

ANNUAL FINANCIAL
STATEMENTS AS AT
DECEMBER 31, 2014

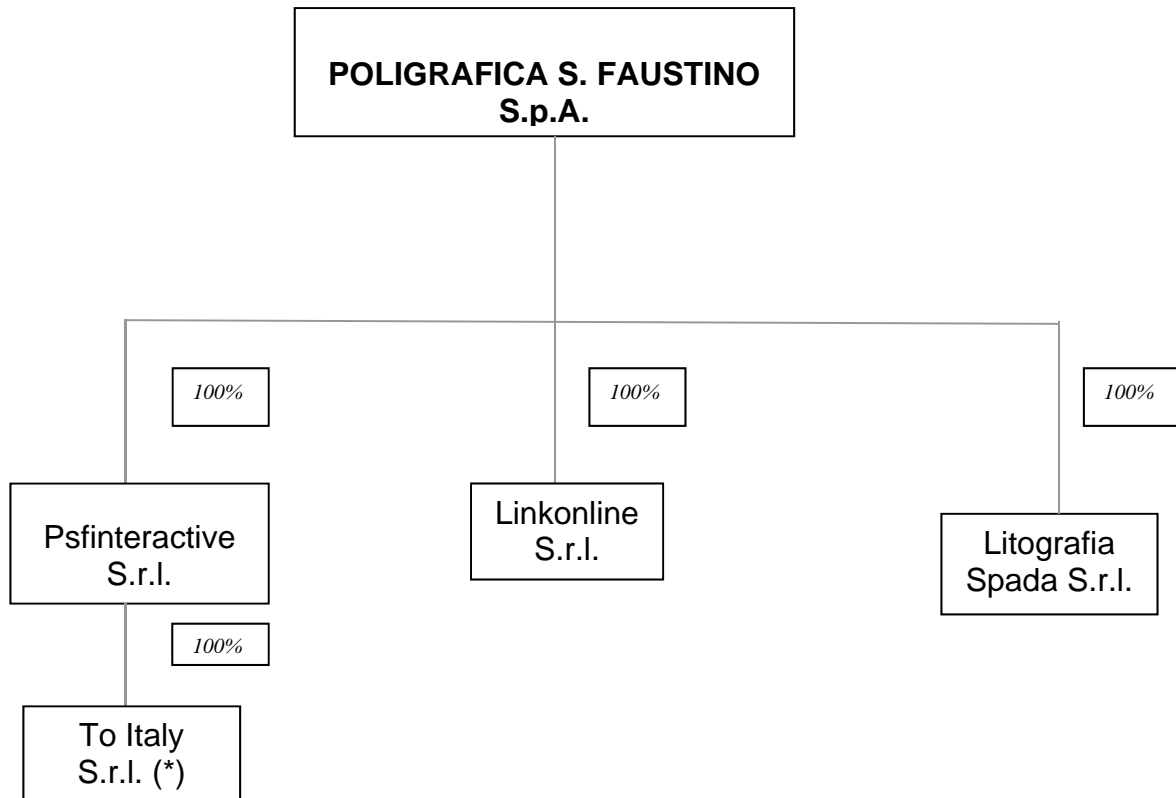
GRUPPO
SANFAUSTINO
PRINT&MULTICHANNEL COMMUNICATION

BUSINESS COMMUNICATION / LABEL&PACKAGING / GED / E-PROCUREMENT / SERVIZI DI STAMPA



**POLIGRAFICA S. FAUSTINO S.P.A. GROUP
CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2014**

THE GROUP



Subsidiary companies:

Psfinteractive S.r.l. communication agency
sole proprietorship

Litografia Spada S.r.l. printing of prestige paper labels
sole proprietorship

Linkonline S.r.l. leader in distribution of consumer products for informatics
sole proprietorship

(*) "To Italy S.r.l.", incorporated on March 13, 2013, to operate in tour operator sector, in liquidation since the end of 2014. It was included in the consolidation as the balance sheet data, although prepared with validation criteria, no significant effect on the consolidated.

NEWS ON THE GROUP MANAGEMENT

MARKET EVOLUTION AND NEW STRATEGIC FOCUSES

The Holding PSF S.p.A. ended the year 2014 in recovery compared to 2013.

The new company proposition, oriented business projects "smart printing", has significant impact in terms of revenue growth for the year. Special projects of paper industry, the area promotional one, the world packaging & labels with gift and specialty papers and media for the activities of loyalty, games and contests have counteracted the decrease in sales of traditional print world.

2015 will be devoted to the consolidation of the activities described (with a strong focus and thrust of the label & packaging) and the promotion and development of innovative services related to the world of direct marketing.

Regarding Linkonline Srl, which in 2014 recorded a satisfactory increase in sales, the major R & D will be related to the expansion and introduction of new tools of the online platform for reducing the timing of collection of orders and optimization of the delivery process.

The most important activity is therefore also addressed in 2015 to the strengthening of the system that allows you to calculate the forecast orders: Linkonline, on behalf of the customer, automatically manages, in relation to the seasonal orders, the calculation of supply of consumables.

These activities are aimed at customer loyalty and recognition of Linkonline Srl as a specialist and market leader in the supply of consumable services for retail chains.

The 2014 accounting year of Psfinteractive, the communication agency Group, closed with revenues down 11%.

The decline for the year 2014 is mainly due to the period of economic stagnation that had a negative impact on the sector advertising and promotional linked digital scope, especially in the second and third quarter with a slight recovery in the fourth quarter. In 2015 the traditional activities will continue and we will focus on commercial drive linked to the sector of digital advertising for SMEs that want to grow and gain visibility in the international markets.

In 2015 will also continue the activities related to "channel schools" with an offer tied to the digitization of the information system and communications school-family.

For the newly born To Italy Srl, after a year in 2013 dedicated mainly to market analysis of the travel industry with particular focus on the area Asian and after developing the IT platform for the sale of online travel, the year 2014 was the test case to test the cost-effective and practical development of the characteristic for which it was carried on the project To Italy.

In this regard and following additional elements that have become available with the completion of some sales, and after thorough development strategies with our main Chinese contact, the administrators have come to the determination to abandon the project and to put the company into liquidation in on December 31, 2014.

Operations already in place in the latter part of the year have meant that the stakes of the first liquidation accounts found to be limited to a few cases that will be asked by the liquidator to the attention of the sole shareholder of reference.

The year 2014 the subsidiary Litografia Spada closed with a loss due to the inactivity waiting to evaluate new business strategies and possible synergies with the Parent PSF SpA.

FINANCIAL AND ECONOMICS HIGHLIGHTS

A breakdown of sales by business is provided in the table below:

NET SALES (Euro million)	2014		2013	
- Graphic products	28.95	70.1%	27.74	70.3%
- Web agency services	1.27	3.1%	1.85	4.7%
- Commercial area	11.09	26.8%	9.88	25.0%
Sales (abroad)	41.31 (3.01)	100.0% (7.3%)	39.47 (2.63)	100.0% (6.7%)

The recovery of Group's revenues (4.7% average) is motivated by the favorable performance of the graphics industry and the traditional commercial sector that have largely covered the decline of the industry web-agency communication and new projects further penalized by the liquidation of to Italy.

Below are economic highlights for the Group at December 31, 2014:

CONSOLIDATED INCOME STATEMENT (Euro million)	31/12/14	31/12/13
Sales	41.31	39.47
Other operating income and revenues	0.85	0.97
Total operating revenues and income	42.16	40.44
Materials and change in inventory	(23.89)	(22.77)
Services	(10.51)	(9.67)
Payroll costs	(3.93)	(4.49)
Other net operating costs (revenues)	(2.40)	(2.57)
Total operating costs	(40.73)	(39.50)
EBITDA	1.43	0.94
Depreciation, amortization and gain/loss on non-current disposal	(0.56)	(0.68)
EBIT	0.87	0.26
Financial net income (cost)	(0.24)	(0.24)
Income before tax	0.63	0.02
Income taxes	(0.42)	(0.25)
Net result for the period	0.21	(0.23)
<i>Minority interest</i>	-	-
<i>GROUP interest</i>	0.21	(0.23)

Consolidated revenues showed an increase of 4.2% compared to the previous year together with a recovery of sales in the graphics industry and the traditional commercial sector that have balanced the contraction of the multimedia and communication (web-agency) and new projects. The increased incidence of consumption (57.2% compared to 56.3% in 2013) and the cost of services (25.2% compared to 23.9% in 2013) was offset by a substantial reduction in personnel costs and by additional policies to contain costs in general. The increase in revenues and the aforementioned dynamic operating costs have therefore generated a significant recovery on EBITDA, now equal to 3.4% of revenues (it was 2.3% in 2013). Likewise EBIT results in substantial increase in both absolute terms and as a percentage (2.1% compared to 0.6% last year). Net financial expenses remain a marginal incidence (0.6%) on the volume of revenues.

During the year, the subsidiary PSFINTERACTIVE finalized a sale of business unit relating to certain contracts for basic services (internet domains, email accounts and management of the farm outside) no longer considered strategic and poorly profitable within the Group . This sale generated on the consolidated income for a total of about 0.39 million euro.

The allocation of the results by areas from this year has been revised and further detailed by highlighting separately the data of the Web Communication Agency Sector (previously included in the productive sector) which, despite representing a turnover of less than 5% of the total, allow a better asset of the dynamics of the Group.

PRODUCTIVE GRAPHIC AREA

(Euro/million)	2014	2013	Var.
Sales and other operating income	29.31	28.67	0.64
Purchases and inventory change	(14.56)	(14.26)	(0.30)
Services	(8.99)	(8.38)	(0.61)
Personnel costs	(2.67)	(3.38)	0.71
Other net operating revenues (expenses)	(2.01)	(2.04)	0.03
Total operating costs	(28.23)	(28.06)	(0.17)
EBITDA	1.08	0.61	0.47
Depreciation and amortization	(0.52)	(0.63)	0.11
EBIT	0.56	(0.02)	0.58
Net financial income (expense)	(0.13)	(0.14)	0.01
Before tax result	0.43	(0.16)	0.59
Tax	(0.30)	(0.13)	(0.17)
Net result	0.13	(0.29)	0.42
<i>Minority interest</i>	-	-	
<i>GROUP interest</i>	0.13	(0.29)	

COMMERCIAL AREA

The following data refer to the subsidiary Linkonline S.r.l., specialized in the commercial sector, and are gross of intercompany eliminations.

(Euro/million)	2014	2013	Var.
Sales and other operating income	11.11	9.91	1.20
Purchases and inventory change	(8.67)	(7.78)	(0.89)
Services	(1.03)	(0.97)	(0.06)
Personnel costs	(0.80)	(0.72)	(0.08)
Other net operating revenues (expenses)	(0.18)	(0.24)	0.06
Total operating costs	(10.68)	(9.71)	(0.97)
EBITDA	0.43	0.20	0.23
Depreciation and amortization	(0.01)	(0.03)	0.02
EBIT	0.42	0.17	0.25
Net financial income (expense)	(0.10)	(0.08)	(0.02)
Before tax result	0.32	0.09	0.23
Tax	(0.09)	(0.07)	(0.02)
Net result	0.23	0.02	0.21
<i>(all attributable to the Group)</i>			

COMMUNICATION WEB AGENCY AREA

The following data refer to the subsidiaries Psfinteractive S.r.l. and To Italy S.r.l. in liquidation, and are gross of intercompany eliminations.

(Euro/million)	2014	2013	Var.
Sales and other operating income	1.74	1.86	(0.12)
Purchases and inventory change	(0.66)	(0.73)	0.07
Services	(0.49)	(0.32)	(0.17)
Personnel costs	(0.46)	(0.40)	(0.06)
Other net operating revenues (expenses)	(0.21)	(0.28)	0.07
Total operating costs	(1.82)	(1.73)	(0.09)
EBITDA	(0.08)	0.13	(0.21)
Depreciation and amortization	(0.02)	(0.02)	-
EBIT	(0.10)	0.11	(0.21)
Net financial income (expense)	(0.02)	(0.01)	(0.01)
Before tax result	(0.12)	0.10	(0.22)
Tax	(0.03)	(0.06)	0.03
Net result	(0.15)	0.04	(0.19)
<i>(all attributable to the Group)</i>			

INVESTMENTS

During the accounting year the investments, for Euro 0.34 million, have regarded for Euro 0.25 million implementations of applicative software of the platform for the documental managing services and immaterial assets for Euro 0.09 million. It also highlights an increase in other non-current receivables in the amount of Euro 0.24 million.

RESEARCH AND DEVELOPMENT ACTIVITIES

For the Holding PSF S.p.A. the R & D actions focused on the design and implementation of a new product, called "Pop Up", destined to the market of gadgets, inserts publishing, games and contests.

The constant efforts of the company in the improvement of the production steps and the continuous search for new products has generated good results in terms of turnover, with positive effects on the economy of the company. Thanks to these activities, in addition, the company increased its competitive advantage and consolidates its position in the market.

For further and more specific considerations on R & D in the other Group companies, refer to that reported in the previous section on the evolution of the market and the new strategic guidelines.

PERSONNEL

The table below indicates the Group personnel as at year's end:

	31/12/14	31/12/13
Managers	4	5
Clerical employees	55	69
Manual workers	14	28
Total	73	102

Linkonline S.r.l has n. 13 employees (1 manager and 12 salespeople) as at December 31, 2014 (unchanged compared to the previous year).

The PSF Group, in the field of graphics production, recorded a net reduction of staff equal to n. 24 units compared to the previous year. Psfinteractive and To Italy reduced the staff of 5 employees.

CONSOLIDATED NET FINANCIAL POSITION

Euro/mln	2014	2013
Cash and banks	2.66	2.60
Short term bank and leasing loans	(6.01)	(6.59)
Total A) short term	(3.35)	(3.99)
Medium-long term bank and leasing loans	(0.74)	(1.21)
Total B) medium/long term	(0.74)	(1.21)
Net financial position (A+B)	(4.09)	(5.20)

The marked improvement in the net financial position benefiting mainly of cash flows generated by the dynamics of working capital. The financial statements exposes the better these dynamics.

The table below provides a breakdown of the consolidated balance sheet structure

CONSOLIDATED	31-dec-14 Euro/mln	31-dec-13 Euro/mln	Variation Euro/mln
A) Net current assets			
Trade receivables	14.03	15.41	(1.38)
Inventory	2.28	2.49	(0.21)
Other current assets	0.59	0.40	0.19
Trade payables	(11.63)	(12.38)	0.75
Other current liabilities	(1.47)	(1.36)	(0.11)
A) Total net current assets	3.80	4.56	(0.76)
B) Net fixed assets			
Intangible assets	1.40	1.36	0.04
Tangible assets	4.41	4.85	(0.44)
Financial investments	0.01	0.01	-
Other non-current assets	2.45	2.38	0.07
B) Total net fixed assets	8.27	8.60	(0.33)
C) Medium and long term liabilities	0.96	1.15	(0.19)
D) Invested capital (A+B-C)	11.11	12.01	(0.90)
Covered by:			
E) Net financial debt			
Short term loans	6.01	6.59	(0.58)
Cash and banks	(2.66)	(2.60)	(0.06)
Medium/long term debt	0.74	1.21	(0.47)
E) Net financial debt	4.09	5.20	(1.11)
F) Equity			
Capital stock	6.16	6.16	-
Reserves	0.86	0.65	0.21
	7.02	6.81	0.21
Minority interest	0	0	
F) Total Equity	7.02	6.81	0.21
G) Total coverage (E+F)	11.11	12.01	(0.90)

FINANCIAL RISK MANAGING

The holding works in the graphic-promotional sector exclusively on demand and, considering the particular productive typology, must adjust the production and the provisioning politics to the specific requests of the clients.

The strong competitors and the lack of standard pricelist-products determine the necessity to have price politics that are often influenced by the promotional budget at the clients' disposal. Till the end of the previous accounting year, the Group Poligrafica S. Faustino has always had only one reference market (the promotional one), with a modest exception of the web agency activity of the controlled Psfinteractive (formerly Mediattiva). With the precise goal to diversify the reference markets and, in order to limit the different risk typologies, in 2008 Poligrafica S. Faustino S.p.A. acquired Linkonline S.r.l., company that operates in the consumables sector that are destined to the retail sector. Through this operation the Group Poligrafica S. Faustino has been developing a strategy aimed at collecting all possible synergies in particular about the commercial integration of the loyal clients.

Each company of the Group is commercially autonomous but responds to strategies that are planned by the Direction of the Holding.

Similarly, each company has a financial autonomy; although the treasury is not correctly canalised on the Group, the financial fluxes of each company are managed by a central function. The financial direction of the Group manages the relations among different banks and analyses the different risks and offers indications about the credit risks, and in particular each time there are contracts with new clients. The financial management 's activity is concerned with keeping the relations with many banks and carries on the analysis of different risks favouring indications on the credit risks, and in particular when there are contacts with new clients.

The change risk, given the absolute irrelevance of the transactions (both passive and active) also beyond the Euro area, is equal to zero. The supplying market of raw materials isn't affected by indirect consequences bound to the dollar.

As far as the credit risk is concerned, above all in front of the huge costs of the transactions and of the clients is limited. It is to be considered that the medium unity amount of the transitions is modest and the analysis of the credit positions already expired or soon to be expired are linked to a fortnight expiry date.

About the liquidity risk, the relationship between own and others' money has always been positive particularly considering the Holding. Since 2008 the net financial position has suffered the impact of the acquisition of LOL, together with the effects of an increase of the cash times not exactly counterbalanced by a similar postponement in the payment terms.

This notwithstanding, the present financial structure, characterised by modest debts in relation to the capitalisation, together with the existence of significant real estate investments free from bonds and mortgages, determine objective solidity indicators that guarantee the possibility to enter into new credit lines, if necessary.

Concerning the interest rate risk, it is generated by short and long term flexible rate financial debts; only one component referring to a loan recently has been joined to a derivative hedging instrument.

RELATED PARTIES

Except for the fees paid to members - directors, the Group made significant transactions with the related company Etichette Nika S.r.l. to which was bestowed part of the wine labels sector in 2010. During the year, the following transactions were carried out under normal market conditions:

	Importo Euro/000
Purchase of products for resale	(2,297)
Active rentals	59
Various charge backs	23

As at December 31, 2014 the followings positions are open:

	Importo Euro/000
Etichette NIKA (client)	28
Etichette NIKA (supplier)	(808)

ECONOMIC HIGHLIGHTS OF GROUP COMPANIES

Poligrafica S. Faustino S.p.A. (Holding)

Revenues and operating income of the parent company have recorded growth of 4.6%, which, together with the decreased incidence of operating costs, allowed another significant margin recovery. In particular, the continuous search for efficiencies and savings on overheads, allowed to obtain significant results in the decrease in personnel costs, primarily. These trends have favored the growth in EBITDA almost tripled (from 0.41 million to 1.11 million) compared to the previous year.

Similarly, the net operating profit (EBIT) benefited from these dynamics and, even in the presence of a value adjustment of Euro 0.14 million, generated by the negative result of Psfinteractive, remains in positive territory for 0.44 million, in sharp contrast to the negative figure recorded in 2013 (0.23 million).

