	3,709	(2,797)	535
	(87,606)	**(80,405)**	**(40,401)**
Free cash flow	**(13,894)**	**282**	**23,153**
Distribution of dividends	(31,569)	(28,061)	(28,061)
Acquisition of equity investments	---	---	(1,292)
Sale of treasury shares	---	6,275	6,275
Effect on equity of currency conversion of financial statements in foreign currencies and other changes	(535)	(93)	(654)
	(32,104)	(21,879)	(23,732)
Increase of net debt	**(45,998)**	**(21,597)**	**(579)**
Net debt at end of period	**(263,077)**	**(217,079)**	**(196,061)**

Reconciliation between the Group and Parent result and equity

The reconciliation between the net result for the first nine months of 2019 and the equity at 30 September 2019 of the Parent and the consolidated result are summarised below:

(Euro thousands)	Net result 9M 2019	Equity at 30.09.2019
Financial statements of the Parent	27,665	121,965
Consolidation adjustments:		
- interests in joint ventures measured using equity method	13,490	51,044
- reversal of inter-group dividends	(10,213)	---
- reversal of inter-company Profit	24	(205)
- goodwill on acquisition of HSC SA and adjustment to year-end exchange rate	---	723
- goodwill on acquisition of Vetro Revet	---	2,017
- IFRS 16	(7)	(7)
- Loan ZV Polska	16	(176)
	3,310	**53,396**
Carrying amount of equity investments:		
Zignago Vetro Brosse SAS	---	(4,000)
Zignago Glass USA Inc.	---	(189)
Zignago Vetro Polska SA	---	(10,327)
Vetro Revet Srl	---	(3,030)
	---	**(17,546)**
Profit/(loss) and equity of the subsidiaries:		
Zignago Vetro Brosse SAS	3,486	23,381
Zignago Glass USA Inc.	(72)	(661)
Zignago Vetro Polska SA	1,373	22,741
Vetro Revet Srl	(251)	509
	4,536	**45,970**
(Profit) loss non-con. int.	**123**	**(114)**
Consolidated Financial Statements	**35,634**	**203,671**

The **reclassified statement of financial position** of the Zignago Vetro Group at 30 September 2019, according to IFRS in force at 30 September 2019, including the effects from IFRS 11, as from 1 January 2014, compared with 30 June 2019 and 31 December and 30 September 2018, is reported below:

	30.09.2019		30.06.2019		31.12.2018		30.09.2018	
	Euro thou.	%	Euro thou.	%	Euro thou.	%	Euro thou.	%
Trade receivables	81,654		84,036		64,903		72,245	
Other receivables	15,392		23,396		20,602		12,196	
Inventories	88,857		84,907		79,183		79,435	
Current non-financial payables	(73,832)		(81,391)		(72,748)		(72,481)	
Payables on fixed assets	(5,425)		(12,022)		(23,793)		(15,639)	
A) Working capital	106,646	25.3%	98,926	23.9%	68,147	18.5%	75,756	22.7%
Net tangible and intangible assets	241,955		247,358		229,567		196,294	
Goodwill	2,718		2,740		2,694		2,698	
Equity investments measured using the equity method	78,533		74,526		74,757		70,351	
Other equity invest. & non-current assets	3,790		3,718		5,645		4,052	
Non-current provisions and non-financial payables	(12,931)		(13,231)		(13,291)		(15,399)	
B) Net fixed capital	314,065	74.7%	315,111	76.1%	299,372	81.5%	257,996	77.3%
A+B= Net capital employed	420,711	100.0%	414,037	100.0%	367,519	100.0%	333,752	100.0%
Financed by:								
Current loans and borrowings	141,144		145,815		81,948		68,419	
Cash and cash equivalents	(31,954)		(26,718)		(32,338)		(45,938)	
Current net debt	109,190	26.0%	119,097	28.8%	49,610	13.5%	22,481	6.7%
Non-current loans and borrowings	107,850	25.6%	103,833	25.1%	117,768	32.0%	125,501	37.6%
C) Net financial debt	217,040	51.6%	222,930	53.8%	167,378	45.5%	147,982	44.3%
Opening equity	200,132		200,132		177,497		177,470	
Dividends	(31,569)		(31,569)		(28,061)		(28,061)	
Other equity changes	(412)		325		5,676		5,719	
Cash Flow Hedge reserve			---		---			
Profit for the period	35,634		22,432		45,020		31,236	
D) Closing equity	203,785	48.4%	191,320	46.2%	200,132	54.5%	186,364	55.8%
E) Non-controlling interest equity	(114)	0.1%	(213)	(0.1%)	9	0.0%	(594)	
C+D+E = Total financial debt Non-controlling interest equity Financial debt & equity	420,711	100.0%	414,037	100.0%	367,519	100.0%	333,752	100.0%

For a better understanding of the statement of financial position at 30 September 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.

		Proportional consolidation					
	30.09.2019 IAS/IFRS	Vetri Speciali SpA	Vetreco Srl	Julia Vitrum Spa	Adjustment to Parent principles	Neutralisation JV using the equity criteria	30.09.2019 pre-IFRS 11 (management view)
	Euro thou.	Euro thou.	Euro thou.		Euro thou.	Euro thou.	Euro thou.
Trade receivables	81,654	16,468	1,813	---	(68)	---	99,867
Other receivables	15,392	2,429	718	195	---	---	18,734
Inventories	88,857	20,530	522	---	---	---	109,909
Current non-financial payables	(73,832)	(20,029)	(1,867)	(21)	---	---	(95,749)
Payables on fixed assets	(5,425)	(699)	(10)	---	---	---	(6,134)
A) Working capital	106,646	18,699	1,176	174	(68)	---	126,627
Net tangible and intangible assets	241,955	61,949	4,720	---	---	---	308,623
Goodwill	2,718	40,490	---	---	---	---	43,208
Equity investments measured using the equity method	78,533	---	---	---	---	(78,533)	---
Other equity investments & non-current assets	3,790	600	---	---	---	---	4,390
Non-current provisions and non-financial payables	(12,931)	(3,213)	(25)	---	68	---	(16,100)
B) Net fixed capital	314,065	99,826	4,695	---	68	(78,533)	340,121
A+B= Net capital employed	420,711	118,525	5,871	174	---	(78,533)	466,748
Financed by:							
Current loans and borrowings	141,144	26,548	478	---			168,170
Cash and cash equivalents	(31,954)	(6,570)	(320)	(272)	---		(39,116)
Current net debt	109,190	19,978	158	(272)	---	---	129,054
Non-current loans and borrowings	107,850	21,566	4,607	---			134,023
C) Net financial debt	217,040	41,544	4,765	(272)	---	---	263,077
Opening equity	200,132	74,243	513	---	---	(74,756)	200,132
Dividends	(31,569)	(10,213)	---	---	---	10,213	(31,569)
Other equity changes	(412)	---	---	500	---	(500)	(412)
Profit for the period	35,634	12,951	593	(54)	---	(13,490)	35,634
E) Closing equity	203,785	76,981	1,106	446	---	(78,533)	203,785
C+D+E = Total financial debt							
Non-controlling interest equity	(114)	---	---	---	---	---	(114)
financial debt & equity	420,711	118,525	5,871	174	---	(78,533)	466,748

* * *

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, including the research for and introduction of inter-connecting production systems which permit the improved exchange of information between all production units and businesses in general.
The Parent also carried out research and development for the design and introduction of new information management systems, including improvements to the process IT set up, in order to create more efficient and effective operating instruments.
Therefore, the Company availed of the tax credit under Law 190/2014, establishing this amount according to the methodologies communicated in the Tax Agency Circular.

Environmental information

In the first nine months of 2019, the commitment of the companies of the Zignago Vetro Group continued in the protection of the environment with the continual improvement of the policies of territorial protection and management of environmental issues with actions aimed to reduce atmospheric emissions and energy consumption in the utilisation of natural resources and the optimisation of the production cycle, while remaining continually attentive to new and future technology developed internationally.

Risks related to personnel, safety and management

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

Personal data security and protection

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

Financial instruments: Group objectives & policies and description of risks

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

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

The Zignago Vetro SpA Group had undertaken at 30 September 2019, 8 interest rate swaps in order to hedge the interest rate risk on medium-long term loans undertaken by the parent company Zignago Vetro SpA. The mark-to-market of these derivatives at 30 September 2019 were as follows (in Euro):

Company	Bank	Underlying	Date of Signing	Notional at reporting date	Maturity	Market value at 30.09.2019
Zignago Vetro SpA	Unicredit	Loan	27/10/2017	38,000,000	27/10/2021	(393,186)
Zignago Vetro SpA	Mediobanca	Loan	21/01/2015	5,528,571	31/12/2020	(42,373)
Zignago Vetro SpA	Mediobanca	Loan	31/03/2015	7,371,429	31/12/2020	(56,497)
Zignago Vetro SpA	Banco Brescia	Loan	18/12/2014	1,920,419	18/12/2019	(6,918)
Zignago Vetro SpA	BNL	Loan	29/01/2018	28,000,000	29/01/2023	(443,403)
Zignago Vetro SpA	Intesa SanPaolo	Loan	13/12/2018	35,714,286	30/12/2022	(589,201)
Zignago Vetro SpA	Credit Agricole	Loan	12/11/2018	10,000,000	31/02/2023	(223,538)
Zignago Vetro SpA	Banco BPM	Loan	02/09/2019	7,000,000	30/09/2024	---
Total				133,534,705		(1,755,115)

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

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

In relation to the currency risk we report that the Group did not subscribe to any currency hedging instruments and, in accordance with the Group policy up to the present moment, derivative financial instruments are not undertaken for trading purposes. Therefore the 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 Group subsidiaries are located in countries not within the Eurozone: the United States and Poland. As the Group's functional currency is the Euro, the income statements of these companies are translated into Euro at the average exchange rate and, on like-for-like basis for revenues and profit in the local currency, changes in the exchange rate may impact the value in Euro of revenues, costs and profit (loss).

Zignago Vetro SpA is exposed to fluctuations in some commodity prices, in particular those relating to energy factors, such as fuel, utilised in the production process. In order to neutralise the price effect, as these fluctuations may significantly impact production costs, the Company assesses hedging operations through the use of derivative financial instruments.
At 30 September 2019, Zignago Vetro did not have any fuel hedging derivative contracts.

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

* * *

Pursuant to the Bank of Italy/ Consob /Isvap document No. 2 of 6 February 2009 and IAS 1.25-26, it is considered, based on the strong profitability, 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 results of operations, overall and in the various sectors, in accordance with the size and complexity of the Group's business operations.

For greater clarity, the operating results and statements of financial position of the parent and subsidiaries are presented according to the contribution of each of them to the Consolidated Interim Financial Report at 30 September 2019.

THE COMPANY

Zignago Vetro SpA

Food and Beverage glass container demand strengthened during the year and appears balanced with supply. It is particularly supported by consumption levels in the more finished product export focused sectors. The market and general opinion reflects increasing interest in glass packaging. This is a key factor going forward in view of the greater sensitivity among filling companies.

The Perfumery container market grew, with a slowdown for the higher quality product category, conditioned by distribution chain stock levels. The Cosmetics market reported good levels of Skincare demand, driven in particular by emerging country demand, while the Make up sector remains stable. Nail varnish container demand continues to be weak, while signs of recovery are however evident.