Similar favorable results spill finally also positive earnings before tax of 0.32 million (compared with a loss of 0.36 million in 2013). The net result remains positive, albeit for a modest amount, given the significant impact of taxation

Subsidiaries

Here below we are summarizing the accounting period's activity of the subsidiary companies Psfinteractive (formerly Mediattiva) S.r.l. (100%), Litografia Spada S.r.l. (100%), Linkonline S.r.l. (100%) and To Italy S.r.l. in liquidation:

PSFINTERACTIVE (formerly Mediattiva) S.r.l. sole proprietorship

Psfinteractive S.r.l. is the communication agency of Poligrafica S. Faustino Group. It is a high specialized company for Internet based solutions. The core activity is the "e-business strategy, design and development".

The year ended on 31.12.2014 recorded a production value of Euro 1.67 million, down 11.2% on the figure recorded in the previous year (Euro 1.88 million). This decrease can be attributed to a phase of re-determination of the business strategies that led to the sale of a business unit, which was no longer profitable, at the end of the year with the intent to promote and develop the types of services more evolved and profitable. The result, while benefiting from the proceeds of Euro 0.39 million from the sale mentioned, was affected by the costs of internal and external structure is predominantly fixed.

Litografia Spada S.r.l. sole proprietorship

Litografia Spada S.r.l., owned for 100% by Poligrafica S. Faustino S.p.A. is specialized in the production of prestigious labels for wine, liquors and other beverages.

The company is in a phase of substantial inactivity waiting for a redefinition of production within the Group. In particular, last year it was implemented to the sale of production lines waiting to evaluate new synergies with the parent company at the headquarters of Castrezzato.

The net result (IAS) is negative for Euro 0.06 million.

Linkonline S.r.l. sole proprietorship

Linkonline S.r.l., company specialized in the trade of consumption products, has offered the group the chance to realize new synergies in the services sectors for the great distribution and the highly qualified institutional clients: banks, assurance companies, gdo.

During year 2014 LOL reported revenues for 11.11 million, with an increase of 12% over the previous year (9.91 million in 2013) and recorded a positive EBITDA of 0.43 million, an improvement compared to the previous year (was 0.17 million) even considering increased efficiencies on procurement and operating costs.

To Italy S.r.l. sole proprietorship in liquidation

On March 13, 2013 the company "To Italy S.r.l." was set up, with a share capital of Euro 20,000.00 fully paid (single shareholder subsidiary Psfinteractive). It is a travel agency formed with the intention of working in the field of tour operators with particular attention to "incoming" foreign tourists to Italy,

After a year in 2013 dedicated mainly to market analysis of the travel industry with particular focus on the area Asian and after developing the IT platform for the sale of online travel, the year 2014 was the test case to test the actual economy and the concrete development of the characteristic for which it was carried on the project to Italy.

In this regard, and following further elements that have become available with the completion of some sales, and after thorough development strategies with the main referent Chinese, administrators have come to the determination to abandon the project and to put the company into liquidation in December 31, 2014, after having recorded an operating loss of Euro 0.16 million.

FURTHER INFORMATION ABOUT OWNERSHIP STRUCTURE

As required by art. 123-*bis* of the "Testo Unico della Finanza", the information referred to in paragraphs 1 and 2 of such article have been submitted in a separate report from the annual report (Report on corporate governance and ownership structures) always approved by the Board of Directors.

The above document is also available on the website of Company's website at [www.psf.it / investor relations / corporate governance / reports](http://www.psf.it/investor-relations/corporate-governance/reports):

http://investor.psf.it/it/page.asp?id_sez=48&id_sub=56&id_com=79

SUBSEQUENTS EVENTS AFTER THE CLOSURE OF THE ACCOUNTING PERIOD

There are no further events after the closure of the year that may have an impact on the data concerned in the present survey.

FORESEEABLE BUSINESS DEVELOPMENT

In 2015 the Holding company will focus its activities on projects of high value printing (label & packaging and packaging paper stationery promotions, direct marketing) rather than commodity products related to traditional printing. It will also be implemented a strategy of commercial development for projects related to the multi-channel platform as result of synergies with other Group companies.

The strategy will also be aimed at consolidating the new corporate positioning of Linkonline as a "global outsourcing company", in particular for some top clients, in order to drive the trade policy in 2015 to new customers and prospects.

Regarding Psfinteractive, it is expected that 2015 will be still marked by the consolidation of traditional activities, combined with increased commercial drive linked to the sector of digital advertising for SMEs. The activities related to "channel schools" with an offer tied to the digitization of the information system and communications school-family will also continue.

On behalf of the Board of Directors
The Chairman
Alberto Frigoli

CONSOLIDATED BALANCE SHEET

STATEMENTS OF PATRIMONIAL – FINANCIAL SITUATION	31/12/14	31/12/13
ASSETS Euro (.000)		
NON CURRENT ASSETS		
Tangible fixed assets	4,418	4,852
Intangible assets	1,403	1,358
Equity investments	3	3
Non-current receivables	774	530
Deferred tax assets (prepaid taxes)	1,677	1,854
Total non-current assets	8,275	8,597
CURRENT ASSETS		
Inventories	2,283	2,486
Trade receivables	14,029	15,416
Tax receivables	104	22
Other current receivables	485	383
Current financial assets	0	0
Cash and banks	2,660	2,599
Total current assets	19,561	20,906
TOTAL ASSETS	27,836	29,503
NET EQUITY AND LIABILITIES		
NET EQUITY		
Share capital	6,162	6,162
Other reserves	1,234	1,234
Own shares	(749)	(749)
Retained earnings (loss)	374	162
<i>Total equity attributable to Holding Company</i>	<i>7,021</i>	<i>6,809</i>
<i>Minority interests</i>	<i>0</i>	<i>0</i>
Total Net Equity	7,021	6,809
NON-CURRENT LIABILITIES		
Loans	740	1,216
Employee severance indemnity and retirement reserves	719	927
Reserves for risks and contingencies	0	0
Deferred tax liabilities	243	225
Other non-current liabilities	0	0
Total non-current liabilities	1,702	2,368
CURRENT LIABILITIES		
Loans	6,015	6,585
Trade payables	11,630	12,376
Tax payables	415	373
Other payables	1,053	992
Total current liabilities	19,113	20,326
TOTAL NET EQUITY AND LIABILITIES	27,836	29,503

COMPLESSIVE INCOME STATEMENTS	31/12/14	31/12/13
Euro (.000)		
OPERATING REVENUES		
Sales	41,313	39,468
Other operating income and revenues	850	974
Total operating revenues and income	42,163	40,442
OPERATING COSTS		
Materials	23,686	22,287
Change in inventory	202	487
Services	10,508	9,670
Payroll costs	3,931	4,490
(less) Costs for capitalized in-house work	(136)	(56)
Other net operating costs (revenues)	2,539	2,622
Total operating costs	40,730	39,500
EBITDA	1,433	942
Depreciation and amortization (-)	(557)	(683)
Capital gains (losses) on disposal of non-current assets	-	-
Write-downs/write backs of non-current assets	-	-
EBIT	876	259
Proventi finanziari	35	54
Oneri finanziari	(282)	(293)
BEFORE TAX RESULT	629	20
Income taxes	(418)	(255)
Net result for the period	211	(235)
Revenues referred to net equity	1	0
Costs referred to net equity		(4)
Profit (loss) global	212	(239)
Profit (loss) for the period attributable to		
Net result for Group interest	212	(239)
Net result for minority	0	0

It should be noted that in 2014 an amount of Euro 1 thousand was allocated directly in equity without going through the income statement in accordance with IAS 39 regarding the method of accounting for cash flow hedges , in respect of a derivative type of IRS coverage on a variable rate loan obtained last year.

**CONSOLIDATED CASH FLOW STATEMENTS
(indirect method)**

	2014	2013
A. Cash flows from operating activities		
Profit (loss) of the accounting year	211	(235)
Taxes	418	255
interest expense / (interest income)	247	271
(Gains)/ losses on the disposal of assets	(95)	(705)
1. Profit (loss) before income taxes, interest, dividends and capital gains / losses on disposal	781	(414)
Allocations to provisions	56	74
Amortisation of intangible assets	557	683
Adjustments for non-cash items that had no counterpart in the CCN	613	757
2. Cash flow before changes in CCN	1,394	343
Decrease / (increase) in inventories	203	487
Decrease / (increase) in trade receivables and to the Group	1,758	(1,094)
Increase / (decrease) in trade payables and to the Group	(953)	2,075
Other changes in net working capital	(366)	(341)
Variation of CCN	642	1,127
3. Cash flow after variation of CCN	2,036	1,470
Interest received / (paid)	(243)	(271)
(taxes paid)	(248)	(116)
Use of funds	(264)	(677)
Other adjustments	(755)	(1,064)
Cash flow of income management (A)	1,281	406
B. Cash flow of investments		
Property, plant and equipment (Investments)	(92)	(70)
Price of disinvestments	162	773
Immaterials asset (Investments)	(251)	(140)
Shareholding and other non-current payables Price of disinvestments	6	39
Cash flow from investing activities (B)	(175)	602
C. Cash flow from financing		
Increase in short-term borrowings from banks	(613)	(305)
Turning funding	2,295	3,000
repayment of loans	(2,728)	(2,374)
Third's means	(1,046)	321
Other variations	1	(4)
equity	1	(4)
Net cash flow from financing activities (C)	(1,045)	317
Increase (decrease) in cash (a ± b ± c)	61	1,325
Cash and cash equivalents at beginning of the year	2,599	1,274
Cash and cash equivalents at the end of the year	2,660	2,599

TABLE OF MOVEMENTS IN CONSOLIDATED EQUITY

Euro/000

CONSOLIDATED NET EQUITY	31/12/2013	Destination result	Other Movements	Result	31/12/2014
Capitale sociale	6,162				6,162
Riserva soprapprezzo azioni	244				244
Riserva acq. az. Proprie	749				749
Azioni proprie	(749)				(749)
Riserve di rivalutazione	241				241
Riserva legale	210				210
Altre Riserve e ris. a nuovo	187	(235)	1		(47)
- Utile (perdita) dell'esercizio	(235)	235		211	211
Totale PN di gruppo	6,809	0	1	211	7,021
Capitale e riserve minoranze					
- Utile (perdita) minoranze					
Totale PN Minoranza	0	0		0	0
TOTALE CONSOLIDATO	6,809	0	1	211	7,021

CONSOLIDATED NET FINANCIAL POSITION

Euro (000)

NET FINANCIAL POSITION	31 Dec 14	31 Dec 13
LIQUIDITY AVAILABLE	2,660	2,599
DEBTS TOWARDS BANKS (SHORT TERM)	(5,961)	(6,469)
DEBTS TOWARDS OTHERS (SHORT TERM)	(54)	(116)
TOTAL POSITION AT SHORT TERM (A)	(3,355)	(3,986)
DEBTS TOWARDS BANKS BEYOND THE SHORT TERM.	(702)	(1,165)
DEBTS TOWARDS OTHERS BEYOND THE SHORT TERM.	(38)	(51)
TOTAL POSITION AT MEDIUM/LONG TERM (B)	(740)	(1,216)
NET FINANCIAL POSITION (A+B)	(4,095)	(5,202)

The debts towards other financiers at short and middle term are exclusively made of funds deriving from financial allocations on plants and machineries whose payback is now predicted within 3 accounting years. During the year, a new leasing contract on an asset worth 45 thousand euro for a period of 3 years has been turned on.

For a correct analysis of the financial dynamics please see to what is shown in more details in the statement of cash flows.

In order to better define the changes in the Group's net financial position, we are here below detailing the financial position specifically attributable to Linkonline S.r.l. (commercial sector):

NET FINANCIAL POSITION LINKONLINE	31 dec 14 Euro (000)	31 dec 13 Euro (000)
LIQUIDITY AVAILABLE	986	682
DEBTS TOWARDS BANKS (SHORT TERM)	(2,324)	(2,091)
DEBTS TOWARDS OTHERS (SHORT TERM)	-	-
TOTAL POSITION AT SHORT TERM (A)	(1,338)	(1,409)
DEBTS TOWARDS BANKS BEYOND THE SHORT TERM,	-	-
DEBTS TOWARDS BANKS BEYOND THE SHORT TERM,	-	-
TOTAL POSITION AT MEDIUM/LONG TERM (B)	0	0
NET FINANCIAL POSITION (A+B)	(1,338)	(1,409)

PRELIMINARY STATEMENTS

The 2014 consolidated accounting period report has been made following the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). This was issued in thousands of Euro and was compared with the consolidated data of the previous accounting period that were collected with an homogeneity of principles. It is formed by the balance sheet, the profit and loss account, the statement of sources and application of funds, variations of shareholder's equity sheet and the comment notes.

The consolidated profit and loss account was issued according to the principle of the historic cost except for some revaluations of the material fixed assets in the previous accounting periods.

AREA BASIS APPLICATION OF THE INTERNATIONAL ACCOUNTING PRINCIPLES

Premise

The consolidation area has changed compared to the previous year in respect of the inclusion of the newly-formed To Italy in detail and includes the following companies:

Poligrafica S. Faustino S.p.A., holding company, operates mostly in 3 business areas:

- printed forms (promotional items, business papers and others);
- self-adhesive labels and flexible packaging;
- documental managing.

Psfinteractive S.r.l. is a Group's company, controlled for 100% by Poligrafica S. Faustino, involved in communication activities through telematics webs, in the elaboration of multimedia communication projects, in the production and commercialization of software. Moreover, Psfinteractive manages the files and bank dates, the promotional actions also through internet and intranet, the development of services aimed to the use of digital and computer systems.

Litografia Spada S.r.l.: it deals with the production of luxurious glue and paper labels and is seated in Castrezzato (BS). Poligrafica S. Faustino S.p.A. holds 100% since 2009.

Linkonline S.r.l.: it is a commercial society that is active in the distribution of consumption computer products: Poligrafica S. Faustino S.p.A. acquired the 100% in February 2008. In 2010, the place of business of the company was transferred from Cogliate (MB) to Castrezzato (BS).

To Italy S.r.l. (in liquidation)

On March 13, 2013 the company "To Italy S.r.l." was set up, with a share capital of Euro 20,000.00 fully paid (single shareholder being the subsidiary Psfinteractive). It is a travel agency in the field of tour operators with particular attention to "incoming" foreign tourists to Italy, the same has been included in the consolidation despite being in liquidation.

List of companies

Holding	Registered Office	Capital Stock
Poligrafica S. Faustino S.p.A.	Castrezzato	Euro 6,161,592.12

Subsidiaries consolidated with integral method	Registered Office	Capital Stock		Control
Psfinteractive S.r.l.	Castrezzato	Euro 20,000	100%	Direct
Litografia Spada S.r.l.	Castrezzato	Euro 20,000	100%	Direct
Linkonline S.r.l.	Castrezzato	Euro 100,000	100%	Direct
To Italy S.r.l.	Castrezzato	Euro 20,000	100%	Indirect

There are no other companies excluded from the consolidation.

BASIS OF CONSOLIDATION

The accounting value of shares is cancelled in favour of the net balance, following the acquirement of gains and losses of the controlled companies according to the global integration method; both positive and negative differences that come from such elimination is evaluated and attributed to positive and negative assets and/or to the net patrimony balance according to the specific elements that have originated such differences.

Minority shareholders' interests in equity or net income, if any, are classified separately, under "minority reserves" and "minority result".

Intercompany payables and receivables as well as income and expenses relating to the companies included in consolidation (on a line by line basis) are deleted. In particular, income or loss, if significant, resulting from intercompany transactions with third parties that has not been realized yet, is deleted.

Segment information

A segment is a distinctly identifiable part of a Group which supplies a combination of related products and services (business segment) or supplies products and service in a specific economic area (geographical segment).

The PSF Group substantially operates in just one business segment (personalized graphic products), except for the web agency activity performed by Mediattiva which, however, is not relevant (less than 5%) compared with total Group activity. Similarly the market business area involves Euro area with local market absolute priority.

Starting from 2008 first quarter, after the acquisition of Linkonline S.r.l., company for the distribution of consumption products for computers, all the data referred this company are given separately.

Please see about this what was reported in the Group's going

ACCOUNTING PRINCIPLES

Accounting tables and schemes

Consolidated balance-sheet includes the minimum content required by international accounting standards which consists of the distinction in current and non-current assets and liabilities, based on the expectation to be realized within or after twelve months from the balance sheet date.

Income statement is based on the structure by nature.

The income statements is presented on the basis of a structure for what kind of cost.

The cash-flow statements is prepared on the basis of the indirect method.

Consolidated balance sheet not include items representative of value to asset held to sell and asset and liabilities included in disposals' group held to sell because there are not such case.

We inform that company controlled by Poligrafica S. Faustino S.p.A. prepare the report in application of international accounting standards; we apply appropriated adjustments required from IAS/IFRS to make them consistent with those of the holding and to aggregate financial statements all drawn according to international accounting standard.

The main accounting principles applied in the preparation of quarterly report are summarized here below:

Property, plant and equipment

They are stated at cost or revaluated cost (deemed cost) net of accumulated depreciation (except for land which is not depreciated). The cost of purchase or production includes additional charges and the direct and indirect production costs. Building cost includes a revaluation undertaken in the past based on a specific monetary revaluation regulation. Anyway, the revaluated cost does not exceed the market value of buildings.

Depreciation of tangible assets is computed on a straight line basis set on the residual useful life of assets and their impairment. A review is periodically carried out to assess impairment of assets.

Tangible assets include an amount (not significant) related to implementation cost of leased building, depreciated on a straight line basis set on the residual time of lease contract.

Types	Useful life
Buildings	33
Light buildings	10
Plants	10
Particular plants and machineries	4-7
Other fixtures and fittings, tools and equipment	4-5
Furniture	8
Electronic Machines	5
Transport machines	4-5
Value increasing on third's goods	(according to duration of the allocation contract)

Leased assets

Fixed assets acquired via finance lease contracts are accounted for using the financial method and are shown among assets at purchased value less depreciation applying the same policy followed for owned tangible assets. Set against this the amounts payable to the leasing companies are posted among short and medium/long-term payables. In addition the portion of interest relating to the period is posted among financial expenses.

Goodwill

Goodwill is the difference between the purchase price and fair value of subsidiaries' identifiable assets and liabilities on the date of acquisition.

As regards acquisitions completed prior to the date of IFRS adoption, PSF decided for not applying IFRS No. 3 (concerning business combination) and consequently goodwill emerging in relation to past acquisition has not been recalculated following the option provided by IFRS No.1. Therefore goodwill has been posted in accordance with Italian GAAP net of amortisation posted as up to December 31, 2003 and net of any losses due to a permanent reduction in value.

As from transition date, goodwill is not amortized – since it is an intangible asset with an indefinite useful life- but it is periodically subject to impairment test to check for any reduction in value.

Other intangible assets

According to IAS No. 38, other intangible assets, acquired or internally produced, are booked only if it is probable that the use of asset will generate future economic benefits and when the asset cost can be measured reliably.