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

	Q3 2019		Q3 2018		Change
	Euro thou.	%	Euro thou.	%	%
Revenues	59,197	100.0%	49,212	100.0%	20.3%
Changes in finished and semi-finished products and work in progress	4,814	8.1%	1,660	3.4%	190.0%
Internal production of fixed assets and contributions on investments	---	---	912	1.9%	(100.0%)
Value of production	64,011	108.1%	51,784	105.2%	23.6%
Cost of goods and services	(36,041)	(60.9%)	(28,979)	(58.9%)	24.4%
Value added	27,970	47.2%	22,805	46.3%	22.6%
Personnel expense	(9,871)	(16.7%)	(9,491)	(19.3%)	4.0%
EBITDA	18,099	30.6%	13,314	27.1%	35.9%
Amortisation & Depreciation	(7,617)	(12.9%)	(5,399)	(11.0%)	41.1%
Accruals to provisions	(55)	(0.1%)	(139)	(0.3%)	(60.4%)
EBIT	10,427	17.6%	7,776	15.8%	34.1%
Net recurring non-operating income	75	0.1%	23	---	226.1%
Operating Profit	10,502	17.7%	7,799	15.8%	34.7%
Net financial expense	(70)	(0.1%)	264	0.5%	(126.5%)
Net exchange rate gains/(losses)	44	0.1%	5	---	780.0%
Profit before taxes	10,476	17.7%	8,068	16.4%	29.8%
Income taxes *(Tax-rate 9M 2019: 17.7%)* *(Tax-rate 9M 2018: 20.8%)*	(1,857)	(3.1%)	(1,681)	(3.4%)	10.5%
Profit for the period	8,619	14.6%	6,387	13.0%	34.9%

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

	9M 2019		9M 2018		Change
	Euro thou.	%	Euro thou.	%	%
Revenues	169,097	100.0%	150,581	100.0%	12.3%
Changes in finished and semi-finished products and work in progress	9,524	5.6%	1,947	1.3%	389.2%
Internal production of fixed assets and contributions on investments	1,176	0.7%	2,734	1.8%	(57.0%)
Value of production	179,797	106.3%	155,262	103.1%	15.8%
Cost of goods and services	(103,842)	(61.4%)	(83,590)	(55.5%)	24.2%
Value added	75,955	44.9%	71,672	47.6%	6.0%
Personnel expense	(31,263)	(18.5%)	(29,259)	(19.4%)	6.8%
EBITDA	44,692	26.4%	42,413	28.2%	5.4%
Amortisation & Depreciation	(21,723)	(12.8%)	(16,197)	(10.8%)	34.1%
Accruals to provisions	(165)	(0.1%)	(1,322)	(0.9%)	(87.5%)
EBIT	22,804	13.5%	24,894	16.5%	(8.4%)
Net recurring non-operating income	96	0.1%	(26)	---	(469.2%)
Operating Profit	22,900	13.5%	24,868	16.5%	(7.9%)
Investment income	10,213	6.0%	9,962	6.6%	2.5%
Net financial expense	(848)	(0.5%)	(695)	(0.5%)	22.0%
Net exchange rate gains/(losses)	40	---	(118)	(0.1%)	(133.9%)
Profit before taxes	32,305	19.1%	34,017	22.6%	(5.0%)
Income taxes	(4,640)	(2.7%)	(5,947)	(3.9%)	(22.0%)
(Tax-rate 9M 2019: 14.4%)				---	
(Tax-rate 9M 2018: 17.5%)					
Profit for the period	27,665	16.4%	28,070	18.6%	(1.4%)

In the third quarter revenues amounted to Euro 59.2 million, increasing 20.3% on the same period of 2018 (Euro 49.2 million).
Revenues in the first nine months of 2019 amounted to Euro 169.1 million compared to Euro 150.6 million in the same period of the previous year (+12.3%).

Revenues by geographic segment:

(Euro thousands)	Q3			9M		
	2019	2018	Change %	2019	2018	Change %
Italy	47,569	38,080	24.9%	132,542	118,029	12.3%
European Union (Italy excluded)	9,700	9,593	1.1%	30,019	27,111	10.7%
Other areas	1,928	1,539	25.3%	6,536	5,441	20.1%
Total	59,197	49,212	20.3%	169,097	150,581	12.3%
of which export	11,628	11,132	4.5%	36,555	32,552	12.3%
%	*19.6%*	*22.6%*		*21.6%*	*21.6%*	

In the first nine months of the year, exports increased 12.3% on the same period of 2018, accounting for 21.6% of revenues (unchanged on 2018). In the third quarter of 2019, exports increased by 4.5% on Q3 2018 and accounted for 19.6% of revenues (22.1% in Q3 2018).

Material costs and external services, including changes in inventories and internal production of fixed assets, increased in the first nine months of 2019 on the same period of 2018 from Euro 78.9 million to Euro 93.1 million (+18%). These costs as a percentage of revenues were 55.1% (52.4% in 9M 2018). In Q3 2019, these costs rose on the same period of 2018, from Euro 26.4 million to Euro 31.2 million (+18.3%), while remaining unchanged as a percentage of revenues at 52.8%.

Personnel expense in the first nine months of the year increased compared to the same period of 2018 by 6.8%.

They accounted for 18.5% of revenues compared to 19.4%. In the third quarter of 2019, personnel expense rose 4% and accounted for 16.7% of revenues (compared to 19.3%).

EBITDA in the first nine months of the year amounted to Euro 44.7 million compared to Euro 42.4 million in 2018 (+5.4%) with a revenue margin of 26.4% compared to 28.2% in the first nine months of 2018. In Q3 2019 EBITDA increased 35.9% (from Euro 13.3 million to Euro 18.1 million), while the revenue margin increased from 27.1% to 30.5%.

EBIT in the first nine months of 2019 totalled Euro 22.8 million, reducing 8.4% compared to Euro 24.9 million in the same period of the previous year. The EBIT margin decreased from 16.5% in the first nine months of 2018 to 13.5% in the first nine months of 2019. The increase in Q3 2019 on the same period of 2018 was 34.1% (from Euro 7.8 million to Euro 10.4 million), with a revenue margin increasing from 15.8% to 17.6%.

Investment income in the first nine months of the year amounted to Euro 10.2 million and concerns Vetri Speciali SpA dividends (Euro 9.9 million in 2018: +3%).

The profit before taxes for the first nine months of 2019 was Euro 32.3 million, decreasing 5% on Euro 34 million at 30 September 2018. The margin increased to 19.1% from 22.6%. In the third quarter 2019, the profit before taxes grew by 29.8% (from Euro 8.1 million to Euro 10.5 million), with a profit margin of 17.7% (16.4% in 2018).

In the third quarter 2019, the profit totalled Euro 8.6 million, an increase of 34.9% on the third quarter of 2018 (Euro 6.4 million), with a 14.6% margin (13% in 2018). The profit for the first nine months was Euro 27.7 million compared to Euro 28.1 million in the first nine months of 2018 (-1.4%) after income taxes respectively of Euro 4.6 million and Euro 5.9 million. The tax-rate for the first nine months of 2019 was 14.4% compared to 17.5% in the first nine months of 2018.

Cash flow generated from profits and amortisation/depreciation for the nine months ended 30 September 2019 amounted to Euro 49.4 million (Euro 44.3 million in the same period of 2018), increasing 11.6%. Cash flow as a percentage of revenues was respectively 29.2% and 29.4%. In the third quarter cash flow amounted to Euro 16.2 million compared to Euro 11.8 million in 2018 (+37.8%).

The **reclassified statement of financial position** of Zignago Vetro SpA at 30 September and 30 June 2019 and 31 December and 30 September 2018 was as follows:

	30.09.2019		30.06.2019		31.12.2018		30.09.2018	
	Euro thou.	%	Euro thou.	%	Euro thou.	%	Euro thou.	%
Trade receivables	64,427		66,716		50,964		55,339	
Other receivables	11,317		13,480		14,786		6,158	
Inventories	58,418		53,564		49,337		50,873	
Current non-financial payables	(59,114)		(58,549)		(53,216)		(52,544)	
Payables on fixed assets	(4,675)		(9,563)		(23,357)		(13,655)	
A) Working capital	70,373	25.9%	65,648	24.4%	38,514	16.8%	46,171	23.1%
Net tangible and intangible assets	164,440		166,954		153,697		120,280	
Equity investments	44,425		44,425		43,925		43,160	
Non-consolidated investments and other non-current assets	1,981		1,987		3,025		2,177	
Non-current provisions and non-financial payables	(9,833)		(10,108)		(10,421)		(12,099)	
B) Net fixed capital	201,013	74.1%	203,258	75.6%	190,226	83.2%	153,518	76.9%
A+B= Net capital employed	271,386	100.0%	268,906	100.0%	228,740	100.0%	199,689	100.0%
Financed by:								
Current loans and borrowings	119,989		124,825		62,428		49,512	
Cash and cash equiv. & fin. receivables	(70,650)		(64,562)		(69,125)		(85,775)	
Current net debt	49,339	18.2%	60,263	22.4%	(6,697)	(2.9%)	(36,263)	(18.2%)
Non-current loans and borrowings	100,082	36.9%	95,297	35.4%	109,568	47.9%	116,114	58.1%
C) Net financial debt	149,421	55.1%	155,560	57.8%	102,871	45.0%	79,851	40.0%
Opening equity	125,869		125,869		113,554		113,554	
Dividends	(31,569)		(31,569)		(28,061)		(28,061)	
Profit for the period	27,665		19,046		34,035		28,070	
Other changes			---		6,341		6,275	
D) Closing equity	121,965	44.9%	113,346	42.2%	125,869	55.0%	119,838	60.0%
C+D = Total financial debt and equity	271,386	100.0%	268,906	100.0%	228,740	100.0%	199,689	100.0%

The working capital in the first nine months of 2019 increased on 31 December 2018 by Euro 31.9 million (+82.79%) and in Q3 2019 increased by Euro 4.7 million (+7.2%). Trade receivables increased compared to the end of 2018 by Euro 2.7 million, while other receivables decreased Euro 3.5 million; compared to 30 June 2019 respectively reducing Euro 2.3 million and Euro 2.2 million. Inventories increased Euro 9.1 million (+18.4%) compared to 31 December 2018, while increasing Euro 4.9 million compared to 30 June 2019 (+9.1%).
Current non-financial payables increased Euro 5.9 million compared to 31 December 2018 and Euro 0.6 million on 30 June 2019; payables on fixed assets reduced Euro 18.7 million on 31 December 2018 and Euro 4.9 million on 30 June 2019.

The net fixed capital at 30 September 2019 increased compared to 31 December 2018 Euro 10.8 million, principally concerning capital expenditure (Euro 28.8 million) greater than depreciation provisioned in the same period (Euro 21.7 million).

The decrease in equity at 30 September 2019 compared to 31 December 2018 (-Euro 3.9 million) reflects the profit in the period, in line with the dividend distributed and the benefit from the sale of treasury shares.

Due to that outlined above, the net debt at 30 September 2019 amounted to Euro 149.4 million, Euro 46.6 million higher than 31 December 2018 (+45.3%) and Euro 2.5 million lower than 30 June 2019 (-3.9%).

At 30 September 2019, there were 696 employees (at 31 December 2018 and 30 September 2018 respectively 671 and 661 employees).

Based on the available information, the full year results are expected to be substantially in line with those reported to date.

THE CONSOLIDATED SUBSIDIARIES

Zignago Vetro Brosse SAS

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

Chairman and General Manager	Maurizio Guseo
"Comité de Direction"	Roberto Celot
	Alberto Faggion
	Paolo Giacobbo
	Franco Grisan
	Nicolò Marzotto
	Michele Pezza
	Sergio Pregliasco

In the third quarter, "Luxury perfume" demand appeared to slow, mainly due to the build up of stock on the distribution chain, in addition to the uncertainties generated by the customs duty policies of certain countries. The sell-out however remains positive.
The Carafes market for quality spirits is stable.

The Zignago Vetro Brosse **reclassified consolidated income statement** for **Q3 2019** compared to the same period of the previous year is shown below:

	Q3 2019		Q3 2018		Change
	Euro thou.	%	Euro thou.	%	%
Revenues	13,192	100.0%	13,756	100.0%	(4.1%)
Changes in finished and semi-finished products and work in progress	(313)	(2.4%)	(879)	(6.4%)	n.a.
Value of production	12,879	97.6%	12,877	93.6%	0.0%
Cost of goods and services	(7,129)	(54.0%)	(6,042)	(52.9%)	18.0%
Value added	5,750	43.6%	6,835	49.7%	(15.9%)
Personnel expense	(3,746)	(28.4%)	(4,219)	(30.7%)	(11.2%)
EBITDA	2,004	15.2%	2,616	19.0%	n.a.
Amortisation & Depreciation	(944)	(7.2%)	(1,411)	(10.3%)	(33.1%)
Accruals to provisions	(150)	(1.1%)	(88)	(0.6%)	n.a.
EBIT	910	6.9%	1,117	8.1%	n.a.
Net non-recurring charges	(5)	---	17	0.1%	n.a.
Operating Profit	905	6.9%	1,134	(4.0%)	n.a.
Net financial expense	(62)	(0.5%)	(109)	(0.8%)	(43.1%)
Net exchange rate gains/(losses)	6	---	54	0.4%	n.a.
Profit before taxes	849	6.4%	1,079	7.8%	n.a.
Income taxes	(255)	(1.9%)	(180)	(1.3%)	n.a.
Profit for the period	594	4.5%	899	6.5%	n.a.

The Zignago Vetro Brosse **reclassified consolidated income statement** for **9M 2019** compared to the same period of the previous year is shown below:

	9M 2019		9M 2018		Change
	Euro thou.	%	Euro thou.	%	%
Revenues	45,712	100.0%	45,439	100.0%	0.6%
Changes in finished and semi-finished products and work in progress	2,082	4.6%	1,078	2.4%	n.a.
Value of production	47,794	104.6%	46,517	102.4%	2.7%
Cost of goods and services	(25,496)	(55.8%)	(24,984)	(55.0%)	2.0%
Value added	22,298	48.8%	21,533	47.4%	3.6%
Personnel expense	(13,001)	(28.4%)	(13,356)	(29.4%)	(2.7%)
EBITDA	9,297	20.3%	8,177	18.0%	13.7%
Amortisation & Depreciation	(3,550)	(7.8%)	(4,253)	(9.4%)	(16.5%)
Accruals to provisions	(450)	(1.0%)	(268)	(0.6%)	67.9%
EBIT	5,297	11.6%	3,656	8.0%	n.a.
Net non-recurring charges	(14)	---	(30)	(0.1%)	n.a.
Operating Profit	5,283	11.6%	3,626	8.0%	n.a.
Net financial expense	(190)	(0.4%)	(217)	(0.5%)	(12.4%)
Net exchange rate gains/(losses)	17	---	20	---	n.a.
Profit before taxes	5,110	11.2%	3,429	7.5%	n.a.
Income taxes	(1,624)	(3.6%)	(961)	(2.1%)	n.a.
Profit for the period	3,486	7.6%	2,468	5.4%	n.a.

Revenues by geographic segment:

(Euro thousands)	Q3			9M		
	2019	2018	Change %	2019	2018	Change %
Italy	950	167	468.9%	3,598	1,692	112.6%
European Union	11,414	12,636	(9.7%)	39,621	41,031	(3.4%)
Other areas	828	953	(13.1%)	2,493	2,716	(8.2%)
Total	13,192	13,756	(4.1%)	45,712	45,439	0.6%

In the first nine months of 2019, revenues amounted to Euro 45.7 million, growth of 0.6% on the same period of 2018 (Euro 45.4 million). The reduction in the third quarter was 4.1%.

Material costs and external services, including the changes in inventories, in the first nine months of 2019 accounted for 51.2% of revenues compared to 52.6% in the same period of 2018. In the third quarter these costs accounted for 56.4% compared to 50.3% in 2018.

Personnel expense in the first nine months of 2019 decreased 2.7% compared to the same period of 2018. This amounted to 28.4% of revenues from 29.4%. In the third quarter of the year, this cost decreased on Q3 2018 (-11.2%), from Euro 4.2 million to Euro 3.7 million.

The EBITDA in the first nine months of the year amounted to Euro 9.3 million (Euro 8.2 million in the same period of 2018); the revenue margin increased from 18% to 20.3%. In the third quarter of 2019 the EBITDA margin was 15.2% compared to 19%.

The pre-tax profit in 9M 2019 was Euro 5.1 million, increasing on Euro 3.4 million in the same period of 2018.

The cash flow generated from profit and amortisation/depreciation in the first nine months of the year amounted to Euro 7 million, compared to Euro 6.7 million in the same period of 2018.

The **reclassified statement of financial position** of Zignago Vetro Brosse at 30 September and 30 June 2019 and 31 December and 30 September 2018 was as follows:

	30.09.2019		30.06.2019		31.12.2018		30.09.2018	
	Euro thou.	%	Euro thou.	%	Euro thou.	%	Euro thou.	%
Trade receivables	11,331		11,347		8,562		10,928	
Other receivables	1,166		1,984		3,410		2,913	
Inventories	22,525		23,210		20,994		19,657	
Current non-financial payables	(8,959)		(10,512)		(11,110)		(10,711)	
Payables on fixed assets	(102)		(227)		(634)		(559)	
A) Working capital	25,961	64.1%	25,802	62.8%	21,222	55.4%	22,228	57.6%
Net intangible and tangible assets	16,006		16,663		18,250		17,533	
Equity investments and other non-current assets	428		422		437		727	
Non-current provisions and non-financial payables	(1,898)		(1,772)		(1,576)		(1,870)	
B) Net fixed capital	14,536	35.9%	15,313	37.2%	17,111	44.6%	16,390	42.4%
A+B= Net capital employed	40,497	100.0%	41,115	100.0%	38,333	100.0%	38,618	100.0%
Financed by:								
Current loans and borrowings	25,891		26,289		26,791		26,787	
Cash and cash equivalents	(10,390)		(10,150)		(11,486)		(10,109)	
Current net debt	15,501		16,139		15,305		16,678	
Non-current loans and borrowings	1,615		2,189		3,133		3,603	
C) Net financial debt	17,116	42.3%	18,328	44.6%	18,438	48.1%	20,281	52.5%
Opening equity	19,895		19,895		15,869		15,869	
Profit for the period	3,486		2,892		4,026		2,468	
D) Closing equity	23,381	57.7%	22,787	55.4%	19,895	51.9%	18,337	47.5%
C+D = Total financial debt and equity	40,497	100.0%	41,115	100.0%	38,333	100.0%	38,618	100.0%

The working capital at 30 September 2019 increased 4.7% compared to 31 December 2018 (+22.3%) and rose Euro 0.2 million compared to 30 June 2019 (+0.6%).

Trade receivables at 30 September 2019 of Euro 11.3 million increased Euro 2.8 million on 31 December 2018 (+32.3%) and were unchanged on 30 June 2019.

Inventories of Euro 22.5 million increased Euro 1.5 million compared to 31 December 2018 (+7.3%), while decreasing Euro 0.7 million (-3.0%) compared to 30 June 2019.

Net fixed capital at 30 September 2019 decreased by Euro 2.6 million compared to the end of 2018 (-15%), due principally to amortisation and depreciation in the period (Euro 3.5 million) being higher than investments (Euro 1.3 million).

The net financial debt at 30 September 2019, due to the reported movements, totalled Euro 17.1 million compared to Euro 18.4 million (-7.2%) at 31 December 2018 and Euro 18.3 million (-6.6%) at 30 June 2018.

At 30 September 2019, there were 349 employees (at 30 June, 31 December and 30 September 2018 respectively 349, 363 and 283 employees).

On the basis of the available information, it is expected that over the final months of the current year the market conditions evident in Q3 shall continue.

Zignago Vetro Polska S.A.

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 Sergio Pregliasco
"Supervisory Board":	Paolo Nicolai - chairman Stefano Perosa Carlo Pesce

During the period, the Perfumery container global market saw demand grow further, particularly in the emerging countries, while European demand remained stable. Positive signs were in addition evident on the Skincare and Make up segments. Nail varnish container demand however remains weak.
The European Beverage and Foods market continues to perform well, supported by strong consumption.

The Zignago Vetro Polska SA **reclassified income statement** for **Q3 2019** compared to the same period of the previous year is shown below:

	Q3 2019		Q3 2018		Change
	Euro thou.	%	Euro thou.	%	%
Revenues	13,187	100.0%	10,397	100.0%	26.8%
Changes in finished and semi-finished products and work in progress	(31)	(0.2%)	290	2.8%	(110.7%)
Internal production of fixed assets	144	1.1%	193	1.9%	(25.4%)
Value of production	13,300	100.9%	10,880	104.6%	22.2%
Cost of goods and services	(7,442)	(56.4%)	(5,831)	(56.1%)	27.6%
Value added	5,858	44.4%	5,049	48.6%	16.0%
Personnel expense	(2,631)	(20.0%)	(2,168)	(20.9%)	21.4%
EBITDA	3,227	24.5%	2,881	27.7%	12.0%
Amortisation & depreciation	(2,007)	(15.2%)	(1,774)	(17.1%)	13.1%
Accruals to provisions	(21)	(0.2%)	(28)	(0.3%)	(25.0%)
EBIT	1,199	9.1%	1,079	10.4%	11.1%
Net recurring non-operating income	(94)	(0.7%)	(70)	(0.7%)	34.3%
Operating Profit	1,105	8.4%	1,009	9.7%	9.5%
Net financial expense	(200)	(1.5%)	(209)	(2.0%)	(4.3%)
Net exchange rate gains/(losses)	(1,063)	(8.1%)	846	8.1%	n.a.
Profit/(loss) before taxes	(158)	(1.2%)	1,646	15.8%	n.a.
Income taxes	31	0.2%	(346)	(3.3%)	n.a.
Profit/(loss) for the period	(127)	(1.0%)	1,300	12.5%	n.a.

The **reclassified income statement** of HSC SA for **9M 2019**, compared to the same period of the previous year is as follows:

	9M 2019		9M 2018		Change
	Euro thou.	%	Euro thou.	%	%
Revenues	37,192	100.0%	30,961	100.0%	20.1%
Changes in finished and semi-finished products and work in progress	(683)	(1.8%)	410	1.3%	(266.6%)
Internal production of fixed assets	499	1.3%	625	2.0%	(20.2%)
Value of production	37,008	99.5%	31,996	103.3%	15.7%
Cost of goods and services	(20,653)	(55.5%)	(17,294)	(55.9%)	19.4%
Value added	16,355	44.0%	14,702	47.5%	11.2%
Personnel expense	(7,588)	(20.4%)	(6,392)	(20.6%)	18.7%
EBITDA	8,767	23.6%	8,310	26.8%	5.5%
Amortisation & Depreciation	(5,538)	(14.9%)	(5,395)	(17.4%)	2.7%
Accruals to provisions	(77)	(0.2%)	(85)	(0.3%)	(9.4%)
EBIT	3,152	8.5%	2,830	9.1%	11.4%
Net non-recurring operating charges	(142)	(0.4%)	(100)	(0.3%)	42.0%
Operating Profit/ (loss)	3,010	8.1%	2,730	8.8%	10.3%
Net financial expense	(584)	(1.6%)	(641)	(2.1%)	(8.9%)
Net exchange rate gains/(losses)	(689)	(1.9%)	(1,004)	(3.2%)	(31.4%)
Profit before taxes	1,737	4.7%	1,085	3.5%	60.1%
Income taxes *(Tax-rate 9M 2019: 21%)* *(Tax-rate 9M 2018: 21%)*	(364)	(1.0%)	(228)	(0.7%)	59.6%
Profit for the period	1,373	3.7%	857	2.8%	60.2%

Revenues in the first nine months of 2019 totalled Euro 37.2 million, improving 20.1% on the same period of 2018 (Euro 31 million). In the third quarter revenues amounted to Euro 13.2 million, increasing 26.8% on the same period of 2018 (Euro 10.4 million).