In particular other intangible assets include development cost of Cantoalto platform, used for the e-commerce and productive procedures concerning personalized graphic products. During the accounting year the development costs of 2 new products have been capitalised (patented products) and the costs for further implementation of the different platforms.

Booked costs are amortized on a straight line basis and set on their estimated useful life and/or future use.

Impairment of asset value

With reference to tangible and intangible assets, at each balance-sheet date the Group performs an impairment test in order to verify the existence of impairment losses; when the booked value exceeds the recoverable amount the impairment losses are charged to the income statement of the period.

Investments and other non-current assets

Investments in not relevant companies are stated at purchase cost, adjusted, when needed, to reflect impairment, if any.

Debt securities are valued at their realizable value.

Inventories

Inventories are stated at the lower of market value and purchase or production cost. The individual items of inventory, to which different valuation methods have been applied, are valued at cost, calculated using the weighted average cost method.

Receivables

Receivables are stated for the value expected to be collected.

Current financial assets

Financial assets not held on a permanent basis are carried at the higher of purchase cost and the amount expected to be received upon sale of the same (“fair value” based on market prices). Differences arising from value market comparison are charged to income statement.

Owns' shares

Owns' shares held by the company at the end of the accounting year are registered with the buying cost. As required by the reference International principles, the total cost of the owns' shares is registered as diminishing values in the net patrimony. Similarly, the positive and/or negative differentials deriving from the transactions of the own shares are enlisted among the reserves.

Reserves for risks and contingencies

Reserves for risks and contingencies are provisioned to cover losses and debts, the existence of which is certain or probable, but whose amount or date of occurrence cannot be determined at the end of the accounting period. The disposition is made only when an implicit legal bound exists and the amount of it can be estimated.

Employee severance indemnity

The employee severance indemnity represents the amount accrued by staff pursuant to the provisions of legal provisions and current labor contracts, net of any advance payments, if any. The normative variations imposed by 2007 National financial law oblige that from 2007 companies a total devolution of the shares achieved during the accounting year, according to the employees' choices of each company in favour of a complementary assurance or in favour of the INPS (with non-purpose full exception for less important subsidiary). Thanks to this, except for the share of annual revaluation, the severance indemnity fund is destined to diminish slowly as a consequence of dismissals and or sums paid in advance.

The application of the IAS 19, previously evaluated in a not significant way (positive effect on net equity), is less important considering the above described aspects.

Payables

Payables are stated at their face value.

Loans

Loans are initially recognised at cost, net of related cost of acquisition. This value is adjusted to allow for any difference between initial cost and repayment value.

Revenue recognition

Revenues are posted net of return sales, discounts, allowances and bonuses, as well as of the taxes and duties directly associated with sale of goods and rendering of services.

Sales revenues are recognised when the company has transferred the significant risks and rewards associated with ownership of the goods.

Income taxes

Provisions for tax liabilities are determined based on analytical calculations of taxes payable in the current financial year by individual companies in compliance with current tax legislation. In addition, should there be any temporary un-deductible income and expenses, booked on an accrual basis, the related prepaid/deferred taxes are posted to the income statement. Deferred tax assets arising from fiscal loss were detected in face of new regulation on tax deferred, give the specific requirements of reasonable of the same. Similarly deferred and prepaid tax arising from consolidation and IFRS adjustments are posted to the income statement too.

NOTES TO CONSOLIDATED BALANCE SHEET

NON-CURRENT ASSETS

(DATA IN THOUSAND EURO)

- Immobili, impianti e macchinari

Balance at 31/12/14	4,418
Balance at 31/12/13	4,852
Variation	(434)
Lands	
Historical Cost	1,047
Revaluation	0
Devaluation	0
Balance at 31/12/13	1,047
Increase	0
Disposals	0
Balance at 31/12/14	1,047
Buildings	
Historical Cost	5,672
Revaluation	(2,742)
Devaluation	2,930
Balance at 31/12/13	-
Increase	-
Disposals	(170)
Balance at 31/12/14	2,760
Plants and machinery	
Cost (413/91 revaluation included for Euro 249 thousand)	16,408
Accumulated depreciation	(15,686)
Balance at 31/12/13	722
Increase	83
Disposals	(680)
Use funds	614
Depreciation	(225)
Balance at 31/12/14	514
Other fixtures, fittings, tools and equipment	
Historical cost	1,082
Accumulated depreciation	(996)
Balance at 31/12/13	86
Increase	3
Disposals	(451)
Use funds	448
Depreciation	(38)
Balance at 31/12/14	48

Other tangible assets	
Historical cost	1,577
Accumulated depreciation	(1,510)
Balance at 31/12/13	67
Increase	6
Disposals	(75)
Use funds	74
Depreciation	(23)
Balance at 31/12/14	49

- Intangible assets

Balance at 31/12/14	1,403
Balance at 31/12/13	1,358
Variation	45

Description	Value at 31/12/13	Increase	Amort.	Other variation	Value at 31/12/14
Goodwill	1,086				1,086
Development costs	235	105	(70)	(105)	165
Software	37	146	(31)		152
	1,358	251	(101)	(105)	1,403

As in the IFRS 3 the goodwill as intangible asset with indefinite lives is not systematically amortized anymore but follows the impairment test.

Because goodwill does not generate independent cash flows, or may be subject to separate sale, the individual units (companies) to which the goodwill is referred, have been identified as Cash Generating Unit (C.G.U.).

The accounting amount of CGU (carrying value) referred to the consolidated financial statements as at 31/12/2014, is summarized in the table below. Values are shown in thousands of Euro:

Company	Stake	Goodwill	Other tangible and intangible assets	Accounting amount of CGU as at 31 12 2014
Linkonline S.r.l.	100%	691	168	1,123
Psfinteractive S.r.l.	100%	395	34	386

As at December 31, 2014, the “impairment” analysis was replaced and led by an expert employee by using the financial fluxes excreted by the economic and financial plans of 5 year duration (2015-2019) approved by the Boards of Directors of the controlled companies Linkonline S.r.l. and Psfinteractive S.r.l. dated March 9, 2015 and based on reasonable principles and coherently sustainable with the best evaluation.

For the CGU Litografia Spada, any required impairment test has not made, taking into account the related goodwill has already been eliminated in the financial statements as of 31/12/12 after the results of the impairment test.

At the closure date of this balance sheet, the verification of the recoverable value of the CGU to which the starting were allocated, was made by confronting the accounting value of such unities with the usage value represented by the actual value of the future financial fluxes that it is evaluated will be commonly used by one company and by the dismissing of the same at the end of its life.

The expected cash flows within the aforementioned period (2015-2019) were discounted at a rate of 10.9507%, before tax, corresponding to the weighted average cost of capital (WACC). The company estimated at the end of the explicit period of the plan, the terminal value representative of the expected cash flows over the planning period of the plan as a perpetual capitalization of cash flow last year of the plan (2019), by determining the ratio between the latter and a WACCtv of 13.2150% (conservatively higher than the WACC used to discount the flows of the plan).

Taking into account the results and predictable results on the subsidiaries, the impairment test are not disclosed anything to configure additional impairments compared to the adjustments already made in the past year.

Development costs collect the costs for the building up and implementation of IT platforms of e-commerce that are used also in the productive managing of the graphic supports. The period increased values are linked to the development and / or implementation of products bound to the application of new applicative technologies. Among the development costs, internal costs Euro 101 thousand for the software platform developed for Linkonline Srl ("Procurement outsourcing & web-service"), completed at the end of the year and not yet amortized. Capitalized costs for development and software To Italy are included in increments and decrements following the liquidation.

- Investments and other non-current credits

Financial investments	31/12/14	31/12/13
Equity investments in other companies	3	3
Other receivables	774	530
	777	533

Equity investments in other companies relate to small interests in the consortia Conai, Corepla and Comieco. The credits towards others beyond the short term are constituted by supplying securities for Euro 12 thousand, Euro 50 thousand tax credits for reimbursement claims and for Euro 712 thousand of the residual value in a Middle Long term boasted by a third companies in the face of sale of fixed assets, intangible assets and / or business units with installment payment plans.

- Investments and other non-current credits

Balance at 31/12/14	1,677
Balance at 31/12/13	1,854
Variations	(177)

The credits for taxes anticipated and/or active postponements had the following modifications:

Deferred tax assets as at 31.12.10	220
- on fiscal loss of Holding before 2011	1,648
- on 2011 fiscal loss	159
- on 2011 temporary differences and other	63
Deferred tax assets as at 31.12.11	2,090
- reversal tax losses to compensation profits	(25)
- cancel the tax benefit from Lit. Spada	(201)
- on 2012 temporary differences	37
Deferred tax assets as at 31.12.12	1,901
- reversal tax losses to offset profits	(97)
- on 2013 temporary losses and reversal from previous year	37
- on 2013 fiscal loss of To Italy (newly formed)	13

Deferred tax assets as at 31.12.13	1,854
- reversal tax losses to compensation profits	(170)
- on 2014 temporary differences	43
- other reversal tax	(50)
Deferred tax assets as at 31.12.14	1,677

The overall benefit of tax losses carried residual accounted for only Euro 1.515 million while the holding company have been totally absorbed and / or cancelled the effects related to tax losses of the subsidiaries. This benefit was maintained as supported by favourable trends already recorded in the current year and projected to the years to come. Additional amounts for a total of Euro 162 thousand arise from temporary tax differences of various kinds as well as adjustments for IAS.

CURRENT ASSETS

Description	31/12/14	31/12/13	Variation
Inventories	2,283	2,486	(203)
Trade receivables	14,029	15,416	(1,387)
Tax receivables	104	22	82
Other receivables	485	383	102
Cash and banks	2,660	2,599	61
Total current assets	19,561	20,906	(1,345)

In particular as at December 31, 2014 Linkonline (**commercial area**) points out the following data:

LINKONLINE S.r.l.	31/12/14	31/12/13	Variation
Inventories	839	847	(8)
Trade receivables	4,493	3,933	560
Tax receivables	-	1	(1)
Other receivables	16	6	10
Cash and banks	986	682	304
Total current assets	6,334	5,469	865

- Inventories

Inventories	31/12/14	31/12/13
Raw materials	174	295
Finishing Products	750	977
Finished Products	1,359	1,214
	2,283	2,486

The "Raw materials and consumables" item includes various types of papers, inks and less important consumables. The decrease is related to the gradual outsourcing of some production. The "finished goods and goods for resale" item includes articles in-house produced as well as other resale goods such as easy reading other goods to commercialise of Linkonline S.r.l.. The "Work in progress" includes work in progress includes goods in the process and contracts for web services not yet completed by 31 December.

- Accounts receivables

Balance at 31/12/14	14,029
Balance at 31/12/13	15,416
Variation	(1,387)

Description	31/12/14	31/12/13
Toward client:		
Italy	13,901	15,306
CEE Area	329	395
Extra-CEE Area	23	52
(less) allowance for doubtful accounts	(224)	(337)
Total	14,029	15,416

The Credits devaluation fund was used during the year for Euro 223 thousand and revaluated for a total amount of Euro 110 thousand. The total balance put aside by the individual companies is considered sufficient to cover positions of dubious accomplishment, however not very significant

- Taxes receivables

Balance at 31/12/14	104
Balance at 31/12/13	22
Variation	82

Details of receivable from tax administration:

Receivable from the administration	31/12/14	31/12/13
Other	-	-
VAT receivable	70	22
D.L. 66/2014 receivables	5	-
Ires-Irap receivables	29	-
	104	22

- Other current receivables

Balance at 31/12/14	485
Balance at 31/12/13	383
Variation	102

Details of "other receivables":

Composition	31/12/14	31/12/13
Various credits	313	253
Prepayments and accrued income	172	130
	485	383

Details of prepayments and accrued income:

Description	31/12/14	31/12/13
Others accrued income	3	-
Prepaid rental costs	38	36
Financial prepaid costs	38	22
Deferred on other expenses	93	72
	172	130

- **Current financial activities**

The group has no financial activities that are not fixed assets.

- **Cash at bank and in hand**

Description	31/12/14	31/12/13
Banks	2,655	2,594
Credit notes	-	-
Cash	5	5
	2,660	2,599

The balance represents cash on hand and at banks and similar items at December 31, 2014. The change of Cash/Bank balances is adequately explained in the consolidated cash – flow statement.

NET EQUITY

Balance at 31/12/14	7,021
Balance at 31/12/13	6,809
Variation	212

The elements that determine the Shareholder's equity may be so listed:

Equity	31/12/14	31/12/13
Capital stock	6,162	6,162
Share premium account	244	244
Own share buying reserve	749	749
Revaluation reserve	241	241
Reserves	1,234	1,234
Owns' shares	(749)	(749)
Legal reserve	210	210
Other reserves and retained earnings	(47)	187
Profits (loss) accumulated	211	(235)
Profit (loss) for the financial period	374	162
Total group equity	7,021	6,809
Capital and reserves of third parties	0	0
Period Profit (loss) of third parties	0	0
Minorities interests	0	0
Total group equity	7,021	6,809

Variations of the net patrimonial data can be seen in the relative prospect. During 2014 accounting year the Holding has partially achieved the acquirement of owns' shares. Therefore, to a total amount of 1,194,107 shares corresponding to the entire social capital, owns' shares are 61,840, corresponding to 5.18% and are registered with a medium value of 12.11.

FROM HOLDING TO CONSOLIDATED EQUITY AND RESULT

Here below there is the reconciliation prospect between the net patrimony and the Holding result and those emerging from this consolidation:

(in Euro/000)	Result	Net equity
Holding	35	7,124
Subsidiary companies result (IAS)	(99)	(99)
Other consolidation adjustment	275	(4)
Net equity and result	211	7,021
Allocation to result and minorities' result	0	0
Net equity and Group's result	211	7,021

Result for share

Details of result for share calculated dividing Group's net result by number of issued shares:

Profit (loss) for share	2014	2013
Total ordinary shares	1,194,107	1,194,107
Total preference share	0	0
Average number of ordinary shares	1,194,107	1,194,107
Average number of preference shares	0	0
Net result Euro/000	211	(235)
Profit (loss) for share <i>In Euro unit</i>	0.1767	(0.1968)

They Bear no indication of the diluted earnings per share because the Company has not issued bonds convertible into equity securities.

NON-CURRENT LIABILITIES

- Loans

Balance at 31/12/14	740
Balance at 31/12/13	1,216
Variation	(476)

Description	31/12/14	31/12/13
- Amounts due to banks (medium/long term)	702	1,165
- Amounts due to Leasing company (medium/long term)	38	51
	740	1.216

The middle-long term financings are thus constituted:

- Euro 702 thousand as medium/long term share of loans with banks, decreased to Euro 463 thousand during the accounting year for direct effect of repayments and new starting with expiry dates beyond the short term for 232 K/Euro.

- Euro 38 thousand for middle-long term shares on financial allocation leases (Euro 51 thousand at the end of the previous accounting year); during the year it was turned on a new leasing contract for the purchase of capital goods to the value of 45 K / Euro.

New loans were obtained during the year for a total of 2,050 K / Euro originate (n.4 for funding). One of such loans equal to 500 K / Euro has duration of 24 months with the remaining beyond the short term of 232 K / Euro.

A loan of 1 million euro, which remains to 700 K / Euro 31 December 2014, provides for a derivative contract rates apply to maturity scheduled for 30 September 2016. The negative effects of the fair value of the derivative were equal about 3000 euro, have been included among the reserves in shareholders' equity as of 31/12/2014 as per to IAS 39 regarding the accounting for hedges of cash flows.

- Employee severance indemnity and retirement reserves

Balance at 31/12/14	719
Balance at 31/12/13	927
Variation	(208)

Description	Balance at 31/12/13	Decrease	Increase	Balance at 31/12/14
Employee severance indemnity	806	(226)		580
Agents' termination indemnity	121		18	139
	927	(226)	18	719

It is here to precise that the net decrease of the TFR for a total of Euro 226 thousand for a component equal to Euro 251 thousand is used to resign and Euro 13 thousand for advances / advances and take into account provisions for Euro 39 thousand net of tax replacement for Euro 1 thousand (see 2007 National Fiscal Norms).

- Deferred tax liabilities

Balance at 31/12/14	243
Balance at 31/12/13	225
Variation	18

Deferred taxes liabilities are composed for Euro 45 thousand by fiscal postponed effects on the fiscal operations already made in the previous accounting period, to whom the postponed net fiscal effects that originate from the funding structures and by the application of different accounting principles following the IAS. The most important component is to be referred to the effect arising from the application of the financial methods of the contracts of leasing.

In particular, deferred tax liabilities were:

Composition	Euro/000
Deferred tax liabilities at 31.12.11	230
Return on amortizations	(4)
Net fiscal effect on IAS revisions in the 2012 accounting year and corresponding returns.	4
Deferred tax liabilities at 31.12.12	230

Return on amortizations	(4)
Net fiscal effect on IAS revisions in the 2013 accounting year and corresponding returns.	(1)
Deferred tax liabilities at 31.12.13	225
Return on amortizations	(4)
Net fiscal effect on IAS revisions in the 2014 accounting year and corresponding returns.	22
Deferred tax liabilities at 31.12.14	243

- Other non-current liabilities

Balance at 31/12/14	0
Balance at 31/12/13	0
Variation	0

At the end of the exercise there are no debt positions beyond the 12 months.

CURRENT LIABILITIES

Description	31/12/14	31/12/13	Variation
Loans (short term debt)	6,015	6,585	(570)
Trade payables	11,630	12,376	(746)
Tax payables	415	373	42
Other payables	1,053	992	61
Total current liabilities	19,113	20,326	(1,213)

The dynamic of the short term payments is coherent with what has been above described and considers the effects on the financial fluxes underlined in the specific consolidated balance sheet.

Similarly to what reported for current assets, Here is the data specifically attributable to the commercial sector (Linkonline S.r.l.):

LINKONLINE S.r.l.	31/12/14	31/12/13
Loans (short term debt)	2,324	2,091
Trade payables	3,362	3,120
Tax payables	74	42
Other payables	177	113
Total current liabilities	5,937	5,366

- Bank loans

Balance at 31/12/14	6.015
Balance at 31/12/13	6.585
Variation	(570)

Description	31/12/14	31/12/13
- Owed to banks - short term loans	5,961	6,469
- Debts towards Leasing company in short term	54	116
	6,015	6,585

The debts towards the banks within 12 months represent the passive exposures of the Group's companies for about Euro 3,625 thousand. The remaining quote in brief term, of the loans signed by the Holding (Euro 2,173 thousand), Psfinteractive S.r.l. (Euro 63 thousand) and Linkonline S.r.l. (Euro 100 thousand).

For further considerations you can see what has been reported about the loans between non-current liabilities.

- Accounts payable

Balance at 31/12/14	11,630
Balance at 31/12/13	12,376
Variation	(746)

Description	31/12/14	31/12/13
Trade payables:		
Italy	10,779	11,748
CEE Area	219	71
Area Extra-CEE	7	23
Towards clients of goods to deliver in different moments	625	534
Total	11,630	12,376

- Tax payable

Balance at 31/12/14	415
Balance at 31/12/13	373
Variation	42

Description	31/12/14	31/12/13
IRPEF (personal income tax)	298	295
VAT	54	19
IRES-IRAP (corporate income taxes)	63	59
	415	373

- Other current liabilities

Balance at 31/12/14	1,053
Balance at 31/12/13	992
Variation	61

Description	31/12/14	31/12/13
Owed to social institutes	325	264
Other payables	684	573
Accruals and deferred income	44	155
	1,053	992

Debts towards the others are almost totally formed by debts towards the employees for salaries to pay, holidays and fees for the Directors and others collaborator.