Revenues by geographic segment:

(Euro thousands)	Q3			9M		
	2019	2018	Change %	2019	2018	Change %
Italy	4,884	3,197	52.8%	12,434	10,539	18.0%
European Union (Italy excluded)	7,457	6,070	22.9%	22,135	17,508	26.4%
Other areas	846	1,130	(25.1%)	2,623	2,914	(10.0%)
Total	13,187	10,397	26.8%	37,192	30,961	20.1%

Materials and external services, including changes in inventories and internal production of fixed assets, amounted in the first nine months of 2019 to Euro 20.8 million – 56% of revenues (52.5% in 9M 2018). In the third quarter of 2019 they amounted to Euro 7.3 million, accounting for 55.6% of revenues compared to Euro 5.3 million and 51.4% in the same period of 2018.

Personnel expense amounted to Euro 7.6 million, accounting for 20.4% of revenues (20.6% in the same period of 2018). In the third quarter, personnel expense increased 21.4% compared to the same period of the previous year. The average workforce increased due to increased activity.

The EBITDA in 9M 2019 amounted to Euro 8.7 million, a 23.6% revenue margin (in the previous year Euro 8.3 million and 26.8%). EBITDA in Q3 amounted to Euro 3.2 million, a margin of 24.5% compared to 27.7%.

EBIT amounted to Euro 3.2 million in 9M 2019 and Euro 2.8 million in 9M 2018, with a 8.5% revenue margin compared to 9.1%. In Q3 2019 EBIT amounted to Euro 1.2 million compared to Euro 1.1 million, with a margin of 9.1% compared to 10.4%.

The **reclassified statement of financial position** of Zignago Vetro Polska SA at 30 September and 30 June 2019 and 31 December and 30 September 2018 was as follows:

	30.09.2019		30.06.2019		31.12.2018		30.09.2018	
	Euro thou.	%	Euro thou.	%	Euro thou.	%	Euro thou.	%
Trade receivables	7,851		7,624		6,520		6,335	
Other receivables	1,020		847		803		705	
Inventories	8,056		8,249		9,099		9,090	
Current non-financial payables	(5,967)		(6,867)		(6,471)		(5,776)	
Payables on fixed assets	(648)		(2,232)		(498)		(292)	
A) Working capital	10,312	16.6%	7,621	12.3%	9,453	15.6%	10,062	16.7%
Net tangible and intangible assets	51,646		54,306		49,869		50,480	
Other equity investments and non-current assets	1,355		1,222		2,077		1,050	
Non-current provisions and non-financial payables	(1,040)		(1,086)		(989)		(1,325)	
B) Net fixed capital	51,961	83.4%	54,442	87.7%	50,957	84.4%	50,205	83.3%
A+B= Net capital employed	62,273	100.0%	62,063	100.0%	60,410	100.0%	60,267	100.0%
Financed by:								
Current loans and borrowings	4,550		4,550		4,186		4,179	
Cash and cash equivalents	(5,026)		(5,314)		(3,539)		(3,845)	
Current net debt (cash)	(476)		(764)		647		334	
Non-current loans and borrowings	40,008		39,273		37,992		40,006	
C) Net financial debt	39,532	63.5%	38,509	62.0%	38,639	64.0%	40,340	66.9%
Opening equity	21,771		21,771		19,535		19,535	
Other equity changes	(403)		1,500		(594)		857	
Profit for the period	1,373		283		2,830		(465)	
D) Closing equity	22,741	36.5%	23,554	38.0%	21,771	36.0%	19,927	33.1%
C+D = Total financial debt & equity	62,273	100.0%	62,063	100.0%	60,410	100.0%	60,267	100.0%

The working capital at 30 September 2019 increased on 31 December 2018 by Euro 0.9 million, of which Euro +1.3 million for trade receivables, Euro +0.2 million for other receivables, Euro -1 million for decreased inventories, Euro +0.5 million for the reduction in current non-financial payables and Euro -0.1 million for higher fixed asset payables.

The net fixed capital amounted to Euro 52 million at 30 September 2019, increasing Euro 1 million on 31 December 2018 and decreasing Euro 2.5 million on 30 June 2019.

The net debt at 30 September 2019 amounted to Euro 39.5 million compared to net debt of Euro 38.5 million at 30 June 2019.

At 30 September 2019, the workforce numbered 657 - 634 at 31 December 2018.

The market conditions apparent in the first part of the year are expected to remain in place in the final months of the year.

Vetri Speciali SpA

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

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

Again in the third quarter, the special containers market saw good demand levels, in line with the wider beverages and food glass containers market. The most buoyant market continues to be wines and spirits, which feature greater product innovation.

The Vetri Speciali SpA **reclassified income statement** for **Q3 2019** compared to the same period of the previous year, for the share pertaining to Zignago Vetro SpA (50%), is summarised below:

	Q3 2019		Q3 2018		Change
	Euro thou.	%	Euro thou.	%	%
Revenues	22,760	100.0%	17,105	100.0%	33.1%
Changes in finished and semi-finished products and work in progress	605	2.7%	2,051	12.0%	(70.5%)
Value of production	23,365	102.7%	19,156	112.0%	22.0%
Cost of goods and services	(11,002)	(48.3%)	(9,235)	(54.0%)	19.1%
Value added	12,363	54.3%	9,921	58.0%	24.6%
Personnel expense	(5,004)	(22.0%)	(4,305)	(25.2%)	16.2%
EBITDA	7,359	32.3%	5,616	32.8%	31.0%
Amortisation & Depreciation	(2,199)	(9.7%)	(2,196)	(12.8%)	0.1%
Accruals to provisions	(117)	(0.5%)	100	0.6%	(217.0%)
EBIT	5,043	22.2%	3,520	20.6%	43.3%
Net recurring non-operating income	70	0.3%	148	0.9%	(52.7%)
Operating Profit	5,113	22.5%	3,668	21.4%	39.4%
Net financial expense	(74)	(0.3%)	(119)	(0.7%)	(37.8%)
Net exchange rate gains/(losses)	9	---	1	---	n.a.
Profit before taxes	5,048	22.2%	3,550	20.8%	42.2%
Income taxes *(Tax-rate 9M 2019: 24.6%)* *(Tax-rate 9M 2018: 21.7%)*	(1,241)	(5.5%)	(772)	(4.5%)	60.8%
Profit for the period	3,807	16.7%	2,778	16.2%	37.0%

The Vetri Speciali SpA **reclassified income statement** for **9M 2019** compared to the same period of the previous year, for the share pertaining to Zignago Vetro SpA (50%), is summarised below:

	9M 2019		9M 2018		Change
	Euro thou.	%	Euro thou.	%	%
Revenues	70,532	100.0%	58,216	100.0%	21.2%
Changes in finished and semi-finished products and work in progress	99	0.1%	(1,551)	(2.7%)	n.a.
Value of production	70,631	100.1%	56,665	97.3%	24.6%
Cost of goods and services	(31,735)	(45.0%)	(26,012)	(44.7%)	22.0%
Value added	38,896	55.1%	30,653	52.7%	26.9%
Personnel expense	(15,426)	(21.9%)	(13,607)	(23.4%)	13.4%
EBITDA	23,470	33.3%	17,046	29.3%	37.7%
Amortisation & Depreciation	(6,369)	(9.0%)	(5,585)	(9.6%)	14.0%
Accruals to provisions	(243)	(0.3%)	(141)	(0.2%)	72.3%
EBIT	16,858	23.9%	11,320	19.4%	48.9%
Net recurring non-operating income	294	0.4%	2,042	3.5%	(85.6%)
Operating Profit	17,152	24.3%	13,362	23.0%	28.4%
Net financial expense	(244)	(0.3%)	(206)	(0.4%)	18.4%
Net exchange rate gains/(losses)	11	---	(14)	---	(178.6%)
Profit before taxes	16,919	24.0%	13,142	22.6%	28.7%
Income taxes *(Tax-rate 9M 2019: 23.5%)* *(Tax-rate 9M 2018: 22.6%)*	(3,968)	(5.6%)	(2,971)	(5.1%)	33.6%
Profit for the period	12,951	18.4%	10,171	17.5%	27.3%

The share of consolidated revenues in the first nine months of the year amounted to Euro 70.5 million, an increase of 21.2% compared to Euro 58.2 million in the same period of the previous year. Revenues in the third quarter 2019 totaled Euro 22.8 million, increasing by 33.3% compared to Euro 17.1 million in the third quarter of 2018.

Revenues by geographic area:

	Q3			9M		
(Euro thousands)	2019	2018	Change %	2019	2018	Change %
Italy	18,444	13,271	39.0%	56,468	46,588	21.2%
European Union	2,915	2,704	7.8%	9,498	8,248	15.2%
Other areas	1,401	1,130	24.0%	4,566	3,380	35.1%
Total	22,760	17,105	33.1%	70,532	58,216	21.2%

Material costs and external services in the first nine months of 2019, including the changes in inventories, increased 14.8% compared to the same period of 2018, while the percentage of revenues decreased from 47.3% to 44.9%. In the third quarter of 2019, the percentage of these costs on revenues increased, comprising 45.7% of revenues compared to 42% in Q3 2018.

Personnel expense in the first nine months of 2019 rose 13.4% compared to the same period of 2018. In the third quarter of 2019, personnel expense increased 16.2%. Personnel expense on revenues in 9M 2019 and 2018 were respectively 21.9% and 23.4% and in the respective third quarters 22% and 25.2%.

EBITDA amounted to Euro 23.5 million in the first nine months of 2019 compared to Euro 17 million in the first nine months of 2018 (+37.7%). The margin in 9M 2019 was 33.3% compared to 29.3% in the same period of 2018. In the third quarter of 2019 EBITDA increased 31% (Euro 7.4 million compared to Euro 5.6 million), with the margin increasing from 32.3% to 32.8%.

The EBIT amounted to Euro 16.9 million in the first nine months of 2019, up 48.9% on the first nine months of 2018 and with a margin of 23.9% of revenues compared to 19.4%. The EBIT in the third quarter increased 43.3% on Q3 2018, with the revenue margin increasing to 22.2% from 20.6%.

The profit before taxes share amounted to Euro 16.9 million in the first nine months of 2019, increasing 28.7% on Euro 13.1 million in the first nine months of 2018. The margin was 24%. In the third quarter of 2019 the profit before taxes rose 42.2% (Euro +1.5 million), with a revenue margin of 22.2% compared to 20.8%.

The share of the consolidated profit in the first nine months of 2019 was Euro 12.9 million compared to Euro 10.2 million in the same period of the previous year (+27.3%), equal to 18.4% of revenues. The profit in the quarter was Euro 3.8 million (37% of revenues), increasing on Euro 2.8 million (16.2% margin) for the same period of 2018.

The share of cash flow generated from the profit and amortisation and depreciation in the first nine months of 2019 amounted to Euro 19.3 million compared to Euro 15.8 million in the same period of 2018 (+22.6%), which as a percentage of revenues was 27.4% (27.1% in the first nine months of 2018).

The **reclassified statement of financial position** of Vetri Speciali SpA at 30 September and 30 June 2019 and 31 December and 30 September 2018, for the share pertaining to Zignago Vetro SpA (50%), was as follows:

	30.09.2019		30.06.2019		31.12.2018		30.09.2018	
	Euro thou.	%	Euro thou.	%	Euro thou.	%	Euro thou.	%
Trade receivables	16,468		22,226		15,634		14,073	
Other receivables	2,429		542		3,784		2,019	
Inventories	20,530		19,411		19,800		18,852	
Current non-financial payables	(20,029)		(20,076)		(19,296)		(17,864)	
Payables on fixed assets	(699)		(978)		(1,151)		(1,378)	
A) Working capital	18,699	15.8%	21,125	17.4%	18,771	15.7%	15,702	13.8%
Net tangible and intangible assets	61,949		62,222		60,649		58,334	
Goodwill	40,490		40,490		40,490		40,086	
Equity investments and other non-current assets	600		641		2,517		2,053	
Non-current provisions and non-financial payables	(3,213)		(3,003)		(2,802)		(2,710)	
B) Net fixed capital	99,826	84.2%	100,350	82.6%	100,854	84.3%	97,763	86.2%
A+B= Net capital employed	118,525	100.0%	121,475	100.0%	119,625	100.0%	113,465	93.4%
Financed by:								
Current loans and borrowings	26,548		28,757		26,017		24,997	
Cash and cash equivalents	(6,570)		(3,419)		(2,851)		(6,094)	
Current net debt	19,978	16.9%	25,338	20.9%	23,166	19.4%	18,903	16.7%
Non-current loans and borrowings	21,566	18.2%	22,963	18.9%	22,216	18.6%	24,932	22.0%
C) Net financial debt	41,544	35.1%	48,301	39.8%	45,382	37.9%	43,835	38.6%
Opening equity	74,243		74,243		69,447		69,421	
Dividends	(10,213)		(10,213)		(9,962)		(9,962)	
Other equity changes					1			
Profit for the period	12,951		9,144		14,757		10,171	
D) Closing equity	76,981	64.9%	73,174	60.2%	74,243	62.1%	69,630	61.4%
C=D Total financial debt and equity	118,525	100.0%	121,475	100.0%	119,625	100.0%	113,465	100.0%

The share of working capital at 30 September 2019 amounted to Euro 18.6 million, unchanged on 31 December 2018 and decreasing on 30 June 2019 (-11.5%). In particular, trade receivables at 30 September 2019 amounted to Euro 16.5 million, decreasing on 30 June 2019 (Euro 22.2 million; -25.9%) and increasing on 31 December 2018 (Euro 0.8 million; +5.3%).

Inventories at 30 September 2019 increased by Euro 1.1 million (+5.8%) compared to 30 June 2019 and increased Euro 0.7 million (+3.7%) compared to 31 December 2018.

The share of net fixed capital of Euro 99.8 million at 30 September 2019 decreased Euro 0.5 million compared to 30 June 2019 and by Euro 1 million compared to 31 December 2018. Capital expenditure (Euro 7.6 million) was higher than depreciation in the period (Euro 6.4 million).

The share of equity at 30 September 2019 amounted to Euro 77 million, increasing Euro 3.8 million and Euro 2.7 million respectively on 30 June 2019 and on 31 December 2018. These changes follow the recording of the result for the period, net of the distribution of the dividend (Euro 10.2 million).

The share of net debt at 30 September 2019 amounted to Euro 41.5 million, a decrease of Euro 3.8 million (-8.5%) on 31 December 2018 and decreasing Euro 6.8 million (-14%) on 30 June 2019.

At 30 September 2019 (considering 100%), there were 826 employees (at 31 December, 813 employees). The increase is related to the installation of the new production plant.

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 statement of financial position of Vetri Speciali SpA (100% of the relative data) are shown below.

The Vetri Speciali SpA **reclassified income statement** for **Q3 2019** and 2018 (with 100% of data) is reported below.

	Q3 2019		Q3 2018		Change
	Euro thou.	%	Euro thou.	%	%
Revenues	45,519	100.0%	34,211	100.0%	33.1%
Changes in finished and semi-finished products and work in progress	1,209	2.7%	4,103	12.0%	n.a.
Value of production	46,728	102.7%	38,314	112.0%	22.0%
Cost of goods and services	(22,005)	(48.3%)	(18,470)	(54.0%)	19.1%
Value added	24,723	54.3%	19,844	58.0%	24.6%
Personnel expense	(10,008)	(22.0%)	(8,610)	(25.2%)	16.2%
EBITDA	14,715	32.3%	11,234	32.8%	31.0%
Amort. & Deprec.	(4,399)	(9.7%)	(4,392)	(12.8%)	0.2%
Other accruals to provisions	(235)	(0.5%)	200	0.6%	(217.5%)
EBIT	10,081	22.1%	7,042	20.6%	43.2%
Net recurring non-operating income	141	0.3%	297	0.9%	(52.5%)
Operating Profit	10,222	22.5%	7,339	21.5%	39.3%
Net financial expense	(148)	(0.3%)	(238)	(0.7%)	(37.8%)
Net exchange rate gains/(losses)	19	---	2	---	850.0%
Profit before taxes	10,093	22.2%	7,103	20.8%	42.1%
Income taxes	(2,480)	(5.4%)	(1,544)	(4.5%)	60.6%
Profit for the period	7,613	16.7%	5,559	16.2%	36.9%

The Vetri Speciali SpA **reclassified income statement** for **9M 2019** and 2018 (with 100% of data) is reported below.

	9M 2019		9M 2018		Change
	Euro thou.	%	Euro thou.	%	%
Revenues	141,063	100.0%	116,432	100.0%	21.2%
Changes in finished and semi-finished products and work in progress	198	0.1%	(3,101)	(2.7%)	n.a.
Value of production	141,261	100.1%	113,331	97.3%	24.6%
Cost of goods and services	(63,470)	(45.0%)	(52,024)	(44.7%)	22.0%
Value added	77,791	55.1%	61,307	52.7%	26.9%
Personnel expense	(30,852)	(21.9%)	(27,214)	(23.4%)	13.4%
EBITDA	46,939	33.3%	34,093	29.3%	37.7%
Amort. & Deprec.	(12,738)	(9.0%)	(11,169)	(9.6%)	14.0%
Other accruals to provisions	(486)	(0.3%)	(281)	(0.2%)	73.0%
EBIT	33,715	23.9%	22,643	19.4%	48.9%
Net recurring non-operating income	588	0.4%	4,085	3.5%	(85.6%)
Operating Profit	34,303	24.3%	26,728	23.0%	28.3%
Net financial expense	(487)	(0.3%)	(411)	(0.4%)	18.5%
Net exchange rate gains/(losses)	22	---	(27)	---	(181.5%)
Profit before taxes	33,838	24.0%	26,290	22.6%	28.7%
Income taxes	(7,936)	(5.6%)	(5,944)	(5.1%)	33.5%
Profit for the period	25,902	18.4%	20,346	17.5%	27.3%

The Vetri Speciali SpA **reclassified statement of financial position** at 30 September and 30 June 2019 and at 31 December and 30 September 2018 (100% of the data) is reported below.

	30.09.2019		30.06.2019		31.12.2018		30.09.2018	
	Euro thou.	%	Euro thou.	%	Euro thou.	%	Euro thou.	%
Trade receivables	32,936		44,456		31,272		28,150	
Other receivables	4,857		1,084		7,567		4,037	
Inventories	41,059		38,822		36,066		37,704	
Current non-financial payables	(40,057)		(40,152)		(35,056)		(35,727)	
Payables on fixed assets	(1,397)		(1,956)		(2,301)		(2,756)	
A) Working capital	37,398	15.8%	42,254	17.4%	37,548	15.7%	31,408	13.8%
Net tangible and intangible assets	123,898		124,443		121,297		116,668	
Goodwill	80,980		80,980		80,979		80,171	
Equity investments	1,200		1,281		5,033		4,106	
Non-current provisions and non-financial payables	(6,426)		(6,006)		(5,603)		(5,420)	
B) Net fixed capital	199,652	84.2%	200,698	82.6%	201,706	84.3%	195,525	86.2%
A+B= Net capital employed	237,050	100.0%	242,952	100.0%	239,254	100.0%	226,933	100.0%
Financed by:								
Current loans and borrowings	53,095		57,513		52,033		49,994	
Cash and cash equivalents	(13,140)		(6,837)		(5,701)		(12,187)	
Current net debt	39,955	16.9%	50,676	20.9%	46,332	19.4%	37,807	16.7%
Non-current loans and borrowings	43,131	18.2%	45,925	18.9%	44,431	18.6%	49,863	22.0%
C) Net financial debt	83,086	35.0%	96,601	39.8%	90,763	37.9%	87,670	38.6%
Opening equity	148,489		148,489		138,893		138,841	
Dividends	(20,427)		(20,427)		(19,924)		(19,924)	
Other equity changes	---		---		2			
Profit for the period	25,902		18,289		29,520		20,346	
D) Closing equity	153,964	65.0%	146,351	60.2%	148,491	62.1%	139,263	61.4%
C+D= Total Financial Debt and Equity	237,050	100.0%	242,952	100.0%	239,254	100.0%	226,933	100.0%

Vetreco Srl (*)

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

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

(*) The amounts reported in the comments represent 100% of the Company data.

In the first nine months of 2019, the company reported strong operating results, increasing quantities and the further streamlining of production. The availability and quality of raw glass significantly benefitted operating results.

The Vetreco Srl **reclassified income statement** (100% of the data) for **Q3 2019 and 2018** was as follows:

	Q3 2019		Q3 2018		Change
	Euro thou.	%	Euro thou.	%	%
Revenues	4,680	100.0%	4,285	100.0%	9.2%
Changes in finished and semi-finished products and work in progress	53	1.1%	138	3.2%	(61.6%)
Value of production	4,733	101.1%	4,423	103.2%	7.0%
Cost of goods and services	(2,865)	(61.2%)	(2,629)	(61.4%)	9.0%
Value added	1,868	39.9%	1,794	41.9%	4.1%
Personnel expense	(387)	(8.3%)	(309)	(7.2%)	25.2%
EBITDA	1,481	31.6%	1,485	34.7%	(0.3%)
Amort. & Deprec.	(278)	(5.9%)	(264)	(6.2%)	5.3%
EBIT	1,203	25.7%	1,221	28.5%	(1.5%)
Net financial expense	(100)	(2.1%)	(111)	(2.6%)	(9.9%)
Profit before taxes	1,103	23.6%	1,110	25.9%	(0.6%)
Income taxes	(325)	(6.9%)	(328)	(7.7%)	n.a.
Profit for the period	778	16.6%	782	18.2%	(0.5%)

The third quarter results benefitted from a strong industrial performance, in addition to improved raw material procurement conditions.

The Vetreco Srl **reclassified income statement** (100% of the data) for **9M 2019 and 2018** was as follows:

	Q3 2019		Q3 2018		Change
	Euro thou.	%	Euro thou.	%	%
Revenues	12,038	100.0%	12,158	100.0%	(1.0%)
Changes in finished and semi-finished products and work in progress	413	3.4%	350	2.9%	18.0%
Value of production	12,451	103.4%	12,508	102.9%	(0.5%)
Cost of goods and services	(7,412)	(61.6%)	(8,706)	(71.6%)	(14.9%)
Value added	5,039	41.9%	3,802	31.3%	32.5%
Personnel expense	(1,075)	(8.9%)	(941)	(7.7%)	14.2%
EBITDA	3,964	32.9%	2,861	23.5%	38.6%
Amortisation & Depreciation	(810)	(6.7%)	(776)	(6.4%)	4.4%
EBIT	3,154	26.2%	2,085	17.1%	51.3%
Net financial expense	(341)	(2.8%)	(345)	(2.8%)	(1.2%)
Profit before taxes	2,813	23.4%	1,740	14.3%	61.7%
Income taxes	(834)	(6.9%)	(526)	(4.3%)	58.6%
Profit for the period	1,979	16.4%	1,214	10.0%	63.0%

Revenues almost entirely concern the processing of raw glass and the supply of cullet ready for re-use.

The principal cost accounts concern raw material, services and personnel expenses.

The margin significantly improved on the basis of the results achieved in the first nine months of the year.