NOTES TO CONSOLIDATED INCOME STATEMENTS

Description	31/12/14	31/12/13	Var.
Operating revenues	42,163	40,442	1,721
Materials and change in inventory	(23,888)	(22,774)	(1,114)
Services	(10,508)	(9,670)	(838)
Personnel costs	(3,931)	(4,490)	559
Other operating costs (net)	(2,403)	(2,566)	163
EBITDA	1,433	942	491
Depreciation and amortization	(557)	(683)	126
EBIT	876	259	617
Net financial income (expense)	(247)	(239)	(8)
BEFORE TAX RESULT	629	20	609
Income tax	(418)	(255)	(163)
NET RESULT	211	(235)	446

Consolidated revenues showed an increase of 4.2% compared to the previous year compared to a recovery of sales in the graphics industry and the traditional commercial sector that have well balanced contraction of multimedia and web-agency. The increased incidence of consumption (57.2% compared to 56.3% in 2013) and the cost of services (25.1% compared to 23.9% in 2013) was offset by a substantial reduction in personnel costs and by additional policies to contain costs in general. The increase in revenues and the aforementioned dynamic operating costs have therefore generated a significant recovery on EBITDA, now equal to 3.4% of revenues (it was 2.3% in 2013). Likewise EBIT results in substantial increase in both absolute terms and as a percentage (2.1% compared to 0.6% last year). Net financial expenses remain a marginal incidence (0.6%) on the volume of revenues.

Here below there are the data of three areas in which the Group operates:

Productive GRAPHIC Area (Holding and Litografia Spada)

Description	31/12/14	Peso %	31/12/13	Peso %	Var.
Sales and other operating income and revenue	29,312	100.0	28,672	100.0	640
Materials and change in inventory	(14,559)	(49.7)	(14,258)	(49.7)	(301)
Services	(8,986)	(30.7)	(8,378)	(29.2)	(608)
Personnel costs	(2,674)	(9.1)	(3,379)	(11.9)	705
Other operating costs (net)	(2,013)	(6.8)	(2,046)	(7.1)	33
EBITDA	1,080	3.7	611	2.1	469
Depreciation and amortization	(523)	(1.8)	(633)	(2.2)	110
EBIT	557	1.9	(22)	(0.1)	579
Net financial income (expense)	(128)	(0.4)	(140)	(0.5)	12
BEFORE TAX RESULT	429	1.5	(162)	(0.6)	591
Income tax	(299)	(1.0)	(125)	(0.4)	(174)
NET RESULT	130	0.5	(287)	(1.0)	417

The productive sector, despite a modest recovery in total revenues (+ 2.2%), recorded a margin recovery helped by a general reduction of fixed costs which largely compensates the increase in the incidence of services. The same positive effects are reflected on EBIT and profit before and after tax always in positive territory, in contrast to the previous year.

Commercial Area (LINKONLINE – IAS)

INCOME STATEMENT before intercompany eliminations

Description	31/12/14	Peso %	31/12/13	Peso %	Var.
Sales and other operating income and revenue	11,108	100.0	9,910	100.0	1,198
Materials and change in inventory	(8,673)	(78.0)	(7,787)	(78.6)	(886)
Services	(1,030)	(9.3)	(973)	(9.8)	(57)
Personnel costs	(799)	(7.2)	(715)	(7.2)	(84)
Other operating costs (net)	(174)	(1.6)	(235)	(2.4)	61
EBITDA	432	3.9	200	2.0	232
Depreciation and amortization	(15)	(0.1)	(30)	(0.3)	15
EBIT	417	3.8	170	1.7	247
Net financial income (expense)	(100)	(0.9)	(84)	(0.8)	(16)
BEFORE TAX RESULT	317	2.9	86	0.9	231
Income tax	(85)	(0.8)	(71)	(0.7)	(14)
NET RESULT	232	2.1	15	(0.2)	217

The performance of the commercial sector recorded a revenue increase of 12% which, together with lower incidences of operating costs, has made it possible to deliver an EBITDA increase in both absolute and percentage terms. Similar improvements are reflected on EBIT and net income.

Communication and new project Area (Psfinteractive and To Italy – IAS)

Description	31/12/14	Peso %	31/12/13	Peso %	Var.
Sales and other operating income and revenue	1,743	100.0	1,859	100.0	(116)
Materials and change in inventory	(656)	(37.6)	(728)	(39.2)	72
Services	(492)	(28.2)	(319)	(17.2)	(173)
Personnel costs	(458)	(26.3)	(396)	(21.3)	(62)
Other operating costs (net)	(216)	(12.4)	(285)	(15.3)	69
EBITDA	(79)	(4.5)	131	7.0	(210)
Depreciation and amortization	(19)	(1.1)	(20)	(1.0)	1
EBIT	(98)	(5.6)	111	6.0	(209)
Net financial income (expense)	(19)	(1.1)	(15)	(0.8)	(4)
BEFORE TAX RESULT	(117)	(6.7)	96	5.2	(213)
Income tax	(34)	(1.9)	(59)	(3.2)	25
NET RESULT	(151)	(8.6)	37	2.0	(188)

The data concerning the sector "communication and new projects", even though overall not significant in the turnover of the Group, are made explicit in order to better assess the effects that they have made in not positive terms on the overall margins. The sector has been and will be the subject of a reorganization following the liquidation of To Italy (net loss of Euro 155 thousand in 2014) and in the face of expected recoveries of margins for the web agency (PSFINTERACTIVE) that has alienated a branch business no longer considered strategic and poorly profitable.

REVENUES AND OPERATIVE PROCEEDS

Accounting year 2014	42,163
Accounting year 2013	40,442
Variation	1,721
Variation %	+4.2%

Operating revenues	2014	%	2013	%
- Graphic products	28,949	70.1	27,742	70.3
- Web agency services	1,274	3.1	1,844	4.7
- Commercial area	11,090	26.8	9,882	25.0
Revenues on sales and performance.	41,313	100.0	39,468	100.0
- Other revenues and proceeds	843		957	
- Regional contribution	7		17	
Other revenues and proceeds	850		974	
Total revenues and operative proceeds	42,163		40,442	

OPERATIVE COSTS

Accounting year 2014	40,730
Accounting year 2013	39,500
Variation	1,230
Variation %	+3.1%

Here below the main components of the operative costs:

Materials and change in inventories	2014	2013
Acquisitions of raw materials, consumable stock and goods	23,686	22,287
Change in inventories	74	37
Change in raw materials	128	450
	23,888	22,774
Incidenza su vendite	57.8%	57.7%

The increased incidence of purchases on sales is largely related to a different procurement policy for certain types of production, unlike in the past it has favoured purchases of goods for resale and had caused a significant stock reduction.

Services	2014	2013
Outsourcing production	2,882	2,352
Motive power	265	280
Transports	1,198	1,139
Postal charges and services	1,885	1,675
Sales commissions	2,734	2,621
Consultant fees	666	577
Other costs	878	1,026
Total	10,508	9,670
Incidence on the sales	25.4%	24.5%

Poligrafica S. Faustino Group – Consolidated Financial Statement as at December 31, 2014

Personnel costs	2014	2013
Wages and salaries	2,816	3,189
Social security costs	900	1,035
Provision for severance indemnity	190	247
Other costs	25	19
Total	3,931	4,490
Variation %	(12.4%)	-
Sales Incidence	9.5%	11.4%

The personnel costs included all staff costs, including social charges, the costs of unused holidays allowances, additional bonuses and the allowances provided for by law and collective agreements. The change in the cost of the total labour is the effect of policies for the reorganization of the Group with the goal of significant recoveries in terms of productive efficiency.

Staff numbers	31/12/14	Average	31/12/13	Average
Staff	4	4	5	5
Managers	55	62	69	74
Employees	14	21	28	35
Total	73	87	102	114

Costs for capitalized in-house work	2014	2013
(to deduce)	136	56
Total	136	56

Other net operating costs (revenues)	2014	2013
Rental costs	587	617
Managers' fees	1,275	1,252
Statutory auditors' fees	43	50
Contingent revenues (non-recurring)	(122)	(176)
Contingent expenses (non-recurring)	59	106
Loss on non-recurrent credits (non-recurring)	50	-
Other provisions	18	17
Other generic expenses	629	756
Total	2,539	2,622

Total other costs and NET other operating (income)	2,403	2,566
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Depreciation, value adjustments and realized	2014	2013
Depreciation of tangible assets (-)	(455)	(555)
Amortisation of intangible assets (-)	(102)	(128)
Gain/losses from non-current assets (investments)	-	-
Write-downs/write backs of non-current assets	-	-
Total	(557)	(683)

For further considerations on the amortization and depreciation please see table of movements in tangible and intangible assets.

Financial income	2014	2013
Bank interests receivable	2	3
Other financial income	33	51
Exchange gain	-	-
Total	35	54

Financial expenses	2014	2013
Bank interests payable	(168)	(196)
Interests on medium long term loans	(109)	(75)
Interests on financial leasing.	(5)	(9)
Other financial charges	-	(13)
Losses gain	-	-
Total	(282)	(293)
NET FINANCIAL INCOME AND EXPENSES	(247)	(239)

The net financial component maintains an important incidence as regards the business volume of the Group

Taxes	2014	2013
IRES	(55)	(37)
IRAP	(168)	(176)
Deferred taxes reversal included	(195)	(42)
Total	(418)	(255)

OTHER DISCLOSURES

Fees of Directors and Statutory Auditors

Considering the art. 123-ter of the “*Testo Unico della Finanza*”, the relative information to policy of the company in the matter of remuneration of the members of the administration organs, of the general managers and of the leaders with strategic responsibilities, the procedures used for the adoption and the performance of such policy and the remuneration of the above mentioned subjects and of the members of the supervisory organ and the general managers have been inserted in a distinguished relation (Report on the Remuneration) always approved by the Board of Directors

The above document is also available on the website of Company’s website at [www.psf.it / investor relations / corporate governance / reports](http://www.psf.it/investor-relations/corporate-governance/reports):

http://investor.psf.it/it/page.asp?id_sez=48&id_sub=56&id_com=79

DISCLOSURE ACCORDING TO ARTICOLE 149-DUODECIES OF CONSOB ISSUER REGULATION

Pursuant to article 149-*duodecies* of Consob Issuer Regulation, the fees paid in 2014 for auditing services and other than auditing furnished by the same Independent Auditor for holding and subsidiaries company are set forth in the schedule below.

(euro/000)	Analisi S.p.A.
Auditing	91
Other services	-
Total	91

**Certification pursuant the article 81-ter of Consob Issuer Regulation no. 11971
of May 14, 1999 and subsequent changes and additions**

1. We, Alberto Frigoli, Emilio Frigoli and Giuseppe Frigoli, declare herewith as managing directors, together with Cristina Capitanio, account manager responsible for the accounting documents of Poligrafica S. Faustino S.p.A., confirm (considering all stated of art. 154-bis, paragraph 3 and 4, of Italian Legislative Decree no. 58 of February 24, 1998) as follows:

- the adequacy concerning the company characteristics and
- the factual application,

of the administrative and accounting procedures for the forming of the Consolidated Financial Statements as at December 31, 2014.

2. This concerning, no aspects of particular managing or strategic or existence of anomalies and problems also seen in the effecting procedure application emerged.

3. Herewith it is also confirmed that

3.1 Consolidated Financial Statements:

- a) it is made up in conformity with the international accounting principles acknowledged by the European Community according to the Regulation (CE) n. 1606/2002 of the European Parliament and Council, of July 19, 2002;
- b) corresponds to the results of the accounting reports and books;
- c) is made according to the International Financial Reporting Standards of the International Accounting Standards Board. It is furthermore apt to give a faithful representation of the patrimonial situation of the issuer and of the whole of the companies included in the consolidating.

3.2 The report of the Board of Director on the managing includes a reliable analysis of the going and the result of management, as well as the issuer situation and all subsidiaries, together with the description of the principal risks and uncertainties.

Castrezzato, March 13, 2015

The account manager responsible for
the accounting documents
Mrs. Cristina Capitanio

.....

Managing Directors

Alberto Frigoli

.....

Emilio Frigoli

.....

Giuseppe Frigoli

.....

POLIGRAFICA S. FAUSTINO SPA

**CONSOLIDATED FINANCIAL
STATEMENTS AS AT DECEMBER 31, 2014**

AUDITOR'S REPORT



To the shareholders of
Poligrafica S. Faustino S.p.A.
Via Valenca, 15
25030 Castrezzato (BS)

**AUDITOR'S REPORT IN ACCORDANCE WITH ARTICLES 14 AND 16 OF
LEGISLATIVE DECREE 27.01.2010, N° 39**

1. We have audited the consolidated financial statements of Poligrafica S. Faustino S.p.A. and its subsidiaries (The Poligrafica S. Faustino Group), consisting of statement of financial position, statement of comprehensive income, statement of changes in shareholders' equity, statement of cash flow and explanatory notes, as at December 31, 2014. Poligrafica S. Faustino's Directors are responsible for the preparation of these financial statements in compliance with International Financial Reporting Standards as adopted by European Union, as well as with the regulations issued to implement article 9 of the Legislative Decree n° 38/2005. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards and criteria recommended by CONSOB. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement and, taken as a whole, are reliable. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, as well as assessing adequacy and the fairness of the accounting principles used and the reasonableness of the estimates made by the Directors. We believe that our audit provides a reasonable basis for our opinion.

For the opinion on the consolidated financial statements of the prior period, which are presented for comparative purposes, reference is made to our report dated March 28, 2014.
3. In our opinion, the consolidated financial statements of Poligrafica S. Faustino S.p.A. as at December 31, 2014 have been prepared in accordance with International Financial Reporting Standards adopted by European Union as well as with the regulations issued to implement article 9 of the Legislative Decree n° 38/2005; accordingly, they give a true and fair view of the financial position, results of operations, changes in shareholder' equity and cash flows for the year then ended of Poligrafica S. Faustino S.p.A.

4. The Directors of Poligrafica S. Faustino S.p.A. are responsible for the preparation of the Report on Operations and of the Report on Corporate Governance and Ownership Structure, issued on the section “www.psf.it / Investor Relations / Corporate Governance / Reports” of web site of Poligrafica S. Faustino S.p.A., in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the Report on Operations and of the information required by comma 1, letters c), d), f), l), m) and by comma 2, letter b) of the article 123-bis of the Legislative Decree 58/98, contained in the Report on Corporate Governance and Ownership Structure, with the consolidated financial statements, as required by law. For this purpose, we have performed the procedures required under Auditing Standard n. 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion, the Report on Operations and the information required by comma 1, letters c), d), f), l), m) and by comma 2, letter b) of the article 123-bis of the Legislative Decree 58/98 contained in the Report on Corporate Governance and Ownership Structure, are consistent with the consolidated financial statements of Poligrafica S. Faustino S.p.A. as at December 31, 2014.

Reggio Emilia, March 31, 2015

Analisi S.p.A.

(signed on the original)

Maurizio Magri
(Partner)

This report has been translated into the English language solely for the convenience of International readers. The Italian original remains the definitive version.



POLIGRAFICA S. FAUSTINO SPA
Seated in 25030 CASTREZZATO (Brescia), Via Valenca no. 15
Capital Stock Euro €6,161,592.12
REA Brescia 250377
Fiscal Code and Brescia Firms' Register 01251520175
VAT Number 00614280980

**REPORT OF THE BOARD OF AUDITORS AT CONSOLIDATED
FINANCIAL STATEMENTS – ACCOUNTING YEAR 2014**

Dear Shareholders,

the Consolidated Balance Sheet of Poligrafica S. Faustino as at December 31, 2014 has been carried out by the Holding Poligrafica S. Faustino S.p.A. in conformity with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and is composed by the Patrimonial Sheet, by the Economic Account, by the Financial Survey, by the Net patrimony variations report and by the comment notes.

The report provides the details about the managing and, in particular, the considerations about the patrimonial, fiscal and financial aspects. Moreover, the immaterial immobilizations have been inscribed as positive values following the instructions of the I.A.S 38; the survey includes the description of the Group's research and development activities, of the relevant events occurred after the closure of the 2014 accounting Balance sheets and some short considerations on the predictable evolution of the 2015 managing evolution.

The Board of Auditors has purchased a documentation examination and has declared it correct and in conformity with the present civil norms.

The Financial Statements and the Economic Account have been confronted with the Consolidated Balance sheet of 2013 that has been remade according to the same IFRS principles for homogeneity of criteria and values.

The Board of Auditors acknowledges that the consolidated companies, of which we give a list with the details at the art. 39 of the Legislative Decree 127/91, have been justly found out and following the art. 26 of the Legislative Decree.

The Group's consolidated balance sheet reports the Balance sheets of the companies included in the consolidated, all closed at December 31, 2014 and approved by their company organs.

The explicative notes contain all the most significant evaluation criteria that coincide with those of the Holding, compared with those elaborated by the 2013 accounting year.

The balance entries are represented with the indication and motivation, for the most significant quantitative variations of the consolidated Balance for the 2013 accounting year.

In the comment notes the adopted consolidation techniques have been illustrated. The patrimonial situations and the economic account already carried out following the required models by the Legislative Decree 127/1991 have been reclassified following the presentation criteria that are utilised for the predisposition of the IFRS balances. The adopted principles for the 2014 balance consolidation are those used for the previous accounting year, in particular:

- a) the participations in companies included in the consolidation have been deleted as a consequence of their net patrimony fractions, following the global integration method, art 31., paragraph 2, a);

- b) the eventual shares of the economic result and the net equity of the participated of other people's competence are expressed in specific entries of the Economic Account and of the consolidated Net Patrimony, art. 31 paragraph 3 and 4;
- c) the costs and revenues have been deleted, the credits and debts among the companies included in the consolidation sheet and the proceedings and significant losses after operations among companies not yet accomplished at the balance date, art. 31 paragraph 2 b), c) d);
- d) the possible ratifications of the balance sheets to delete fiscal posts and other ratifications of consolidation considering their postponed fiscal effect.

The Board of Auditors, considering the intercourses with the Auditing Firm Analisi S.r.l., charged by Poligrafica S. Faustino shareholders' meeting for the consolidated Balance revision of the Group Poligrafica S. Faustino, doesn't have any remarks to do on the Group's consolidated balance for the 2014 accounting year.

Castrezzato (Brescia), March 27, 2015

The Board of Auditors
Rag. Umberto Bisesti
(signed on the original)

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GRUPPO
SANFAUSTINO
PRINT&MULTICHANNEL COMMUNICATION

POLIGRAFICA S. FAUSTINO S.P.A.
25030 CASTREZZATO (BS) - Via Valenca, 15
Cap. Soc. i.v. Euro 6.161.592,12
Cod. Fisc. e N. Iscr. Reg. Imprese di Brescia 01251520175
R.E.A. di Brescia n. 250377

FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2014

REPORT OF THE BOARD OF DIRECTORS

MARKET EVOLUTION AND NEW STRATEGIC FOCUSES

The 2014 accounting year ended up with an increase compared to 2013. The business projects oriented new proposition "smart printing" has significant impact in terms of revenue growth for the year. Special projects of character paper industry, the area promotional one, the world packaging & labels with gift and specialty papers and media for the activities of loyalty, games and contests have counteracted the decrease in sales of more traditional print world. 2015 will be characterized by the consolidation of the activities described (with a strong focus and thrust of the label & packaging) and the launch of innovative services related to the world of direct marketing.

FINANCIAL AND ECONOMIC HIGHLIGHTS

NET SALES (Million Euro)	2014	2013	Variation
Sales	29,041	27,703	1,338
(abroad)	(3,008)	(2,578)	

The value refers to the total turnover records a recovery of 4.8% over the previous year, with particular reference to the orders of the promotional and advertising sector.

The export revenues is equal to Euro 3.01 million (equal to 10.4% of sales) and achieved an increase of 17% in comparison to the previous accounting year (Euro 2.58 million).

Here below the results of the balance sheet of Poligrafica S. Faustino S.p.A. at December 31, 2014, compared with the previous accounting year's data:

Poligrafica S. Faustino S.p.A.	31/12/14	31/12/13
INCOME STATEMENT (million Euro)		
Sales	29.04	27.70
Other operating income and revenues	0.71	0.74
Total operating revenues and income	29.75	28.44
Materials and change in inventory	(14.67)	(14.20)
Services	(9.21)	(8.52)
Payroll costs	(2.09)	(1.98)
Other net operating costs (revenues)	(2.67)	(3.33)
Total operating costs	(28.64)	(28.03)
EBITDA	1.11	0.41
Depreciation and amortization	(0.67)	(0.64)
EBIT	0.44	(0.23)
Financial net income (cost)	(0.12)	(0.13)
Income before tax	0.32	(0.36)
Income taxes	(0.28)	(0.11)
Net result for the period	0.04	(0.47)

Revenues and operating income of PSF have recorded growth of 4.6%, which, together with the decreased incidence of operating costs, allowed another significant margin recovery. In particular, the continuous search for efficiencies and savings on overheads, allowed to obtain significant results in the decrease in personnel costs, primarily. These trends have favoured the growth in EBITDA almost tripled (from 0.41 million to 1.11 million) compared to the previous year.

Similarly, the net operating profit (EBIT) benefited from these dynamics and, in spite of a provision of Euro 0.14 million compared to net loss of PSF Interactive, remains in positive territory for 0.44 million, in net contrast to the negative figure recorded in 2013 (0.23 million).

Similar reflections favourable spill finally also positive earnings before tax of 0.32 million (compared with a loss of 0.36 million in 2013). The net result remains positive, albeit for a modest amount, given the significant impact of taxation.

INVESTMENTS

Investments for the exercise are essentially irrelevant (equal to Euro 0.16 million) have regarded the implementation of the applicative and managerial software (for Euro 0,08 million) and small purchases of equipment for an amount of Euro 0.08 million.

RESEARCH AND DEVELOPMENT ACTIVITIES

During the year 2014 the company has made research and development activities carried out by internal resources.

the R & D actions focused on the design and implementation of a new product, called "Pop Up", destined to the market of gadgets, inserts publishing, games and contests.

The constant efforts of the company in the improvement of the production steps and the continuous search for new products has generated good results in terms of turnover, with positive effects on the economy of the company. Thanks to these activities, in addition, the company increased its competitive advantage and consolidates its position in the market.

SAFETY, ENVIRONMENT, QUALITY

By means of the Management System for Security, was adopted a tool that has the purpose of:

- maintaining awareness of the consistency of the company's mission with the principles of policy for health and safety at work;
- establish objectives consistent with the above policy;
- ensuring the availability of adequate resources to the implementation of the Policy.

All Poligrafica S. Faustino S.p.A. employees, and in particular the managers and the Area responsible people, must monitor and check periodically that the above mentioned principles are observed.

Such goals, in a system dynamical optic, are constantly evolving and the commitment of the Board of Directors is to get a continuing improvement in welfare and safety matters concerning the workers by respecting the law.

On August 26, 2014 the company has obtained the certification of the management system of safety of workers according to the standard OHSAS 18001: 2007.

For a sustainable development, the environment protection is a primary goal for PSF that is engaged in its continuous getting better.

The most important company functions, following the guidelines of the Board of Directors, is directly involved in the achievement of this commitment and in the definition of measurable goals that may allow to verify periodically such politics by all the interest bearers, and to verify the adequacy of the resources to them destined.

After this said, on 17.06.2011 FSC certification has been obtained (the inspection process is conducted in forests or forest plantations to assess how these are handled with respect to a given set of principles and criteria of good management) issued by Forest Steward Council, a non-governmental, non-profit organization, aimed at the preservation and improvement of the environment and forest resources in the world as well, on 27.01.2014, the certification of the environmental Management System according to the UNI EN ISO 14001.

Through the Quality Managing Direction – certified in 2000 – Poligrafica S. Faustino wants to offer a higher efficiency standard to satisfy the necessities and expectations of its clients, through a continuous improving way, fully observing the laws.

It is confirmed again in 2013 to maintain the quality management system certification according to the standard UNI EN ISO 9001:2008, issued on 01.03.2000 and last renewed on 27.03.2012.

A system has been conceived that represents an important surplus that evaluates the organisation and its resources through the standardisation of the company processes.

PERSONNEL

The table below indicates Poligrafica S. Faustino personnel as at year's end:

	31/12/14	31/12/13
Managers	3	4
Clerical employees	38	47
Manual workers	14	28
Total	55	79

NET FINANCIAL POSITION

Euro/mln	2014	2013
Cash and banks	1.67	1.92
Short term bank and leasing loans	(3.22)	(3.79)
Total A)	(1.55)	(1.87)
Medium-long term bank and leasing loans	(0.74)	(1.22)
Total B)	(0.74)	(1.22)
Net financial position (A+B)	(2.29)	(3.09)

In the table below are the analysis of the financial structure:

POLIGRAFICA S. FAUSTINO S.p.A.	31-dic-14 Euro/mln	31-dic-13 Euro/mln	Variaz. Euro/mln
A) Shareholders' equity of the year			
Trade receivables	9.85	10.86	(1.01)
Inventories	1.22	1.35	(0.13)
Other current receivables	0.43	0.38	0.05
Trade payables	(8.17)	(8.89)	0.72
Other payables	(1.08)	(0.94)	(0.14)
A) Total shareholders' equity	2.25	2.76	(0.51)
B) Net fixed assets			
Intangible assets	0.18	0.19	(0.01)
Tangible fixed assets	4.39	4.81	(0.42)
Financial fixed assets	1.53	1.53	(0.14)
Non- current receivable	1.85	1.74	0.11
B) Total fixed assets	7.95	8.27	(0.46)
C) Funds medium/long term and non-financial liabilities	0.79	0.85	(0.20)
D) Invested capital (A+B-C)	9.41	10.18	(0.77)

Covered by:

E) Net financial indebtedness

Financial debts in short run	3.22	3.79	(0.57)
Availability and financial loan in short run	(1.67)	(1.91)	0.24
Financial debts in medium/long run	0.74	1.21	(0.47)
E) Total borrowing (liquidity)	2.29	3.09	(0.80)

F) Owners' equity

Share capital	6,16	6,16	-
Reserves	0,96	0,93	0,03

F) Total own resources	7,12	7,09	0,03
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G) Total coverage (E+F)	9,41	10,18	(0,77)
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FINANCIAL RISK MANAGING

The Company works in the graphic-promotional sector exclusively on demand and, considering the particular productive typology, must adjust the production and the provisioning politics to the specific requests of the clients.

The financial management's activity is concerned with keeping the relations with many banks and carries on the analysis of different risks favouring indications on the credit risks, and in particular when there are contacts with new clients.

The change risk, given the absolute irrelevance of the transactions (both passive and active) also beyond the Euro area, is equal to zero. The supplying market of raw materials isn't affected by indirect consequences bound to the dollar.

As far as the credit risk is concerned, above all in front of the huge costs of the transactions and of the clients is limited. It is to be considered that the medium unity amount of the transitions is modest and the analysis of the credit positions already expired or soon to be expired are linked to a fortnight expiry date.

About the liquidity risk: the relationship between own and others' money has always been positive. In recent years, the net financial position was significantly affected by a general lengthening of proceeds that are not counterbalanced by a similar postponement in payment times.

Nonetheless the present financial structure, characterised by modest debts in relation to the capitalisation, together with the existence of significant real estate investments free from bonds and mortgages, determine objective solidity indicators that guarantee the possibility to enter into new credit lines, if necessary.

Concerning the interest rate risk, it is generated by short and long term flexible rate. On a new loan taken during the year it was decided to activate a derivative hedging instrument which, however, does not currently register significant impacts of a financial nature.

OWNS' SHARES

During 2014 accounting year, as a consequence of a particular going of the Italian Stock Exchange, the Holding has partially achieved the acquirement of owns' shares.

Therefore, to a total amount of 1,194,107 shares corresponding to the entire social capital, owns' shares are 61,840, corresponding to 5.18% and are registered with a medium value of 12.11.

RELATED PARTIES

Poligrafica S. Faustino S.p.A. Group is characterized by important productive and commercial integrations in the field of the graphic realizations.

In particular, Poligrafica S. Faustino S.p.A. (holding) made the following transactions with other companies of the Group:

Litografia Spada S.r.l.: re-debts miscellaneous expenses for Euro 10 thousand, buying for Euro 13 thousand.

Psfinteractive (formerly Mediattiva) S.r.l.: sales for Euro 2 thousand, re-debts of common costs for Euro 129 thousand, obtained manufacturing and services for Euro 47 thousand.

Linkonline S.r.l.: sales for Euro 100 thousand and re-debts for services and expenses for Euro 136 thousand; buying for Euro 10 thousand.

To Italy S.r.l. : re-debts for services for Euro 4 thousand.

It should also be noted that during the year PSF purchased without recourse from Litografia Spada the amount due from a third party transferee of some industrial machinery at a total price net of 500 thousand euro.

Except for the fees paid to members - directors, PSF made significant transactions with the related company Etichette Nika S.r.l. following the sale to it of part of the labels branch in the previous accounting year.

With NIKA during the accounting year, the following transactions were carried out under normal market conditions:

	Euro/000
Purchase of products for resale	(2,297)
Active rentals	59
Sale materials	21

As at December 31, 2014 the followings positions are open:

	Importo Euro/000
Etichette NIKA (client)	28
Etichette NIKA (supplier)	(808)

SHARES HELD BY DIRECTORS, STATUTORY AUDITORS, GENERAL MANAGER AND THEIR SPOUSES (EXCL. THOSE LEGALLY SEPARATED) AND UNDER AGE CHILDREN

Information about shares held by Directors, Statutory Auditors, General Managers and their spouses are included in the Report prepared by art. 123-ter of the “*Testo Unico della Finanza*”, (Report on remuneration) always approved by the Board of Directors.

The above document is also available on the website of society at www.psf.it / investor relations / corporate governance / reports:

http://investor.psf.it/it/page.asp?id_sez=48&id_sub=56&id_com=79

ADDITIONAL INFORMATION ON THE OWNERSHIP

As required by art. 123-bis of the “*Testo Unico della Finanza*”, the information referred to in paragraphs 1 and 2 of such article have been submitted in a separate report from the annual report (Report on corporate governance and ownership structures) always approved by the Board of Directors.

The above document is also available on the website of society at www.psf.it / investor relations / corporate governance / reports:

http://investor.psf.it/it/page.asp?id_sez=48&id_sub=56&id_com=79

SEATS

The company doesn't have secondary or other seats.

SUBSEQUENT EVENTS AFTER THE CLOSURE OF THE ACCOUNTING PERIOD

There are no further events after the closure of the year that may have an impact on the data concerned in the present report.

FORESEEABLE BUSINESS DEVELOPMENT

In 2015 we will focus its activities on projects of high value printing (label & packaging and packaging paper stationery promotions, direct marketing) rather than commodity products related to traditional printing. It will also be implemented a strategy of commercial development for projects related to the multi-channel platform as result of synergies with other Group companies.

PROPOSAL FOR RESULT ALLOCATION

The Board of Directors will propose to allocate the net profit of Euro 35,209 for the year to 5% as the legal reserve and the remaining earnings.

On behalf of the Board of Directors
The Chairman
Alberto Frigoli

POLIGRAFICA S. FAUSTINO S.p.A.
FINANCIAL STATEMENTS
According to I.A.S./I.F.R.S

FINANCIAL STATEMENTS

STATEMENT OF PATRIMONIAL – FINANCIAL SITUATION

Euro (unit)	31/12/14	31/12/13
ASSETS		
NON CURRENT ASSETS		
Tangible fixed assets	4,393,330	4,813,061
Intangible assets	182,419	188,845
Equity investments	1,531,704	1,531,703
Non-current receivables	306,822	71,458
Deferred tax assets (prepaid taxes)	1,543,414	1,669,257
Total non-current assets	7,957,689	8,274,324
CURRENT ASSETS		
Inventories	1,219,971	1,353,959
Trade receivables	9,088,559	10,362,025
Receivables from subsidiaries	756,348	500,792
Tax receivables	32,641	14,836
Other current receivables	401,462	361,918
Current financial assets	0	0
Cash and cash equivalents	1,669,329	1,915,036
Total current assets	13,168,310	14,508,566
TOTAL ASSETS	21,125,999	22,782,890
NET EQUITY AND LIABILITIES		
NET EQUITY		
Share capital	6,161,592	6,161,592
Own shares (-)	(749,085)	(749,085)
Reserves	1,232,432	1,231,515
Retained earnings and net result for the period	478,803	443,595
Total Net equity	7,123,742	7,087,617
NON-CURRENT LIABILITIES		
Loans (medium/long term)	740,206	1,215,974
Employee severance indemnity and retirement reserves	523,673	719,430
Risks' fund	136,279	0
Deferred tax liabilities	130,935	135,506
Other non-current liabilities	0	0
Total non-current liabilities	1,531,093	2,070,910
CURRENT LIABILITIES		
Loans (short term)	3,216,223	3,789,897
Trade payables	7,974,617	8,856,135
Payables to subsidiaries	200,906	39,232
Tax payables	289,362	241,289
Other payables	790,056	697,810
Total current liabilities	12,471,164	13,624,363
TOTAL NET EQUITY AND LIABILITIES	21,125,999	22,782,890

INCOME STATEMENT

Euro (unit)	31/12/14	31/12/13
OPERATING REVENUES		
Sales	29,040,789	27,702,768
Other operating income and revenues	705,206	736,495
Total operating revenues and income	29,745,995	28,439,263
OPERATING COSTS		
Materials	(14,531,273)	(14,059,685)
Change in inventory	(133,988)	(144,806)
Services	(9,209,931)	(8,518,478)
Payroll costs	(2,673,410)	(3,336,387)
(less) Costs for capitalized in-house work	0	0
Other net operating costs (revenues)	(2,090,028)	(1,967,328)
Total operating costs	(28,638,630)	(28,026,684)
EBITDA	1,107,365	412,579
Depreciation and amortization (-)	(528,194)	(643,749)
Capital gains (losses) on disposal of non-current assets	-	-
Write-downs/write backs of non-current assets	-	-
Other provisions	(136,279)	-
EBIT	442,892	(231,170)
Financial income	33,725	31,437
Financial expenses	(153,122)	(165,116)
BEFORE TAX RESULT	323,495	(364,849)
Income taxes	(288,286)	(110,801)
Net result for the period	35,209	(475,650)
Profits referred to net equity	917	0
Costs referred to net equity	0	(4,230)
Profit (Loss) global	36,126	(479,880)

Other income recognized directly in equity, without going through the income statement in accordance with IAS 39 relating to the fair value of the derivative of IRS type of coverage on a floating rate loan obtained in the course of the past year.

**CONSOLIDATED CASH FLOW STATEMENTS
(indirect method)**

	2014	2013
A. Cash flows from operating activities		
Profit (loss) of the accounting year	35,209	(475,650)
Taxes	288,286	110,801
interest expense / (interest income)	119,426	133,512
(Gains)/ losses on the disposal of assets	(90,428)	(26,256)
1. Profit (loss) before income taxes, interest, dividends and capital gains / losses on disposal	352,493	(257,593)
Allocations to provisions	159,914	32,418
Amortisation of intangible assets	528,194	643,749
Adjustments for non-cash items that had no counterpart in the CCN	688,108	676,167
2. Cash flow before changes in CCN	1,040,601	418,574
Decrease / (increase) in inventories	133,988	144,806
Decrease / (increase) in trade receivables and to the Group	975,562	(155,222)
Increase / (decrease) in trade payables and to the Group	(867,806)	1,631,688
Other changes in net working capital	(21,071)	(317,520)
Variation of CCN	220,673	1,303,752
3. Cash flow after variation of CCN	1,261,274	1,722,326
Interest received / (paid)	(119,426)	(133,512)
(taxes paid)	(114,787)	(83,303)
Use of funds	(219,392)	(1,001,832)
Other adjustments	(453,605)	(1,218,647)
Cash flow of income management (A)	807,669	503,679
B. Cash flow of investments		
Property, plant and equipment (Investments)	(88,395)	(33,022)
Price of disinvestments	158,383	42,650
Immaterials asset (Investments)	(81,597)	(72,978)
Shareholding and other non-current payables	-	(40,000)
Price of disinvestments	6,759	5,290
Cash flow from investing activities (B)	(4,850)	(98,060)
C. Cash flow from financing		
Increase in short-term borrowings from banks	(637,464)	(540,785)
Turning funding	2,095,000	3,000,000
repayment of loans	(2,506,978)	(1,954,767)
Third's means	(1,049,442)	504,448
Other variations	916	(4,229)
equity	916	(4,229)
Net cash flow from financing activities (C)	(1,048,526)	500,219
Increase (decrease) in cash (a ± b ± c)	(245,707)	905,838
Cash and cash equivalents at beginning of the year	1,915,036	1,009,198
Cash and cash equivalents at the end of the year	1,669,329	1,915,036

TABLES OF MOVEMENTS IN EQUITY

Euro (unit)

NET EQUITY	31/12/2013	Destination Result	Other moviments	Result of Accounting year	31/12/2014
Capital Stock	6,161,592				6,161,592
Own shares (-)	(749,085)				(749,085)
Own share reserve	749,085				749,085
Reserve shares premium	243,620				243,620
Revaluation reserve	241,206				241,206
Legal reserve	209,605				209,605
Other reserves	707,244	(475,650)	916		232,510
Gain (loss) period	(475,650)	475,650		35,209	35,209
TOTAL	7,087,617	0	916	35,209	7,123,742

Other movements was allocated directly in equity without going through the income statement in accordance with IAS 39 regarding the method of accounting for cash flow hedges, in respect of a derivative type of IRS coverage on a variable rate loan obtained during the last year.