The Vetreco Srl **reclassified statement of financial position** (100% of the data) at 30 September and 30 June 2019 and 31 December and 30 September 2018 was as follows:

	30.09.2019		30.06.2019		31.12.2018		30.09.2018	
	Euro	%	Euro	%	Euro	%	Euro	%
Trade receivables	6,044		4,858		2,417		3,315	
Other receivables	2,392		1,948		2,301		1,921	
Inventories	1,741		1,077		861		1,604	
Current non-financial payables	(6,222)		(4,550)		(4,273)		(4,188)	
Payables on fixed assets	(34)		(34)		0		(34)	
A) Working capital	3,921	20.0%	3,299	17.5%	1,306	8.1%	2,618	15.8%
Net tangible and intangible assets	15,734		15,630		14,876		14,088	
Other equity investments & non-current assets	---		24		22			
Non-current provisions & loans and borrowings	(82)		(80)		(94)		(152)	
B) Net fixed capital	15,652	80.0%	15,574	82.5%	14,804	91.9%	13,936	84.2%
A+B= Net capital employed	19,573	100.0%	18,873	100.0%	16,110	100.0%	16,554	100.0%
Financed by:								
Current loans and borrowings	1,596		2,052		1,903		1,175	
Cash and cash equivalents	(1,067)		(1,445)		(3,548)		(100)	
Current net debt	529		607		(1,645)		1,075	
Non-current loans and borrowings	15,355		15,355		16,046		13,072	
C) Net financial debt	15,884	81.2%	15,962	84.6%	14,401	89.4%	14,147	85.5%
Opening equity	1,710		1,710		1,193		1,193	
Shareholder capital payment	---		---		---		---	
Other equity changes	---		---		---		---	
Profit for the period	1,979		1,201		516		1,214	
D) Closing equity	3,689	18.8%	2,911	15.4%	1,709	10.6%	2,407	14.5%
C+D = Total financial debt and equity	19,573	100.0%	18,873	100.0%	16,110	100.0%	16,554	100.0%

The reclassified statement of financial position reports net tangible and intangible fixed assets totalling Euro 15.7 million, almost entirely concerning the production facility.

The net debt at 30 September 2019 amounted to Euro 15.9 million, increasing Euro 1.5 million on 31 December 2018 and decreasing Euro 0.1 million on 30 June 2019.

The other receivables account substantially concerns tax receivables, in particular VAT.

At 30 September 2019, there were 29 employees (at 31 December 2018, 28 employees).

It is expected that the company will continue to report good results, although not as strong as expectations due to higher raw glass procurement costs.

Vetro Revet Srl (*)

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

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

Operating performance

In the third quarter, the company further improved operating processes, in addition to its plant and organisation, delivering strong results for the period. Initiatives to further improve company operations continue, while the availability and quality of raw glass continues to be of fundamental importance, in addition to the cutting of processing waste.

The Vetro Revet Srl **reclassified income statement** for **Q3 2019 and 2018** was as follows:

	Q3 2019		Q3 2018		Change
	Euro thou.	%	Euro thou.	%	%
Revenues	1,887	100.0%	1,392	100.0%	35.6%
Changes in finished and semi-products and work in progress	22	1.2%	(1)	(0.1%)	n.a.
Value added	1,909	101.2%	1,391	99.9%	37.2%
Cost of goods and services	(1,264)	(67.0%)	(1,400)	(100.6%)	(9.7%)
Value added	645	34.2%	(9)	(0.6%)	n.a.
Personnel expense	(398)	(21.1%)	(369)	(26.5%)	7.9%
EBITDA	247	13.1%	(378)	(27.2%)	(165.3%)
Amortisation & Depreciation	(115)	(6.1%)	(123)	(8.8%)	(6.5%)
EBIT	132	7.0%	(501)	(36.0%)	(126.3%)
Net recurring non operating income (charges)	10	0.5%	(47)	(3.4%)	(121.3%)
Operating Profit/(loss)	142	7.5%	(548)	(39.4%)	(125.9%)
Net financial expense	(18)	(1.0%)	(36)	(2.6%)	(50.0%)
Profit before taxes	124	6.6%	(584)	(42.0%)	(121.2%)
Income taxes	79	4.2%	---	---	---
Profit for the period	203	10.8%	(584)	(42.0%)	(134.8%)

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

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

The loss for the first nine months of 2019 was Euro 0.2 million (loss of Euro 1.7 million in the first nine months of 2018), due to the production performances.

The **reclassified income statement** of Vetro Revet Srl for **9M 2019 and 2018** was as follows:

	9M 2019		9M 2018		Change
	Euro thou.	%	Euro thou.	%	%
Revenues	5,391	100.0%	3,559	100.0%	51.5%
Changes in finished and semi-finished products and work in progress	72	1.3%	47	1.3%	n.a.
Internal production of fixed assets	---	---	---	---	n.a.
Value of production	5,463	101.3%	3,606	101.3%	51.5%
Cost of goods and services	(4,083)	(75.7%)	(3,637)	(102.2%)	12.3%
Value added	1,380	25.6%	(31)	(0.9%)	(4551.6%)
Personnel expense	(1,269)	(23.5%)	(1,219)	(34.3%)	4.1%
EBITDA	111	2.1%	(1,250)	(35.1%)	(108.9%)
Amortisation & Depreciation	(347)	(6.4%)	(271)	(7.6%)	28.0%
Accruals to provisions	---	---	---	---	n.a.
EBIT	(236)	(4.4%)	(1,521)	(42.7%)	(84.5%)
Net recurring non-operating income (charges)	(11)	(0.2%)	(69)	(1.9%)	n.a.
Operating loss	(247)	(4.6%)	(1,590)	(44.7%)	(84.5%)
Net financial expense	(83)	(1.5%)	(110)	(3.1%)	(24.5%)
Net exchange rate gains/(losses)	---	---	---	---	n.a.
Loss before taxes	(330)	(6.1%)	(1,700)	(47.8%)	(80.6%)
Income taxes	79	1.5%		---	---
Loss for the period	(251)	(4.7%)	(1,700)	(47.8%)	(85.2%)

The **reclassified statement of financial position** of Vetro Revet Srl at 30 September and 30 June 2019 and 31 December and 30 September 2018 was as follows:

	30.09.2019		30.06.2019		31.12.2018		30.09.2018
	Euro thou.	%	Euro thou.	%	Euro thou.	%	Euro thou.
Trade receivables	2,345		2,088		1,559		2,669
Other receivables	1,686		1,539		1,402		761
Inventories	109		87		37		62
Current non-financial payables	(4,098)		(3,787)		(3,946)		(4,938)
Payables on fixed assets	---		-		-		(1,133)
A) Working capital	42	0.5%	(73)	(0.9%)	(948)	(12.7%)	(2,579)
Net tangible and intangible assets	9,211		8,696		8,722		8,826
Other equity investments and non-current assets	26		26		27		27
Non-current provisions and non-financial payables	(161)		(266)		(308)		(107)
B) Net fixed capital	9,076	99.5%	8,456	100.9%	8,441	112.7%	8,746
A+B= Net capital employed	9,118	100.0%	8,383	100.0%	7,493	100.0%	6,167
Financed by:							
Current loans and borrowings	3,600		3,571		1,554		460
Cash and cash equivalents	(563)		(1,066)		(393)		(1)
Current net debt (cash)	3,037		2,505		1,161		459
Non-current loans and borrowings	5,572		5,572		5,572		6,179
C) Net financial debt	8,609	94.4%	8,077	96.3%	6,733	89.9%	6,638
Opening equity	760		760		(271)		(271)
Other equity changes	---		---		3,000		1,500
Profit for the period	(251)		(454)		(1,969)		(1,700)
D) Closing equity	509	5.6%	306	3.7%	760	10.1%	(471)
C+D = Total financial debt & equity	9,118	100.0%	8,383	100.0%	7,493	100.0%	6,167

The working capital at 30 September 2019 increased on 31 December 2018 by Euro 1 million.

The net fixed capital at 30 September 2019 of Euro 9.1 million increased 7.5% on 31 December 2018.

Equity amounted to Euro 0.5 million, decreasing Euro 0.3 million on 31 December 2018, as a result of the loss in the period.

At 30 September 2019, the company workforce numbered 40, remaining unchanged on 31 December 2018.

Operating results are expected to progressively improve during the year.

SIGNIFICANT EVENTS AFTER 30 SEPTEMBER 2019 AND OUTLOOK

Significant events after 30 September 2019

No other significant events after 30 September 2019 occurred.

Atypical and/or unusual transactions

There were no atypical and/or unusual transactions for the period ended 30 September 2019 as defined by Consob Communication DEM/6064293.

Outlook

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

Fossalta di Portogruaro, 8 November 2019

For the Board of Directors
The Chairman
Mr. Paolo Giacobbo

Interim Financial Report

Consolidated Financial Statements

Consolidated Statement of Financial Position

(Euro thousands)	30.09.2019	30.06.2019	31.12.2018	30.09.2018
ASSETS				
Non-current assets				
Property, plant and equipment	241,692	247,185	229,391	195,995
Goodwill	2,718	2,740	2,694	2,698
Intangible assets	263	173	176	299
Equity-accounted Joint Ventures	78,533	74,526	74,757	70,351
Equity investments	389	389	391	392
Other non-current assets	259	279	1,175	740
Deferred tax assets	3,116	3,050	4,078	2,920
Total non-current assets	**326,970**	**328,342**	**312,662**	**273,395**
Current assets				
Inventories	88,857	84,907	79,183	79,435
Trade receivables	81,654	84,036	64,903	72,245
Other current assets	14,621	16,889	16,830	8,523
Tax Assets	5,949	6,507	3,773	3,673
Cash and cash equivalents	31,954	26,718	32,338	45,938
Total current assets	**223,035**	**219,057**	**197,027**	**209,814**
TOTAL ASSETS	**550,005**	**547,399**	**509,689**	**483,209**
EQUITY & LIABILITIES				
EQUITY				
Share capital	8,800	8,800	8,800	8,800
Reserves	39,890	39,991	41,765	41,408
Treasury shares	(1,093)	(1,093)	(1,093)	(1,093)
Retained earnings and profit for the period	120,554	121,190	105,640	138,386
Other equity items	35,634	22,432	45,020	(1,137)
TOTAL EQUITY OWNERS OF THE PARENT	**203,785**	**191,320**	**200,132**	**186,364**
NON-CONTROLLING INT. EQUITY	**(114)**	**(213)**	**9**	**(594)**
TOTAL EQUITY	**203,671**	**191,107**	**200,141**	**185,770**
LIABILITIES				
Non-current liabilities				
Provisions for risks and charges	4,462	4,441	4,257	5,653
Post-employment benefits	4,245	4,561	4,529	4,960
Non-current loans and borrowings	107,850	103,832	117,768	125,501
Other non-current liabilities	2,145	2,145	2,415	2,553
Deferred tax liabilities	2,079	2,084	2,090	2,233
Total non-current liabilities	**120,781**	**117,063**	**131,059**	**140,900**
Current liabilities				
Bank loans and borrowings current portion	141,144	145,816	81,948	68,419
Trade and other payables	60,500	70,664	72,748	63,327
Other current liabilities	19,413	19,556	19,927	20,406
Current income taxes	4,496	3,193	3,866	4,387
Total current liabilities	**225,553**	**239,229**	**178,489**	**156,539**
TOTAL LIABILITIES	**346,334**	**356,292**	**309,548**	**297,439**
TOTAL EQUITY AND LIABILITIES	**550,005**	**547,399**	**509,689**	**483,209**

Consolidated Income Statement

(Euro thousands)	Q3 2019	Q3 2018	9M 2019	9M 2018
Revenues	**81,842**	**70,100**	**242,074**	**217,075**
Raw material, ancillary, consumables and goods	(13,700)	(12,517)	(41,522)	(44,625)
Service costs	(27,039)	(22,775)	(82,133)	(63,909)
Personnel expense	(16,901)	(16,106)	(53,499)	(50,254)
Amortisation & Depreciation	(10,772)	(8,702)	(31,420)	(26,102)
Other operating costs	(1,036)	(1,189)	(3,480)	(4,182)
Other operating income	258	492	920	1,386
Equity-accounted joint ventures	4,007	3,011	13,490	11,076
Operating Profit	**16,659**	**12,314**	**44,430**	**40,465**
Financial income	107	25	180	73
Financial expense	(463)	(75)	(1,910)	(1,742)
Net exchange rate gains/(losses)	(1,013)	865	(631)	(1,102)
Profit before taxes	**15,290**	**13,129**	**42,069**	**37,694**
Income taxes	(1,989)	(2,199)	(6,558)	(7,291)
Profit for the period	**13,301**	**10,930**	**35,511**	**30,403**
Non-controlling interests profit (loss)	**(99)**	**286**	**123**	**833**
Owners of the parent profit	**13,202**	**11,216**	**35,634**	**31,236**
Earnings per share:				
Basic (and diluted) earnings per share	**0.155**	**0.132**	**0.418**	**0.367**