NET FINANCIAL POSITION

Euro (unit)

NET FINANCIAL POSITION	31 Dec 14	31 Dec 13
LIQUIDITY AVAILABLE	1,669,329	1,915,036
DEBTS AT SHORT TERM TO BANKS	(3,162,105)	(3,673,867)
DEBTS AT SHORT TERM TO OTHER BACKERS	(54,118)	(116,030)
TOTAL POSITION AT SHORT TERM (A)	(1,546,894)	(1,874,861)
DEBTS BEYOND SHORT TERM TO BANKS	(701,891)	(1,165,229)
DEBTS BEYOND SHORT TERM TO OTHER BACKERS	(38,315)	(50,745)
TOTAL POSITION AT MEDIUM / LONG TERM (B)	(740,206)	(1,215,974)
NET FINANCIAL POSITION (A+B)	(2,287,100)	(3,090,835)

The financing short-term consist negative balance of c/c to Euro 990 million, the current portion of loans and financing for Euro 2,172 million shares and principal amount due within 12 months, relating to finance leases for Euro 54 thousand.

Amounts due to banks beyond the short term are related to the shares to be redeemed mortgage liabilities from banks, due after one year but not later than the next five years.

During the accounting year, n. 4 funding have been started for a total amount of Euro 2,050 thousand with maturities from 12 to 36 months. The amount of Euro 38 thousand is related to residual debts beyond the short-term finance lease entered into in prior years. The year was entered into a new finance lease for a total of Euro 45 thousand; the remainder beyond the short term is equal to Euro 29 thousand.

For further financial information, please see the cash flow statement table.

ACCONUTING STANDARDS AND VALUTATION CRITERIA

The 2014 accounting year statements was carried according to the International Financial reporting Standards (IFRS) of the International Accounting Standards Board (IASB). This includes also all the valid International Accounting Standards (IAS). Homogeneous criteria are used also for the previous accounting year. It is made by the balance sheet, the financial and income statement, the variations of the net balance and by the notes of comment.

The Holding balance sheet, similarly to the net consolidated statements, was carried out according to the historic costs except for some evaluations of the material immobilizations in the previous accounting years.

Financial and income Statement tables

In the balance sheet there is the essential content based on International accounting principles and has the distinction between current and non-current assets and liabilities, according to their attitude to get realized within 12 months since the reference date.

The income statement is developed according to a cost-based structure.

Here below the accounting principles and evaluation criteria applied to the dates.

Buildings, plants and machinery

They are stated at cost or revaluated cost (deemed cost) net of accumulated depreciation (except for land which is not depreciated). The cost of purchase or production includes additional charges and the direct and indirect production costs. Building cost includes a revaluation undertaken in the past based on a specific monetary revaluation regulation. Anyway, the revaluated cost does not exceed the market value of buildings.

Depreciation of tangible assets is computed on a straight line basis set on the residual useful life of assets and their impairment. A review is periodically carried out to assess impairment of assets.

Tangible assets include an amount (not significant) related to implementation cost of leased building, depreciated on a straight line basis set on the residual time of lease contract.

The useful life is calculated on years and is:

Types	Useful life
Buildings	33
Light buildings	10
Plants	10
Particular plants and machineries	4-7
Other fixtures and fittings, tools and equipment	4-5
Furniture	8
Electronic Machines	5
Transport machines	4-5

Leased assets

Fixed assets acquired via finance lease contracts are accounted for using the financial method and are shown among assets at purchased value less depreciation applying the same policy followed for owned tangible assets. Set against this the amounts payable to the financial lessor are posted among short- and medium/long-term payables. In addition the portion of interest relating to the period is posted among financial expenses.

Other intangible assets

According to IAS No. 38, other intangible assets, acquired or internally produced, are booked only if it is probable that the use of asset will generate future economic benefits and when the asset

cost can be measured reliably. In particular are included costs for software management and development costs of new products/services.

Booked costs are amortized on a straight line basis and set on their estimated useful life and/or future use, starting from the effective moment of their use and considering the correlated benefits.

Impairment of asset value

With reference to tangible and intangible assets, at each balance-sheet date the Company performs an impairment test in order to verify the existence of impairment losses; when the booked value exceeds the recoverable amount the impairment losses are charged to the income statement of the period.

Investments and other non-current assets

Investments are stated at purchase cost, adjusted, when needed, to reflect impairment, if any.

Debt securities are valued at their realizable value.

Inventories

Inventories are stated at the lower of market value and purchase or production cost. The individual items of inventory, to which different valuation methods have been applied, are valued at cost, calculated using the weighted average cost method.

Receivables

Receivables are stated for the value expected to be collected.

Current financial assets

Financial assets not held on a permanent basis are carried at the higher of purchase cost and the amount expected to be received upon sale of the same ("fair value" based on market prices). Differences arising from value market comparison are charged to income statement.

Owns' shares

Owns' shares held by the company at the end of the accounting year are registered with the buying cost. As required by the reference International principles, the total cost of the owns' shares is registered as diminishing values in the net patrimony .

Reserves for risks and contingencies

Reserves for risks and contingencies are provisioned to cover losses and debts, the existence of which is certain or probable, but whose amount or date of occurrence cannot be determined at the end of the accounting period. The disposition is made only when an implicit legal bound exists and the amount of it can be estimated.

Employee severance indemnity

The employee severance indemnity represents the amount accrued by staff pursuant to the provisions of legal provisions and current labour contracts, net of any advance payments, if any. the normative variations imposed by 2007 National financial law oblige that from 2007 companies a total devolution of the shares achieved during the accounting year, according to the employees' choices in favour of a complementary assurance or in favour of the INPS. Thanks to this, except for the share of annual revaluation, the severance indemnity fund is destined to diminish slowly as a consequence of dismissals and or sums paid in advance.

The application of the IAS 19, previously evaluated in a not significant way, is less important considering the above described aspects.

Payables

Payables are stated at their face value.

Loans

Loans are initially recognised at cost, net of related cost of acquisition. This value is adjusted to allow for any difference between initial cost and repayment value.

Revenue recognition

Revenues are posted net of return sales, discounts, allowances and bonuses, as well as of the taxes and duties directly associated with sale of goods and rendering of services.

Sales revenues are recognised when the company has transferred the significant risks and rewards associated with ownership of the goods.

Income taxes

Provisions for tax liabilities are determined based on analytical calculations of taxes payable in the current financial year in compliance with current tax legislation. In addition, should there be any temporary un-deductible income and expenses, booked on an accrual basis, the related prepaid/deferred taxes are posted to the income statement. Deferred tax assets arising from fiscal loss are included when recognize the future recoverability. Similarly deferred and prepaid tax arising from IFRS adjustments are posted to the income statement too. In this regard it should be stated that in light of regulatory changes have occurred regarding the possibility of using no more time limits of the tax benefit on losses carried forward, was written under the aggregate amount of such tax benefit. The directors believed that they could carry out such registration also supported by favorable outlook for the next few years adequately supported by specific tax and economic plans developed for this purpose.

EXPLANATORY NOTES

All amounts are in thousand Euro.

FIXED ASSETS

- Lands, buildings and machineries

Balance at 31/12/14	4,393
Balance at 31/12/13	4,813
Variation	(420)

Lands

Historical Cost	1,047
Devaluation	0
Balance at 31/12/13	1,047
Increase	0
Disposals	0
Balance at 31/12/14	1,047

Buildings

Cost (413/91 revaluation included for Euro 249 thousand)	5,672
Accumulated depreciation	(2,742)
Balance at 31/12/13	2,930
Increase	0
Disposals	0
Depreciation of the year	(170)
Balance at 31/12/14	2,760

Plants and machinery

Historical Cost	14,194
Accumulated depreciation	(13,462)
Balance at 31/12/13	732
Increase	83
Net disposal	(670)
Used funds	604
Depreciation of the year	(227)
Balance at 31/12/14	522

Other fixtures, fittings, tools and equipment

Historical Cost	752
Accumulated depreciation	(715)
Balance at 31/12/13	37
Increase	-
Net disposal	(445)
Used funds	445
Depreciation of the year	(21)
Balance at 31/12/14	16

Other tangible assets	
Historical Cost	1,316
Accumulated depreciation	(1,249)
Balance at 31/12/13	67
Increase	6
Net disposal	(75)
Used funds	73
Depreciation of the year	(22)
Balance at 31/12/14	49

- Intangible assets

Balance at 31/12/14	182
Balance at 31/12/13	189
Variation	(7)

Description	Value at 31/12/13	Increase	Amortiz.	Other changes	Value at 31/12/14
Development costs	169	67	(70)		166
Software	20	14	(18)		16
	189	81	(88)		182

The development costs include the costs for the construction and implementation of the informatics platforms of e-commerce used also in the managing of the graphic supports.

- Investments and other non-current receivable

	31/12/14	31/12/13
Investment in subsidiary companies	1,529	1,529
Investment in other companies	3	3
Other non-current receivable	307	71
Deferred tax assets	1,543	1,669
	3,382	3,272

Investment in subsidiary companies	Value at 31/12/14	Value at 31/12/13	Net variation
Litografia Spada S.r.l.	20	20	-
Psfinteractive (formerly Mediattiva) S.r.l.	386	386	-
Linkonline S.r.l.	1,123	1,123	-
	1,529	1,529	-

KEY INFORMATION FOR SUBSIDIARY COMPANIES:

(Financial statement data according to the Italian accounting principles, which have been applied adjustment required by IAS / IFRS)

Subsidiaries

PSFINTERACTIVE (formerly MEDIATTIVA) S.r.l. sole proprietorship

Registered Office: Castrezzato (BS) Via Valenca, 17

Capital Stock: Euro 20,000

Shareholders' equity at 31/12/2014: Euro 154,691 (IAS)

2014 net result: Euro –120,193 (IAS)

Company Interest: 100%

Book Value: Euro 386,092

LITOGRAFIA SPADA S.r.l. sole proprietorship

Registered Office: Castrezzato (BS) Via Valenca, 15

Capital Stock: Euro 20,000

Shareholders' equity at 31/12/2014: Euro 143,123 (IAS)

2014 net result: Euro –57,071 (IAS)

Company Interest: 100 %

Book Value: Euro 20,000

LINKONLINE S.r.l. sole proprietorship

Registered Office: Castrezzato (BS) Via Valenca, 15

Capital Stock: Euro 100,000

Shareholders' equity at 31/12/2014: Euro 328,382 (IAS)

2014 net result: Euro +231,676 (IAS)

Company Interest: 100%

Book Value: Euro 1,122,908

It must also be reported the existence of a controlling interest in the following indirect subsidiary owned 100% by Psfinteractive

TO ITALY S.r.l. sole proprietorship – IN LIQUIDATION

Registered Office: Castrezzato (BS) Via Valenca, 15

Capital Stock: Euro 20,000

Shareholders' equity at 31/12/2014: Euro –121,206 (IAS)

2014 net result: Euro –154,461 (IAS)

Company Interest (indirect): 100%

The differences as at December 31, 2014 between the participation costs and the net accounting assets of Linkonline S.r.l., Psfinteractive S.r.l. are justified by effective major values of the activities, in particular in relation to the acquired start up in the operations of company aggregation with such controlled companies.

During the accounting year no changes were made to the write-down the value of investments compared to the results of the analysis of "impairment" conducted by an independent expert.

As at December 31, 2014, the "impairment" analysis was replaced and led by an expert employee by using the financial fluxes expected by the economic and financial plans of 5 year duration (2015-2019) approved by the Boards of Directors of the controlled companies Linkonline S.r.l. and Psfinteractive Sr. dated March 9, 2015 and based on reasonable principles and coherently sustainable with the best evaluation

Other non-current payables

Credit for deferred tax assets

Description	
Balance at 01.01.2014	1,669
Reversal to use losses carried	(154)
Taxed Account on funds credits	28
Balance at December 31, 2014	1,543

It is important to notice that the fiscal recipient that derives from previous losses, as it results from incomes declaration “UNICO 2014” (year 2013) would be as follows:

Anno	Useful fiscal losses	27.5% benefit
2006	750,553	206,402
2007	2,086,476	573,781
2008	2,096,886	576,644
2009	1,059,782	291,440
2010	0	0
2011	161,292	44,355
More losses from instance	939,680	258,412
2012	1,113,693	306,265
2013	45,270	12,449
Da UNICO 2014	8,253,632	2,269,748
Use by counting the budget (*)	(560,532)	(154,146)
Availabe residual	7,693,100	2,115,602

(*) =. Based on the best evaluation during balance period

From the above table it is shown how the account balance recorded under deferred tax budget turns out to be significantly lower than the actual tax benefit available.

It is recalled, in fact, that the relevant tax regulations, as amended in 2011, allow the carry of the benefit arising from tax losses with no time limit, with the only restriction arising from countervailable losses up to a maximum of 80 % of the taxable income of each year.

Accordingly, the directors believe that we can confirm the recoverability of the amount recorded as assets in these financial statements in light of the already positive performance in 2014 also expected in future years.

Other non-current asset are formed by active caution money (Euro 8 thousand), claims for tax refunds from 2012 instances (Euro 15 thousand) and receivable from other company (Euro 284 thousand) in relation to the sale of assets carried out in previous years by the subsidiary Litografia Spada, with installment payment plans. During 2014, PSF bought this credit by the subsidiary Litografia Spada.

- CURRENT ASSETS

Description	31/12/14	31/12/13	Variation
Inventories	1,220	1,354	(134)
Trade receivables	9,089	10,362	(1,273)
Receivables from subsidiaries	756	501	255
Tax receivables	33	15	18
Other current receivables	401	362	39
Cash and liquidity	1,669	1,915	(246)
Total current activities	13,168	14,509	(1,341)

The inventories are so made up:

Description	Value at 31/12/14	Value at 31/12/13	Variation
Raw materials	135	252	(117)
Finishing Products	566	745	(179)
Finished Products	519	357	162
	1,220	1,354	(134)

The trade receivables towards third parties is:

Description	31/12/14	31/12/13
Towards clients:		
Italy	8,916	10,091
Euro Area	329	390
Non-Euro Area	18	31
(less) Fund devaluated credits	(174)	(150)
Total	9,089	10,362

Please note that during the year, the provision for bad debts recorded decreases for use amounted to Euro 36 thousand results to be increased at the end of the accounting year thanks to a big sparing of Euro 60 Thousands.

The detail of receivables from **subsidiary companies** is:

Subsidiary	Balance at 31/12/14	Balance at 31/12/13
Psfinteractive S.r.l. (*)	581	351
Litografia Spada S.r.l.	9	103
Linkonline S.r.l.	158	43
To Italy S.r.l.	8	4
	756	501

(*) of which Euro 200 thousand as loan

Details of receivable from tax administration:

Description	31/12/14	31/12/13
VAT receivable	29	15
Treasury account held	-	-
IRAP receivables	-	-
D.L. 66/2014 receivables	4	
Total	33	15

Details of other current receivables:

Composition	31/12/14	31/12/13
Other receivables	247	250
Accrued income and prepaid expenses	154	112
	401	362

Detail of accrued income and prepaid expenses:

Description	31/12/14	31/12/13
Prepaid expenses on commission	38	22
Prepaid expenses of rental	29	25
Others accrued	3	-
Other prepaid expenses	84	65
	154	112

- Cash and cash equivalents

Description	31/12/14	31/12/13
- Bank deposit	1,665	1,912
- Credit notes	-	-
- Cash	4	3
	1,669	1,915

The amount includes the liquidity and the existence of cash and values as at December 31, 2014. For a full evaluation of the financial dynamics, please see the cash flow statement.

- NET EQUITY

Reference should be made to the specific statement of changes in equity, it is to be noted that during the year 2014, there were no transactions involving treasury shares.

On a total amount of 1,194,107 shares (corresponding to the entire social capital), owns' shares are 61,840 (5.18%) with a single medium value of Euro 12.11.

Here below the informative table about the utilization of reserves:

Description	Value at 31/12/2014	Utilization possibility	Free amount	Last 3 accounting year utilization
Euro unit	(result not included)			Loss coverage (result not included)
Capital stock	6,161,592		0	
Capital reserve				
Share premium account reserve	243,620	A, B; C	(a)	(b)
Revaluation reserve	241,206	A, B, C	241,206	
Profit reserve				
Legal Reserve	209,605	B	0	
Other reserves	232,510	A,B	0	(b)
Own share Reserve	749,085		0	(c)

Legend:

A = for capital increase

B = for loss cover

C = for dividend distribution

(a) = according to the art. 2431 of civil code, share premium account may not be distributed until the legal reserve equal 20% of capital stock. As at December 31, 2014 the limit was 1,232,318 Euro and therefore share premium account will be available after increasing legal reserve of Euro 1,022,713.

(b) = cover of losses: in 2011 (for Euro 51,288) we used the share premium reserve to cover losses for the year 2010. In 2013 we used the same reserve to cover losses for the year 2012

(Euro 5,541,238). In 2013 were also used for other reserves Euro 793,729 against the loss component 2012 is not already covered by the share premium reserve. During the present accounting year other reserves have been used to level the loss of 2013 equal to Euro 475,650.

(c) = The reserve of the acquisition of own shares is equal to the amount for the acquisition of own shares, held at the end of the accounting year and bonded as assurance for them.

- NON-CURRENT LIABILITIES

Description	31/12/14	31/12/13	Variation
Loans (non current quota)	740	1.216	(476)
Employee severance indemnity	385	598	(213)
Retirement reserves	139	121	18
Provisions for losses	131	136	(5)
Deferred tax liabilities	136	-	136
Other non-current liabilities	-	-	-
Total non current liabilities	1,531	2,071	(540)

The medium-long term loans are following:

- 702 million euro per share to M/L with mortgage lenders, decreased by Euro 463 thousand during the year for the net effect of repayments to 695 K / Euro and new borrowings with maturities beyond the short term to 232 K / Euro

- Euro 38 thousand for medium – long term shares on financial allocation contacts (they were 51K/Euro at the end of the previous accounting year); during the year a new leasing contract was turned on for the purchase of capital goods to the value of 45 K / Euro.

New loans were obtained during the year for a total of 2,050 K / E original (for n. 4 funding). One of such loans equal to 500 K / Euro has duration of 24 months with the remaining beyond the short term of 232 K / Euro.

A loan of 1 million euro, which remains to 700 K / Euro as at December 31, 2014, it was also signed a derivative contract for covering rates to be valid until the deadline of September 30, 2016. The negative effects of the fair value of the derivative, equal to about Euro 3 thousand, have been included among the reserves in shareholders' equity as of 31/12/2014, pursuant to IAS 39 regarding the accounting for hedges of cash flows.

Variation employee severance indemnity:

Description	Euro/000
Balance at 31/12/2013	598
Paid for INPS	-
Amount of the year	6
Paid in advance	(13)
Resignations	(205)
Equivalent tax	(1)
Balance at 31/12/2014	385

The change in the pension fund agents is summarized below:

Description	Euro/000
Balance at 31/12/2013	121
Provisions	18
Use	-
Balance at 31/12/2014	139

Deferred tax liabilities variations:

Description	Euro/000
Balance at 31/12/2013	136
Provisions	-
Use	(5)
Balance at 31/12/2014	131

Liabilities for deferred taxes are determined by deferred tax effects on the fiscal cleaning of 2004 and net for the fields component together with the deferred tax effects arising from the application of different accounting principles according to IAS/IFRS.