Consolidated Statement of Comprehensive Income

(Euro thousands)	Q3 2019	Q3 2018	9M 2019	9M 2018
Profit for the period	**13,301**	**10,930**	**35,511**	**30,403**
Items that will be subsequently reclassified to profit or loss				
Translation difference for foreign operations	(199)	389	(412)	(487)
Tax effect				---
	(199)	*389*	*(412)*	*(487)*
Total items that will be subsequently reclassified to profit or loss	***(199)***	***389***	***(412)***	***(487)***
Items that will not be subsequently reclassified to profit or loss				
Actuarial gains/(losses) on defined benefit plans	---	---		---
Tax effect	---	---		---
	---	---	---	---
Total items that will not be subsequently reclassified to profit or loss	---	---	---	---
Other comprehensive income (expense) for the period, net of taxes	**(199)**	**389**	**(412)**	**(487)**
Total comprehensive income for the period	**13,102**	**11,319**	**35,099**	**29,916**
Attributable to:				
Owners of the parent	13,102	11,319	35,099	29,916
Non-controlling interests (Loss)	(99)	(286)	123	(833)
	13,003	11,033	35,222	29,083

Consolidated Statement of Cash Flow

(Euro thousands)		9M 2019	H1 2019	12 months 2018	9M 2018
CASH FLOW FROM OPERATING ACTIVITIES:					
Profit before taxes		**42,069**	**26,779**	**53,753**	**37,694**
Adjustments to reconcile net profit with cash flow generated from operating activities:					
Amortisation & Depreciation		31,158	20,475	31,133	26,116
Losses/(gains) on sale of property, plant & equipment		---	---	52	---
Accrual to allowance for impairment		466	466	72	165
Net changes to post-employment benefits		(284)	32	(876)	(445)
Net changes to other provisions		205	184	(120)	1,276
Change in asset items due to translation effect		887	(596)	---	1,178
Financial income and exchange gains		451	(455)	2,699	1,029
Financial expenses and exchange losses		2,541	1,065	4,343	2,844
Income taxes paid in the period		(7,152)	(6,953)	(6,703)	(2,373)
Equity-accounted joint ventures		(13,490)	(9,483)	(15,454)	(11,076)
Dividends distributed by equity-accounted joint ventures		10,213	10,213	9,962	9,962
Changes in operating assets and liabilities:					
Decrease/(increase) in trade receivables		(17,217)	(19,599)	2,518	(4,917)
Decrease/(increase) in other current assets		2,209	(59)	(3,555)	4,752
Decrease/(increase) in inventories		(9,674)	(5,724)	(2,974)	(5,345)
Increase/(decrease) in trade & other payables		6,816	9,405	(1,519)	1,162
Increase/(decrease) in other current liabilities		(514)	(371)	1,180	1,659
Change in other non-current assets and liabilities		646	621	(910)	(474)
Total adjustments and changes		**7,261**	**(779)**	**19,848**	**25,513**
Net Cash Flows from operating activities	**(A)**	**49,330**	**26,000**	**73,601**	**63,207**
CASH FLOW FROM INVESTING ACTIVITIES:					
Gross investments in intangible assets		(138)	(55)	(85)	186
Gross investments in property, plant and equipment		(39,173)	(31,824)	(78,848)	(40,212)
Increase/(decrease) in payables for purchases of non-current assets		(19,087)	(11,489)	17,497	7,514
Equity investments		---	---	(4)	(5)
Sales price of securities		---	---	6,275	6,275
Sales price of property, plant and equipment		93	93	86	47
Net cash flow used in investing activities	**(B)**	**(58,305)**	**(43,275)**	**(55,079)**	**(26,195)**
CASH FLOWS FROM FINANCING ACTIVITIES:					
Interest paid in the period, incl. currency effects		(2,367)	(1,081)	(4,359)	(2,844)
Interest received in the year		(241)	69	(1,159)	(1,029)
Net increase (decrease) of short-term bank payables		59,306	63,978	11,139	(2,809)
Net change non-current loans and borrowings		(16,216)	(20,234)	3,724	11,876
Distribution of dividends		(31,569)	(31,569)	(28,061)	(28,061)
Other changes		114	213	---	594
Net cash flow used in financing activities	**(C)**	**9,027**	**11,376**	**(18,716)**	**(22,273)**
Change in equity due to currency conversion effect	**(D)**	**(436)**	**279**	**(615)**	**(487)**
Net change in cash and cash equivalents	**+B+C+D)**	**(384)**	**(5,620)**	**(809)**	**14,252**
Vetro Revet cash and cash equivalents				**1,461**	
Cash & cash equivalents at beginning of period		**32,338**	**32,338**	**31,686**	**31,686**
Cash & cash equivalents at end of period		**31,954**	**26,718**	**32,338**	**45,938**

Statement of Changes in Consolidated Equity

	Share capital	Legal reserve	Revaluation reserve	Other reserves	Capital paid-in	Treasury shares	Translation reserve	Actuarial profit/(loss) on ind. deferred benefit plans	Retained earnings	Profit for the period	Total non-controlling interest equity	Total consolidated equity
Balance at 30 June 2018	**8,800**	**1,760**	**27,334**	**11,478**	**157**	**(1,093)**	**(1,509)**	**(957)**	**108,751**	**20,020**	**(308)**	**174,433**
Profit (Loss)	---	---	---	---	---	---	---	---	---	11,216	(286)	10,930
Other profits/(losses), net of tax effect	---	---	---	---	---	---	407	---	---	---	---	407
Total Comp. Income (expense)	---	---	---	---	---	---	407	---	---	11,216	(286)	11,337
Allocation of result	---	---	---	---	---	---	---	---	---	---	---	---
Balance at 30 September 2018	**8,800**	**1,760**	**27,334**	**11,478**	**157**	**(1,093)**	**(1,102)**	**(957)**	**108,751**	**31,236**	**(594)**	**185,770**
Other profits/(losses), net of tax effect	---	---	---	---	---	---	(146)	35	---	13,784	(132)	13,541
Sale of treasury shares	---	---	---	68	---	---	---	---	---	---	---	68
Allocation of result	---	---	---	---	---	---	---	---	5,241	(5,214)	---	27
interests eq.	---	---	---	---	---	---	---	---	---	---	735	735
Distribution of dividends	---	---	---	---	---	---	---	---	---	---	---	---
Balance at 31 December 2018	**8,800**	**1,760**	**27,334**	**11,546**	**157**	**(1,093)**	**(1,248)**	**(922)**	**113,992**	**39,806**	**9**	**200,141**
Profit (Loss)	---	---	---	---	---	---	---	---	---	22,432	(222)	22,210
Other profits/(losses), net of tax effect	---	---	---	46	---	---	279	---	---	---	---	325
Total Comp. Income (expense)	---	---	---	46	---	---	279	---	---	22,432	(222)	22,535
Allocation of result	---	---	---	---	---	---	---	---	39,806	(39,806)	---	---
Sale of treasury shares	---	---	---	---	---	---	---	---	---	---	---	---
Movement non-controlling interests eq.	---	---	---	---	---	---	---	---	---	---	---	---
Distribution of dividends	---	---	---	---	---	---	---	---	(31,569)	---	---	(31,569)
Balance at 30 June 2019	**8,800**	**1,760**	**27,334**	**11,592**	**157**	**(1,093)**	**(969)**	**(922)**	**122,229**	**22,432**	**(213)**	**191,107**
Profit (Loss)	---	---	---	---	---	---	---	---	---	13,202	99	13,301
Other profits/(losses), net of tax effect	---	---	---	(46)	---	---	(691)	---	---	---	---	(737)
Total Comp. Income (expense)	---	---	---	---	---	---	---	---	---	13,202	99	12,564
Allocation of result	---	---	---	---	---	---	---	---	---	---	---	---
Balance at 30 September 2019	**8,800**	**1,760**	**27,334**	**11,592**	**157**	**(1,093)**	**(969)**	**(922)**	**122,229**	**35,634**	**(114)**	**203,671**

Notes to the financial statements

SUMMARY OF THE IFRS INTERNATIONAL ACCOUNTING STANDARDS USED FOR THE PREPARATION OF THE INTERIM REPORT AT 30 SEPTEMBER 2019

Group activities

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

The publication of the Interim Report at 30 September 2019 of Zignago Vetro S.p.A. was approved by the Board of Directors on 8 November 2019.

General preparation criteria

The Interim Report at 30 September 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 30 September 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.

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

The accounting policies adopted for the preparation of the Interim Financial 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 endorsed in Europe, application of which is obligatory for accounting periods beginning 1 January 2019 as per the following table.

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
IFRIC 23 - Uncertainties over income tax treatments	June 2017	1 January 2019	23 October 2018	(EC) 201871595 24 October 2018
Amendments to IAS 28 - Investments in associates and joint ventures	October 2017	1 January 2019	8 February 2019	(EC) 2019/237 14 March 2019
Amendments to IAS 19 - Amendment, curtailment or settlement of the plan	February 2018	1 January 2019	13 March 2019	(EC) 2019/402 14 March 2019
Improvements to IFRS (2015-2017 cycle) amendments to IFRS 3/IFRS 11, IAS 12 and IAS 23	December 2017	1 January 2019	22 March 2018	(EC) 2019/402 26 March 2019

In particular, “IFRS 16 - Leasing” issued in January 2016 replaces IAS 17, in addition to “IFRIC 4 Determining whether an agreement contains a lease”, “SIC-15 Operating Leases - Incentives” and “SIC-27 Evaluating the substance of transactions in the legal form of a lease”. “IFRS 16 - Leasing” was endorsed by the European Union with Regulation EC 2017/1986 of 31 October 2017. IFRS 16 identifies the principles to recognise, measure
and present in the financial statements leasing contracts, in addition to the disclosure to be provided. It in addition establishes that lessees recognise all leasing contracts through a single recognition model, similar to that for finance leases as per IAS 17.

At the lease commencement date, the lessee should recognise the liability for the obligation to settle the lease payments due (“lease liabilities”) and an asset consisting of the right to use the underlying asset throughout the duration of the lease (usage right asset). The lessee should in addition recognise the interest concerning the lease liabilities separate from the amortisation
of the asset consisting of the usage right.

The lessee should restate the amounts of the lease liabilities on the occurrence of certain events (e.g. a change to the duration of the lease, a change to the value of the future payments due to a change in an index or rate utilised to determine these payments).
In general, the restatement of the amounts of the lease liabilities imply an adjustment also to the usage right asset.
With regards to the lessor, IFRS 16 leaves the requirements for accounting recognition of IAS 17 substantially unchanged. Lessors will continue to classify all leases using the same classification principle set out in IAS 17 and distinguishing between two types of leases: operating and finance leases.
With regards to the recognition of lease contracts in the financial statements of the lessee, the standard establishes two exclusions: the lease of "low value" assets (e.g. personal computers) and short-term lease contracts (i.e. leases of a duration equal to or less than 12 months). The Group, also on initial application, has chosen to apply the two exclusions, whose amount, also on initial application, was estimated as insignificant. For example, the Group has leases on certain office equipment (such as PC's, printers and photocopiers) considered of low value.
The new accounting standard substantially impacts all Group companies with lease contracts. The main contractual issues emerging concern the lease of guest rooms, warehouses, motor vehicles and other means of transport.
For the transition to the new accounting standard, the Group decided to utilise the following practical expedients.