Other provisions include the provision of 136 K / EUR to cover the deficit of this subsidiary Psfinteractive in accordance with Italian GAAP, which induced effect on the same shared by the result in deficit of its subsidiary To Italy.

- CURRENT LIABILITIES

Description	31/12/14	31/12/13	Variation
Loans (current quota)	3,216	3,790	(574)
Trade payables	7,975	8,856	(881)
Payables to subsidiaries	201	39	162
Tax payables	289	241	48
Other payables	790	698	92
Total current liabilities	12,471	13,624	(1,153)

The short-term funds consist of uncovered c/c to Euro 827 million, the current portion of c / advances amounting to Euro 163 thousand, the current portion of loans and financing for Euro 2,172 million shares and principal amount due within 12 months, relating to finance leases for Euro 54 thousand.

Please see the comments about the medium/long term financial negative values.

Here below the details for the **trade payables**:

Description	31/12/14	31/12/13
Trade payables:		
Italy	7,345	8,348
CEE Area	33	45
Extra-CEE area	7	6
Advance payment from clients	590	457
Total	7,975	8,856

Here below the detail for the **debts to subsidiary companies**:

Subsidiary	31/12/14	31/12/13
Psfinteractive S.r.l.	47	6
Litografia Spada S.r.l.	146	30
Linkonline S.r.l.	5	3
To Italy	3	-
Total	201	39

Here below the detail for the tax payables:

Description	Balance at 31/12/14	Balance at 31/12/13
VAT	-	-
Irpef (a)	234	238
Ires	37	-
Irap	18	3
	289	241

(a) = including Euro 43 thousand for withholding on payments to professionals, associates and employees for Euro 191 thousand.

The detail for **other payables**:

Description	Balance at 31/12/14	Balance at 31/12/13
Social security institutions	242	185
Personnel	308	317
Customers	58	20
Other	148	127
Accrued charges and deferred earnings	34	49
	790	698

Engagements

The Company has entered into a hedging derivative interest rate related to a loan of Euro 1 million. The evaluation of the derivative corresponds to a liability of Euro 3 thousand recognized as a reduction of capital reserves (it was Euro 4 thousand at the end of the previous accounting year) and offset in the medium to long term borrowings.

PSF, as the Holding, as operator of the credit lines of the umbrella-type that can be used by itself and / or its subsidiaries.

INCOME STATEMENT

Description	31/12/14	31/12/13	Variation
Operating income and revenues	29,746	28,439	1,307
Materials and change in inventories	(14,665)	(14,205)	(460)
Services	(9,210)	(8,518)	(692)
Payroll costs	(2,674)	(3,336)	662
Other operating costs (revenues) -net	(2,090)	(1,967)	(123)
EBITDA	1,107	413	694
Depreciation and amortization	(664)	(644)	(20)
EBIT	443	(231)	674
Net financial income (expenses)	(120)	(134)	14
RESULT BEFORE TAX	323	(365)	688
Tax	(288)	(111)	(177)
NET RESULT	35	(476)	511

NOTES TO INCOME STATEMENTS

OPERATING INCOME AND REVENUES

Description	31/12/14	31/12/13
Sales	29,041	27,703
Other operating income and revenues	705	736
Total	29,746	28,439

The total sales of 2013 accounting year register an increase of 4.8% in comparison with the previous accounting year.

Here below a detailed report for productive families:

	2014	2013	Variation %
Graphic products	25,564	24,415	+4.7%
Documental management	1,593	1,612	(1.2%)
Postal fees repayment	1,884	1,676	+11.2%
	29,041	27,703	4.8%

The documents management service has been nearly totally entrusted to the subsidiary Psfinteractive that recognizes to PSF a share of expenses for uses structure.

The holding maintains the managing of the press services and posting correlated with the managing documentation.

The export sales amounted to Euro 3.01 million (10.4% of sales), increased of 17% in comparison to the previous accounting year (Euro 2,58 Million).

Other revenues (Euro 705 thousand) came from service re-payables towards other subsidiaries (278), services re-debts to third parts (160), appreciation on disposal (104), rewards from suppliers (6), rental income (114), regional contributions (7) and other (36).

MATERIAL PURCHASES AND CHANGE IN INVENTORIES

Description	31/12/14	31/12/13
Raw materials, goods and other purchases	14,531	14,060
Increase (decrease) in raw material inventory	117	212
Increase (decrease) in finished goods and WIP inventory	17	(67)
Total	14,665	14,205

The change in the cost of purchase of raw materials, consumables and goods, even if related to the change in inventories and the volume of business, suffers from significant and growing supply strategies of direct and semi-finished goods for resale.

In particular, purchases were for:

- Raw materials of various types for Euro 957 thousand;
- consumables for Euro 79 thousand
- Semi-finished and finished products to Euro 13,495 million.

COSTS FOR SERVICES

Description	31/12/14	31/12/13	Variation %
Outsourcing production	2,882	2,352	+22.5%
Motive power	265	280	(5.4%)
Transports	527	550	(4.2%)
Postal charges and services	1,885	1,675	+12.5%
Sales commissions	1,866	1,893	(1.4%)
Other commercial costs	413	455	(9.2%)
Consultant fees	579	475	+21.9%
Other costs	793	838	(5.4%)
Total	9,210	8,518	+8.1%

Changes in% above show the changing operational dynamics characterized by an accentuation of outsourcing and a consequent reduction of internal costs.

PERSONNEL COSTS

Description	31/12/14	31/12/13
Wages and salaries	1,926	2,379
Social security costs	612	766
Provision for severance indemnity	129	183
Other costs	7	8
Total	2,674	3,336

The item is made up of all staff costs, including social charges, the costs of unused holiday allowances, additional bonuses and the allowances provided for by law and collective agreements. The decrease of the total cost for the personnel is related to the employment dynamics (see table below).

Among the social costs we have included in the 2014 accounting year the costs for employees mobility for Euro 46 thousand together with the use of social benefits.

Staff numbers

	31/12/14	31/12/13
Managers	3	4
Clerical employees	38	47
Manual workers	14	28
Total	55	79

OTHER OPERATING COSTS (REVENUES)

Description	31/12/14	31/12/13	Variation
Rental costs	30	29	1
Rental	344	320	24
Losses on trade receivables	60	39	21
Loss on operations (non-recurrent)	-	-	-
Other provisions	18	17	1
Directors' fees	1,254	1,183	71
Statutory auditors' fees	32	37	(5)
Other generic expenses	434	428	6
Capitalization internal costs	-	-	-
Contingent revenues (non-recurring)	(99)	(156)	57
Contingent expenses (non-recurring)	17	70	(53)
Total	2,090	1,967	123

AMORTIZATIONS, DEPRECIATION AND VALUE ADJUSTMENTS

Depreciation and amortization	31/12/14	31/12/13
Depreciation of fixed assets	440	540
Amortization of intangible assets	88	104
Total depreciation and amortization	528	644
Provisions for losses subsidiaries (Psfinteractive)	136	0
Total	664	644

Depreciation of fixed assets include Euro 98 thousand related to assets acquired by leasing contracts, as required by IAS N.17.

FINANCIAL INCOME AND EXPENSE

Financial income	31/12/14	31/12/13
Bank interests receivable	1	-
Other financial income	33	31
Total financial income	34	31

Financial expenses	31/12/14	31/12/13
Bank interests payable	(42)	(85)
Interests on medium long term loans	(106)	(58)
Interests on financial leasing costs	(5)	(9)
Interests expenses and foreign exchange differences	-	(13)
Total financial expenses	(153)	(165)
NET Financial income and expenses	(119)	(134)

TAXES

	31/12/14	31/12/13
Ires of the accounting year	(38)	-
IRAP	(128)	(115)
IRES (corporate income tax)	(154)	-
Other deferred tax income (cost) including IAS application	32	4
Total taxes	(288)	(111)

Here below the table of reconciliation between income statement result and income (loss) for fiscal purposes:

Table of reconciliation between result and fiscal purposes	2014
(Euro/000)	
Result before tax	323
Variation	
Write-off of depreciation (not acceptable for fiscal purposes)	17
Temporary differences on advance FSC	9
Other temporary differences	-
Return of temporary differences on advance FSC	-
Permanent differences (increase)	444
Permanent differences (reduction)	(93)
Total net variations	377
Taxable income IRPEG/IRES	700
Decrease for fiscal losses (80%)	(560)
Taxable income IRES	140
Fees (IRES) 27.5%	38
Taxable income IRAP	3.294
IRAP (3.9%)	128

For more details, refer to tables of movements of credits and debits for deferred tax assets and liabilities.

TRANSACTION WITH SUBSIDIARY COMPANIES

In order to illustrate the integrated activities into the Group, here below the economical transitions made by Poligrafica S. Faustino S.p.A. with its subsidiary companies.

Revenues and other operating income	31/12/14	31/12/13
Sales and services to:		
- Litografia Spada S.r.l.	10	108
- Psfinteractive (formerly Mediattiva) S.r.l.	131	127
- To Italy S.r.l.	4	3
- Linkonline S.r.l.	236	151
Total	381	389
Operating costs	31/12/14	31/12/13
Outsourcing production by:		
- Litografia Spada S.r.l.	13	82
Purchase and others charges:		
- Linkonline S.r.l.	10	7
Service by:		
- Psfinteractive (formerly Mediattiva) S.r.l.	47	9
Total	70	98

We remember that, during 2010 accounting year, the business unit of field labels was sold to the related company Etichette Nika S.r.l.. To the same company specific processing and production of labels for the resale for a total of Euro 2,297 thousand in year 2014 were then delegated. To the same company sales and services for a total of Euro 82 thousand were invoiced. All transactions with subsidiaries and related parties are conducted in a manner and according to market conditions.

**DISCLOSURE ACCORDING TO ARTICOLO 149-DUODECIES
OF CONSOB ISSUER REGULATION**

Pursuant to article 149-*duodecies* of Consob Issuer Regulation, the fees paid in 2014 for auditing services and other than auditing furnished by the same Independent Auditor are set forth in the schedule below.

(euro/000)	Analisi S.p.A.
Auditing	55
Other services	-
Total	55

**Certification pursuant the article 81-ter of Consob Issuer Regulation n. 11971
of May 14, 1999 and subsequent changes and additions**

1. We, Alberto Frigoli, Emilio Frigoli and Giuseppe Frigoli, declare herewith as managing directors, together with Cristina Capitanio, account manager responsible for the accounting documents of Poligrafica S. Faustino S.p.A., confirm (considering all stated of art. 154-bis, paragraph 3 and 4, of Italian Legislative Decree no. 58 of February 24, 1998) as follows:

- the adequacy concerning the company characteristics and
- the factual application,

of the administrative and accounting procedures for the forming of financial statements as at December 31, 2014.

2. This concerning, no aspects of particular managing or strategic or existence of anomalies and problems also seen in the effecting procedure application emerged.

3. Herewith it is also confirmed that

3.1 Financial Statements

- a) it is made up in conformity with the international accounting principles acknowledged by the European Community according to the Regulation (CE) n. 1606/2002 of the European Parliament and Council, of July 19, 2002;
- b) corresponds to the results of the accounting reports and books;
- c) is made according to the International Financial Reporting Standards of the International Accounting Standards Board. It is furthermore apt to give a faithful representation of the patrimonial situation of the issuer and of the whole of the companies included in the consolidating.

3.2 The report of the board of director on the managing includes a reliable analysis of the going and the result of management, as well as the issuer situation and all subsidiaries, together with the description of the principal risks and uncertainties.

Castrezzato, March 13, 2015

The account manager responsible for
the accounting documents
Mrs. Cristina Capitanio

.....

Managing Directors

Mr. Alberto Frigoli

.....

Mr. Emilio Frigoli

.....

Mr. Giuseppe Frigoli

.....

POLIGRAFICA S. FAUSTINO SPA
FINANCIAL STATEMENTS AS AT DECEMBER 31, 2014
AUDITOR'S REPORT



To the shareholders of
Poligrafica S. Faustino S.p.A.
Via Valenca, 15
25030 Castrezzato (BS)

**AUDITOR'S REPORT IN ACCORDANCE WITH ARTICLES 14 AND 16 OF
LEGISLATIVE DECREE 27.01.2010, N° 39**

1. We have audited the financial statements of Poligrafica S. Faustino S.p.A., consisting of statement of financial position, statement of comprehensive income, statement of changes in shareholders' equity, statement of cash flow and explanatory notes, as at December 31, 2014. Poligrafica S. Faustino's Directors are responsible for the preparation of these financial statements in compliance with International Financial Reporting Standards as adopted by European Union, as well as with the regulations issued to implement article 9 of the Legislative Decree n° 38/2005. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards and criteria recommended by CONSOB. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement and, taken as a whole, are reliable. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, as well as assessing adequacy and the fairness of the accounting principles used and the reasonableness of the estimates made by the Directors. We believe that our audit provides a reasonable basis for our opinion.

For the opinion on the financial statements of the prior period, which are presented for comparative purposes, reference is made to our report dated March 28, 2014.

3. In our opinion, the financial statements of Poligrafica S. Faustino S.p.A. as at December 31, 2014 have been prepared in accordance with International Financial Reporting Standards adopted by European Union as well as with the regulations issued to implement article 9 of the Legislative Decree n° 38/2005; accordingly, they give a true and fair view of the financial position, results of operations, changes in shareholder' equity and cash flows for the year then ended of Poligrafica S. Faustino S.p.A.

4. The Directors of Poligrafica S. Faustino S.p.A. are responsible for the preparation of the Report on Operations and of the Report on Corporate Governance and Ownership Structure, issued on the section “www.psf.it / Investor Relations / Corporate Governance / Reports” of web site of Poligrafica S. Faustino S.p.A., in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the Report on Operations and of the information required by comma 1, letters c), d), f), l), m) and by comma 2, letter b) of the article 123-bis of the Legislative Decree 58/98, contained in the Report on Corporate Governance and Ownership Structure, with the financial statements, as required by law. For this purpose, we have performed the procedures required under Auditing Standard n. 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion, the Report on Operations and the information required by comma 1, letters c), d), f), l), m) and by comma 2, letter b) of the article 123-bis of the Legislative Decree 58/98 contained in the Report on Corporate Governance and Ownership Structure, are consistent with the financial statements of Poligrafica S. Faustino S.p.A. as at December 31, 2014.

Reggio Emilia, March 31, 2015

Analisi S.p.A.

(signed on the original)

Maurizio Magri
(Partner)

This report has been translated into the English language solely for the convenience of International readers. The Italian original remains the definitive version.



POLIGRAFICA S. FAUSTINO SPA
Seated in 25030 CASTREZZATO (Brescia), Via Valenca no. 15
Capital stock €6,161,592.12
REA Brescia 250377

Fiscal Code and Brescia Firms' Register 01251520175 VAT Number 00614280980

Report of the Board of Auditors at balance sheet as at December 31, 2014
(pursuant the article 153 of Legislative Decree 58/1998 and the article 2429,
paragraph 3, of Civil Code)

Dear Shareholders,

during the accounting year the Board of Auditors has accomplished its vigilance duties in the planned terms by the present regulation and by the CONSOB communication of April 6, 2001.

The year 2014 closed up compared to 2013.

All work for the conversion into new projects proposed for customers called "smart printing" together to the promotional and advertising, contests and packaging & labels began to show their results. 2015 is intended as a consolidation of these bases and the launch of new innovative services of direct marketing.

The total turnover was up by 4.8%; foreign sales amounted to Euro 3.01 million (10.4% of sales) and is up 17% over the previous accounting year (2.58 million).

Significant is the result of EBITDA roughly tripled since 2013.

Relevant operations

The other important operations of the company and its controlled have been illustrated in the managing report.

Unusual or atypical operations

The relevant operations in 2014 accounting year are to be found in the Managing Report. There are no unusual operations.

Inter-group operations or with related parts

The inter group operations are of the ordinary kind and are essentially made of mutual exchanges of organising and commercial services. They have been regulated by applying normal conditions determined by objective criteria that reflect the effective function of the services and are purchased in the Company interest.

The operations with related parts are also ordinary and regulated through the same equity transparent criteria. Such operations, periodically illustrated by the Directors, are indicated in the Managing Report, in which the following economic effects are also reported.

Information required by the Consob Communication of April 6, 2001

We have watched out on the law and setting out charter observance.

We have obtained from the Administrators, every 3 months, details on the most relevant financial, commercial and economical operations carried out by the Company. We can reasonably assure that the activities purchased are conformed to the law and the By-laws and are not

openly imprudent or under conflict of interest or in contrast with decisions passed by the assembly or such to damage the integrity of the social patrimony.

We have watched out in order to guarantee that the managing structure of the company is conformed to the principles of correct administration and to the instructions given to the controlled companies as per art. 114, paragraph 2 of Legislative Decree no. 58/1998. This happens thanks to the collection of information from the managing functions managers and meetings with the revision Company, aimed at a mutual exchange of data and relevant information. As far as this is concerned, there are no particular remarks to be done.

We have watched out that the control system and the administrative/accounting system are adequate also in representing the managing aspects. This thanks to the obtaining of information from the managers of the different sectors, the examination of the company papers and the analysis of the results purchased by the Auditing Firm and by controlling the activities of the internal controller. We have been informed of the selection of the new manager responsible for the Security and of the new organization of this function; herewith we confirm that there is nothing to point out concerning the researches made by the Law officers, set up in prevision of Legislative Decree no. 231 of June 8, 2001, has gone on in its activity during which it hasn't found out events to be censured as it results in the periodical Reports drafted by the company organs.

In the Boards of Directors of the subsidiaries companies there are directors and/or managers of the Holding that guarantee a coordinated direction and a flux of constant news, also supported by accounting details. We have found out that the company is able to fulfil the communication duties as required by the law, as disposed in the art. 114, paragraph 2 of Legislative Decree no. 58/1998.

We have kept periodical meetings with representatives of the Auditors' Firm, pursuant the art. 150, paragraph 3, Legislative Decree no. 58/1998. There are no relevant data and information that can be pointed out in the present report.

The report for the 2014 accounting year is conform to the present norms and coherent with the deliberations of the Board of Directors and the results of the accounting balance; it contains a complete report of the operations and activities of the accounting year. The section concerning the related parts has been inserted, according to the principles IAS, in the integrative note.

The financial statements and the consolidated financial statements have been carried out following the instruments prescript by the present norms. The company Analisi S.p.A. has issued the reports of the accounting year balance and the consolidated balance. These ones don't contain references.

During 2014 Analisi S.p.A., in charge of the accounting revision, has developed for the companies of the Group the accounting activities.

From Analisi S.p.A. no comments have been issued.

On request of the Directors no links have been found between the Group and the revision company.

The Board of Auditors verified the correct application of the criteria and the procedures adopted by the Board to evaluate annually the independence of its members, making knows the results of such tests in its report to the Shareholders' meeting.

We have released statements according to art. 2389 of the Civil Code.