- application of the standard to contracts previously identified as leases as per IAS 17 and IFRIC 4;
- adoption of the modified retrospective approach, therefore without the restatement of the comparative year figures;
- valuation of the lease liability at the present value of residual payments, utilising as the discount rate the marginal loan rate at 1 January 2019 of the Group lessor companies;
- exemption granted by paragraph IRS 16.5 (a) in relation to short-term leases (residual contract duration of less than 12 months from the initial application date of the standard);
- exemption granted by IFRS 16.5 (b) with regards to leases for which the underlying asset is a low-value asset (value of the new individual asset considered less than approx. Euro 5 thousand).

The following table indicates the changes to the

Consolidated Statement of Financial Position at 1 January 2019 from application of the new standard IFRS 16. As usage right assets are recognised at the same value as the lease liabilities, the adoption of the new standard IFRS 16 did not have any impact on the opening equity reserves.

FTA IFRS 16

Right of use assets

Euro thousands	Total
1 January 2019	**6,188**
Amortisation for year	(901)
30 September 2019	**5,287**

In 2019 right of use assets did not increase

Lease liabilities

Euro thousands	**2019**
Analysis of maturities - discounted cash flows	
Within one year	1,075
Between one year and five years	4,369
Over five years	744
Total lease liabilities discounted at 1 January 2019	**6,188**

On initial application of IFRS 16, the Group recognised additional usage right assets and leased liabilities of Euro 6.188 million. Exemptions and the recognition of short-term leases or of low value amount to approx. Euro 470 thousand.
In the phase of valuing lease liabilities, the Group discounted the payments due for leasing utilising the Group marginal interest rate at 1 January 2019 of 1.2%.

The amendments to "IAS 19" establish that in the case of an amendment, curtailment or settlement of defined benefit plans, the company updates the actuarial assumptions and restates the pension cost for current services (current service cost) and the net interest for the remainder of the year after this event. In addition, the amendments: (i) clarify the means with which the obligation to recognise an amendment, curtailment or settlement of a plan influences the "asset ceiling" requirements; (ii) do not regard the recognition of "significant market fluctuations" in the absence of a change to the plan.

The amendments to "IAS 28 - Long-term interests in associates and joint ventures"
clarify that the company should apply the provisions of "IFRS 9 - Financial instruments" to non-current investments in associates and joint ventures for which the equity method is not applied.

With regards to the "2015-2017 annual cycle of improvements to IFRS", the document contains formal amendments and clarifications to existing standards. In particular, the following standards were amended:

- "IFRS 3 - Business combinations"; the amendments clarify that a joint operator which acquires control of a joint control operation which represents a business should remeasure the previous interest held in the joint control operation at fair value at the acquisition date;
- "IFRS 11 - Joint Arrangements"; the amendments clarify that where a company which participates in a joint control operation which represents a business (as per IFRS 3) without exercising joint control, acquires joint control, it is not required to remeasure the previously held interests;

- "IAS 12 - Income taxes"; the amendments clarify that a company should recognise the tax effects of dividends (defined by IFRS 9) for the purposes of income taxes at the point in which the liability relating to the dividend due is recognised in the Income Statement, in the Statement of comprehensive income (OCI) or in equity, according to where the transactions generating the distributable profits were recognised;
- "IAS 23 - Financial charges"; the amendments clarify that the portion of the specific loans which remain in place where the related qualifying asset is ready for allocation or sale should be included in the amount of the generic loans of the company.

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.

Finally, "IFRIC 23 - Uncertainties on income tax treatments" clarifies how to apply the recognition and valuation requirements of IAS 12 in the case of uncertainties upon income tax treatments. The uncertainty may concern current or deferred taxes. The interpretation proposes that a company should recognise a tax liability or asset amid uncertainties where it is probable that the Tax Authority will accept or otherwise a certain
tax treatment, by examining how much it has the right to examine and having full knowledge of all information. The interpretation requires, in addition, that the company should re-examine the opinions and estimates made amid a change in events or circumstances which amend its expectations on the acceptability of a certain tax treatment, or the estimates made on the effects of the uncertainty, or both.

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			
Amendments to references to the Conceptual Framework in IFRS Standards	March 2018	1 January 2020	2019
IFRS 17 – Insurance contracts	May 2017	1 January 2022	TBD
Amendments			
Definition of business (Amendments of IFRS 3)	October 2018	1 January 2020	2019
Definition of material (Amendments to IAS 1 and IAS 8)	October 2018	1 January 2020	2019

The income statement and the statement of cash flows for the nine months ended 30 September 2019 are shown in comparative form with the same period of the previous year.

The statement of financial position is presented in comparative form with 30 June 2019 and 31 December and 30 September 2018. The results reported were consistent in the three periods presented and show the consolidated statement of financial position of the Zignago Vetro Group, with the full consolidation of Verreries Brosse SAS, Zignago Vetro Polska SA, Vetro Revet Srl and Zignago Glass Usa Inc. and application of the equity method to Vetri Speciali SpA, Vetreco Srl and Julia Vitrum SpA.

The income statement and the statement of cash flows for the first nine months and for the third quarter of 2019 are compared with the same periods of the previous year.

The Interim Financial Report of the Zignago Group for the period ended 30 September 2019 was prepared under the historical cost convention, except for investments in financial assets and in derivative instruments, which are recorded at fair value.

This Interim Financial Report was presented in Euro, being the currency in which the Group operates and consists of the consolidated statement of financial position, the income statement, statement of comprehensive income, statement of cash flows, statement of changes in consolidated Equity and the Notes to the financial statements. All the amounts reported in the financial statements are expressed in thousands of Euro, unless otherwise indicated.

Consolidation scope and basis of consolidation

The main consolidation criteria adopted were as follows:

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

The assets and liabilities, charges and income of the companies consolidated under the line-by-line method are fully included in the Consolidated Interim Report; the book value of the investments is eliminated against the corresponding fraction of the net equity of the subsidiaries.
At the control acquisition date, the equity of the consolidated companies is established attributing to the individual assets and liabilities their present value. Any positive difference between the acquisition cost and the fair value of the net assets acquired is recognized in "Goodwill"; if negative, it is recognised in profit and loss.
The share of the equity and of the result for the year relating to non-controlling interests is recognised in specific accounts in equity and the income statement. In the case of full control not being acquired the non-controlling interest equity is established based on the share of the current value attributable to the assets and liabilities at the date of acquisition of control, excluding any attributable goodwill (so-called partial goodwill method). Alternatively, in the case of full control not being acquired, the entire amount of goodwill (negative goodwill) generated by the acquisition is recorded considering therefore also the shareholding of non-controlling interests (so-called full goodwill method); they are expressed at their overall fair value including therefore the share of goodwill (negative goodwill).
The goodwill calculation method (negative goodwill) is chosen on a case by case basis for each business combination.

With regard to holdings acquired subsequent to the acquisition of control (non-controlling interest acquisitions), any difference between the acquisition cost and the corresponding fraction of equity acquired is recognised to equity; similarly the effects from the sale of the non-controlling share without loss of control are recognised to equity.

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

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

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

The interim financial statements of the subsidiaries utilised for the preparation of the Interim Report are those approved by the respective Board of Directors. The quarterly financial statements of the consolidated companies coincide with those of the Parent Company. The data of the consolidated companies are adjusted, where necessary, in line with the accounting principles utilised by the Parent, which are in accordance with the IFRS adopted by the European Union.

The Companies included in the consolidation scope at 30 September 2019 are shown below:

Company	Registered office	Share capital (in Units of local currency)	Holding of the Group
Zignago Vetro SpA (Parent)	Fossalta di Portogruaro (VE)	8,800,000	---
Companies consolidated using the line-by-line method:			
Zignago Vetro Brosse SAS	Vieux-Rouen-sur-Bresle (France)	4,000,000	100%
Zignago Vetro Polska 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	Trento (TN)	10,062,400	50%
Vetreco Srl	Supino (FR)	400,000	30%
Unionvetro Srl*	Roverè della Luna (TN)	31,200	100%
Julia Vitrum SpA	San Vito al Tagliamento (PN)	500,000	50%

*held 100% by Vetri Speciali Spa

Translation of financial statements in currencies other than the Euro

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

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

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

Description	USD US Dollar	PLN Polish Zloty
Average exchange rate:		
- January/September 2019	1.1236	4.3011
- January/December 2018	1.18436	4.25908
- January/September 2018	1.1942	4.2487
Closing exchange rate at:		
- 30 September 2019	1.0889	4.3782
- 31 December 2018	1.1450	4.3014
- 30 September 2018	1.1576	4.2774

Use of estimates

The preparation of the Consolidated Interim Report and the relative notes in application of IFRS require that management make estimates and assumptions on the values of the assets and liabilities contained in the Report and on the information relating to the assets and potential liabilities at the balance sheet date. The actual results may differ from those estimated. The estimates are used to determine the accruals to the allowance for impairment, provision for inventory write-down, depreciation and amortisation, impairment losses on assets, employee benefits, income taxes, other provisions and funds. The estimates and assumptions are reviewed periodically and the effects of all variations are immediately recognized in profit or loss.
The estimate criteria are the same for all periods presented.

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

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

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

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

The following table shows the assets and liabilities measured at fair value at 30 September 2019 by fair value hierarchy level.

	Carrying Amount	Fair Value Level			
		1	2	3	Total
Financial assets not measured at Fair Value (*)					
Cash and cash equivalents	31,954	---	---	31,954	31,954
Trade receivables	81,654	---	---	81,654	81,654
Financial assets measured at Fair Value					
Other receivables for TEE (white certificates)	2,644	2,644		---	2,644
Financial liabilities not measured at Fair Value (*)					
Non-current loans and borrowings	107,850	---	---	107,850	107,850
Bank loans & borrowings and current portion of non-current loans & borrowings	139,389	---	1,755	139,389	141,144
Other non-current liabilities	2,145	---	---	2,145	2,145
Trade and other payables	60,500	---	---	60,500	60,500

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

Management of capital

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

The Zignago Vetro Group has payables to financial intermediaries and has a financial debt position related to the development plan of the business. The high generation of operating cash flows enables Group Companies not only to repay existing loans, but also to guarantee an adequate dividend to Shareholders and pursue a growth strategy.
In this context, the Group, in order to maintain or amend the capital structure, may pay dividends to Shareholders, acquire treasury shares on the market or issue new shares.

No substantial amendments were made to these objectives, to policies or to processes in the first nine months of 2019 and 2018 or for the year 2018.

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 148 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 148 million.

The characteristics of the derivative contracts, their notional value and the market value at 30 September 2019, are as follows (in Euro):

Company	Bank	Under-lying	Date of Signing	Notional at reporting date	Maturity	Market value at 30.09.2019
Zignago Vetro SpA	Unicredit	Loan	27/10/2017	38,000,000	27/10/2021	(393,186)
Zignago Vetro SpA	Mediobanca	Loan	21/01/2015	5,528,571	31/12/2020	(42,373)
Zignago Vetro SpA	Mediobanca	Loan	31/03/2015	7,371,429	31/12/2020	(56,497)
Zignago Vetro SpA	Banco Brescia	Loan	18/12/2014	1,920,419	18/12/2019	(6,918)
Zignago Vetro SpA	BNL	Loan	29/01/2018	28,000,000	29/01/2023	(443,403)
Zignago Vetro SpA	Intesa SanPaolo	Loan	13/12/2018	35,714,286	30/12/2022	(589,201)
Zignago Vetro SpA	Credit Agricole	Loan	12/11/2018	10,000,000	31/02/2023	(223,538)
Zignago Vetro SpA	Banco BPM	Loan	02/09/2019	7,000,000	30/09/2024	---
Total				133,534,705		(1,755,115)

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.

In the first nine months of 2019, Zignago Vetro did not undertake any energy price derivatives.

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

There were no significant non-recurring atypical and/or unusual transactions for the period ended 30 September 2019 as defined by Consob Communication DEM/6064293.

Declaration of the Executive Officer

The Executive Officer 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 30 September 2019 corresponds to the underlying accounting documents, records and accounting entries.

ZIGNAGO VETRO SpA
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