The company has joined the New Self-Discipline Code issued by the Corporate Governance of the listed companies by be Italian Stock Exchange. The already achieved actions assure the compliance of this version.

In one chapter of the Managing Relation there are the details about the structure of the governed company as contemplated in the mentioned Self-Discipline Code.

The vigilance activity of the Board of Directors has been reported in meetings kept during 2013. We have also taken part to meetings of the Board and committees.

During the vigilance activity and according to information obtained by the revision partners, there haven't been omissions or censored facts or irregularities or significant facts to require to be pointed out to the control organs. With reference to the requests received by Consob, the Board is satisfied that the company has regularly the implementation of the same.

We have deposited at the Legal seat the files of the people in charge as per articles 153 of Legislative Decree no. 58/1998 and 144 *quinquiesdecies* of the Issuers' rules prepared in accordance with annex 5 *bis*.

The Board has verified successfully, that 3 of its Directors - Alberto Piantoni, Carlo Alberto Carnevale Maffè and Andrea Collalti - the independence requirements pursuant to the provisions of the TUF and the Self-Discipline Code for listed companies. As regards, in particular, the first two Directors, the Board recognized the possession of the requirement of independence for the same even hold the office of director of the Company for more than nine of the last twelve years, in view of judgment consistently demonstrated and their professional qualities.

Meeting Proposals - Balance sheet as at 31/12/2014

The Board of Auditors is favourable of the approval of the Balance Sheet as at December 31, 2014.

Castrezzato, March 26, 2015

Rag. Umberto Bisesti
(signed on the original)

Dr. Francesco Curone
(signed on the original)

Rag. Mariagrazia Bisesti
(signed on the original)

This report has been translated into the English language solely for the convenience of International readers. The Italian original remains the definitive version



REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE

(according to articles 123-*bis* TUF and 89-*bis* Consob Issuer Regulation)

Issuer: POLIGRAFICA S. FAUSTINO S.P.A.

Website: www.psf.it

Exercise covered by the Report : 2014

Date of approval of the Report: March 13, 2015

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GLOSSARY

Code / Self-discipline Code: Self-discipline Code of quoted company approved on July 2014 by committee for corporate governance and approved by Borsa Italiana Sapa, Abi, Ania, Assogestioni, Assonime and Confindustria.

Cod. Civ. / C.C.: Civil Code.

Board: Board of Directors of Poligrafica S. Faustino S.p.A..

Issuer or Company: Poligrafica S. Faustino S.p.A..

Exercise: 2014 (exercise covered by the report).

Group: Poligrafica S. Faustino Group.

Consob Issuer Regulation: Regulation issued by Consob with decision n. 11971/1999 in matter of issuers.

Consob Market Regulation: Regulation issued by Consob with decision n. 16191/2007 in matter of markets.

Regulation Correlated parts Consob: the regulation issued by Consob with deliberation n.17221 of 12 March 2010 (as next modified) in matter of correlated parts.

Report: Report on corporate governance relation and ownership structure as required by art. 123-*bis* TUF.

By-laws: By-laws of Poligrafica S. Faustino latest changed by Extraordinary Shareholders' meeting of April 20, 2012.

TUF: Italian Legislative Decree of February 24, 1998, n. 58 (*Testo Unico della Finanza*).

1. ISSUER'S PROFILE

Poligrafica S. Faustino S.p.A., company listed at the MTA – Segment STAR of the Italian Stock Exchange S.p.A., accepted the Code. The Governance Structure is based on the traditional organizing model and is formed by the following organs: Shareholders' meeting, Board of directors (operating through the executive Directors and is assisted by the control committee and risk and committee for the remuneration), Board of Auditors and Auditing Firm.

The **Shareholders Meeting** is the organ that, with its deliberations, expresses the shareholders' will. The decisions taken in conformity with the law and the Code are for all the shareholders, the agreeing and disagreeing included, except for the latter the recess right when permitted. The meeting is summoned according to the law dispositions that concern all companies with quoted titles in matters that the law reserve to them.

The **Board of Directors**, and the single delegated counsellors, have the function to define the strategic addresses of the company and of the Group to it related and has the responsibility to manage. For this they have the greatest powers to achieve all the acts that they consider opportune to reach the company's aims, with the only exception of those that are expressly reserved to the meeting.

The **Board of Auditors** watch over the law observance and of the By-laws and has control functions on the managing and has to watch on: respect of the principles of good administration; adequacy of the organized structure of the company; the modality of a concrete actuation of the Code; correctness of the operations with correlated parts; the connection of the dispositions imparted to the controlled in relation with the bounds of communication to the market of privileged information. It must not be concerned with the accounting control, which is under the responsibility of an Auditing Firm appointed by the Shareholders' meeting among those enlisted in the CONSOB list.

The **Auditing Firm** analyses the regularity of the accounts and the correct recording of the managing facts of the accounts sheets and the consolidated balance sheet and that they are conformed to the norms. The revision company does also further services that have been given by the Board of directors, if they are not compatible with the accounting duties.

The Report illustrate corporate governance structure examined by Board on March 8, 2013 and give integrative information required by the law rules in matters of governance and ownership assets. In particular, the Holding thinks that the *Corporate Governance* System meets the needs and the recommendations of the Code and this considering the dimension and articulation of its own organs.

According to the art. 89-*bis* of Consob Issuers Regulation, in the following articles a detailed analysis is supplied on the respect of the conformity to the Code to which the company is part and the limited cases in which the Board of Directors has decided to accomplish or not to accomplish the applicative principles and criteria, giving the relative motivation.

The Corporate Governance Report can be found at company's website (www.psf.it / Investor Relations / Corporate Governance / Reports).

In the section Investor Relations / Corporate Governance / By-laws, it is also available the By-laws updated versions.

2. INFORMATION ABOUT OWNERSHIP (pursuant art. 123-bis, paragraph 1, TUF) as at 31/12/2014

a) Capital stock structure (pursuant art. 123-bis, paragraph 1, letter a), TUF)

Capital signed and paid is equal to € 6,161,592.12 and is composed by 1,194,107 ordinary shares with a nominal value of Euro 5.16.

Such shares give right to vote in the ordinary and extraordinary assemblies of the company according to law and chart norms and give further administrative and patrimonial rights predicted by the law for vote right actions.

Issuer's share negotiate on MTA Market – STAR Segment of Italian Stock Exchange.

There are no incentives plans with a stock sharing base (stock option, stock gran, etc.) that imply increases, also free, of the social capital.

b) Restrictions to the transferring of shares (pursuant art. 123-bis, paragraph 1, letter b), TUF)

There are no restrictions to the transferring of shares.

c) Relevant participants to the Capital (pursuant art. 123-bis, paragraph 1, letter c), TUF)

The Issuer meets the requirements of Art. 1, paragraph 1, letter. w-quater.1 TUF (turnover of less than € 300 million and average capitalization of the last calendar year of less than € 500 million), therefore, it can be considered a SME. For these companies, the minimum threshold set for the reporting obligation as per Art. 120, paragraph 2, TUF is 5% instead of 2% (amended provision art. 20 of Decree Law no. 91 of 24.06.2014, converted with amendments by Law no. 116 of 11.08.2014).

With regard to the significant shareholdings please refer to Table n. 1 attached to this Report.

d) Special rights (pursuant art. 123-bis, paragraph 1, letter d), TUF)

No control special rights exist in favour of some shareholders.

e) Employees shareholding: modality right to vote (pursuant art. 123-bis, paragraph 1, letter e), TUF)

There are no regulated systems of shareholding of the employees.

f) Restriction in the right to vote (pursuant art. 123-bis, paragraph 1, letter f), TUF)

There are no restriction in the vote right.

g) Shareholders' agreements (pursuant art. 123-bis, paragraph 1, letter g), TUF)

Issuer doesn't know agreements according to the art. 122 TUF.

h) Clauses of change of control (pursuant art. 123-bis, paragraph 1, letter h), TUF) and disposition concerning OPA (pursuant articles 104, paragraph 1-ter and 104-bis, paragraph 1)

The Issuer hasn't concluded significant agreements yet that acquire efficiency and that extinguish or that can be modified in case of a control of the signing society.

The company's By-laws doesn't involve:

- exceptions to the dispositions on passivity rule of art. 104, paragraph 1 and 1-bis of TUF;
- the application of the rules of neutralisation of art. 104-bis, paragraph 2 and 3 of TUF.

i) Appointment to increase the social capital and authorization to own share buying (pursuant art. 123-bis, paragraph 1, letter m), TUF)

The Board has not been delegated to increase the social capital as per art. 2443 of Cod. Civ. and cannot issue participative financial instruments.

Shareholders' meeting of Poligrafica S. Faustino S.p.A. of April 23, 2014 has authorised, according to the art. 2357 of C.C., the acquirement of one or more solutions until the previous day in which the shareholders' meeting will approve the 2013 balance sheet and with a maximum period of 18 months, for a maximum of 238,821 ordinary shares, and in such an extent that the number of the own shares will never overcome the fifth part of the Social market, considering also the shares eventually held by the controlled companies at a minimum price per share of Euro 1.00 and a maximum of Euro 50.00 with a total expense not superior to Euro 715,000.

For the actuation of the resolution it was given the Board of directors and the Chairman and his managing directors, separately and through their deputies, the permission to acquire the company shares under the above exposed conditions, with the steps that are approved by the company, according to ways indicated with the letters a, b, d from art. 144-bis paragraph 1 of the Issuer Regulation.

An appropriation has been also accomplished to create a specific "reserve for the acquisition of own shares" by taking apart a "reserve surcharge shares", "revaluation reserve" and "IAS reserve" for the maximum amount of Euro 1,464,085 and the making of a "unavailable reserve of own shares", according to art. 2357-ter, last paragraph, C.C., equal to the amount of own shares enlisted at the balance sheet available asset, taking off the relative amount, in relation with the acquirements made, from "the reserve for the acquisition of own shares".

Finally, it has been authorised, without time limits, following art. 2357-ter C.C., the Board of Directors and its chairman and managing directors, separately or also through their delegates, to dispose in every moment, of all or of a part, in one or more solutions, also before having finished the acquisitions, of the own shares, acquired according to the present disposition, both through alienation of these in the Stock exchange or through institutional investors, both through an offer to the public, to the shareholders and to the employees. As both correspondence to the acquisition of shares in the company investments policy, giving to the Directors the possibility to decide, each time, within the norms, the terms, the ways and conditions that will be considered opportune. This considering that the minimum price won't have to be inferior to the minor or the buying prices of the shares already owned. The authorisation as in this point is granted without time limits.

Issuer, at the end of Exercise, had n. 61,840 shares equal to 5.18% of the Company's capital stock.

I) Management and coordination (pursuant art. 2497 and subsequent C.C.)

The Issuer is not subject to management and coordination pursuant to article 2497 and following of the Civil Code.

As per the art. 120 of TUF and art. 126 of the Consob Issuer Code, it is communicated that the Company delivers activities of direction and coordination on the following companies:

Company	% owned of Capital Stock
Linkonline S.r.l. sole shareholder	100
Litografia Spada S.r.l. sole shareholder	100
Psfinteractive S.r.l. sole shareholder	100

Psfinteractive S.r.l., in turn, practices direction and coordination activities in the company To Italy S.r.l. sole proprietorship (in liquidation since December 31, 2014).

We explain that:

- the information required by art. 123-*bis*, first paragraph, letter i) ("Agreements between the company and directors ... providing for compensation in case of resignation or dismissal without just cause or if their employment ceases because of a public offering purchase ") are explained in sections of the report devoted to the remuneration of directors (Section 9);

- the information required by art. 123-*bis*, first paragraph, letter l) ("the rules governing the appointment and replacement of directors ... and the amendment of the By-laws, if different from the laws and regulations applicable in the alternative") are discussed in the section of the report devoted to the board of directors (Section 4.1.).

3. COMPLIANCE (pursuant art. 123-*bis*, paragraph 2, letter a), TUF)

The Issuer has adopted the self-discipline code of the quoted companies and approved in March 2006 by the Corporate Governance committee and promoted by the Italian Stock Exchange by adopting the proceedings that are necessary or important for the adjustment to the Corporate Governance and for the Company organisation to the Regulation's criteria, considering in particular the company dimensions and the shareholders' composition.

The Code is available on Borsa Italiana website:

<http://www.borsaitaliana.it/comitato-corporate-governance/codice/2014clean.pdf>

The Issuer and its controlled with strategic relevance (Linkonline S.r.l. sole proprietorship) are not subject to non-Italian law disposals that influence the structure corporate governance of the same issuer.

4. BOARD OF DIRECTORS

4.1. APPOINTMENT AND SUBSTITUTION (pursuant art. 123-*bis*, paragraph 1, letter l), TUF)

The Board of Directors is appointed according to lists given to the shareholders in which the candidates must be listed following a progressive number and in which the candidates that have the requisites of independence fixed by the law must be also listed.

Each shareholder and the members of the same group, and those tied by an agreement according to art. 122 of TUF, cannot offer, neither through a third person or company, more than a list and each candidate cannot be in only one list with the risk of ineligibility.

Each list must contain a number of candidates that is not bigger than that of the components of the administrative organ for which they cannot be nominated.

All the lists that include a number of candidates equal or superior to three must respect the division of the genres. For the first new Board of directors after one year from the beginning of validity of the Law 120/2011, the least represented genre must be equal to one fifth of the total of the components to be elected. For the second and third renewal after the above mentioned term the least represented genre must be equal to one third of the components to be elected.

The right to form the lists can be made only by the shareholders that alone or with other shareholders represent at least the percentage of the social capital fixed by the law or Consob with own rules. Consob has deliberated (issue n. 19109 of 28.01.2015) that the percentage for Poligrafica must be 4.5%.

The lists, undersigned by the shareholders', must be registered at the legal matters office at least 25 days before that fixed for the meeting in the first convocation correlated by:

- the professional and personal curricula of the candidates,
- the declarations with which the single candidates accept their nomination and stop, under their own responsibility, the non-presence of aspects prescribed by the law and by the rules for the members of the administrative organs and to possess the ability to qualify as independents according to the present norms;
- the information regarding the shareholders that have deposit them with the indication of the percentage totally taken off;
- the certification released by the intermediary according to the senses of the law normative, testing the quality of the shareholders and the legitimating of the accounting year of the social rights. This certification can also be produced after the filing of the lists provided by the deadline for publication of the same ones (21 days before the date of the Shareholders' meeting).

Every shareholders can introduce or concur to the presentation of a single list and vote a single list.

Shareholders vote on sheets on which is indicated the name of the shareholder.

At the end of the voting, the obtained votes on the lists are divided for progressive numbers from one to the number of the Directors to elect. The quotients so obtained are given to the candidates of each list, according to the order that is scheduled. So, the quotients given to each candidates of the different lists are disposed in an unique decreasing ranking.

The elects are those who, till the concurrence of the number of Directors to be elect, those who have obtained the highest quotients, considering that it will have to be appointed Director the candidate who is listed on the top of the list of minority that has obtained the bigger number of votes and that is not linked, even indirectly, with the partners who have prepared and voted a list that resulted first for number of votes. So, in case the candidate hasn't obtained the required quotient for being elected, he will be anyway nominated Director while the candidate of the first list that has obtained the lowest quotient won't be elected.

If the division of genres criterion is not respected, the members of the least represented genre that obtained bigger quota will be instead elected for the first renewal of the board after the beginning of validity of the law 120/2011, and will be one fifth of the components to be elected. For the second and third renewal after the above mentioned term, the members of the least representative genre will be instead elected an will be one third of the total amount of the components to be elected.

At least one of the components of the Board of directors, or two in case the number of the Directors to be elected is superior to seven, must have the independence features that are fixed for the auditors at art. 148, paragraph 3 of TUF and by the Code.

All the lists must have the candidacy of at least one independent person, or two in case the Board is made of more than 7 members. In case no one of the candidates with the independence requisites reaches the necessary quotient for being elected, it will be appointed he or they who have the independence requisites and who have reported the highest quotient. In this last option, he who would have been elected according to the criteria exposed in the first part of the

previous comma, won't be elected.

The Chairman will be the candidate that is listed at the first place who has obtained the biggest number of votes.

If more candidates have obtained the same quotient, the candidate of the list who has not elected any Director or that has elected the lowest number of candidates, will be elected. In case no one of the lists have elected an Director or all have elected the same number of Directors, the candidate of that list that has obtained the highest number of votes is elected. In case of equality of votes and in case of equality of quotation, a new election must be made, and the candidate that obtains the simple majority of the votes is the elected one.

In case more lists have been prepared and voted, the lists that haven't achieved a percentage of votes at least equal to the half of that required for the presentation of the lists selves will not take into consideration.

In case only one list has been prepared, the Shareholders' meeting votes on this list and if this obtains the relative majority, the candidates listed in progressive order are elected, till the number fixed by the meeting is reached. The candidate indicated at the first place of the list is elected president of the Board of Directors.

The Directors last three social years and precisely till the shareholders' meeting summoned for the approval of the last accounting year balance sheet for which they were appointed and are eligible.

If during the accounting year one or more Directors are missing, the solution to follow is in the art. 2386 of the C.C.. in the respect of the criteria for representatively of the least represented genre in the cases happened after the first, second and third renewal of the board after one year of validity of law 120/2011.

Rules on the appointment and replacement of directors and the amendment of the By-laws, other than laws and regulations applicable in the alternative are not applicable.

Succession's plans

The board of directors hasn't adopted a plan for the succession of the executive administrators, as it is not considered possible to appoint such people and to select the relative criteria in advance. The appointment of a new executive administrator demands, ad hoc valuations.

4.2. COMPOSITION (pursuant art. 123-bis, paragraph 2, letter d), TUF)

The ordinary Shareholders' meeting held on 23.04.2013 has appointed the members of the Board of Directors that will remain in office until the date of approval of the financial statements for 2015.

The number of components, which remained unchanged during the year, amounted to 11 including 3 Directors, i.e. Iaria Frigoli, Maurizia Frigoli and Elisa Frigoli, representing the less represented gender in accordance with Law 120/2011.

On this occasion only a list has been introduced by Frigoli Alberto, Frigoli Giuseppe, Frigoli Emilio, Frigoli Francesco and Frigoli Giovanni that has received the 100% of the votes of the voting capital (voting capital 99.6987%).

The curricula of the Board are available on the website of the Issuer (www.psf.it / Corporate Governance / Corporate Bodies / Board of Directors).

Personal and professional features of each Director (art. 144-decies of the Issuer Regulation)

ALBERTO FRIGOLI

Born in Chiari (BS) on November 15, 1949 where he lives; he is married with 4 children.

In January 1981, he takes part to the setting up of Poligrafica S. Faustino S.r.l. of which he is appointed Chairman and director. In 1987 the Board of Directors appoints him managing director with full powers in ordinary and extraordinary administration. The extraordinary Shareholders' meeting of March 13, 1998, which approves development into a stock company, confirms him in all his functions. In April 2001 he is appointed Chairman and managing director with full powers in ordinary and extraordinary administration, which he has accomplished regularly so far.

He is also Chairman of subsidiary company Psfinteractive (formerly Mediattiva) S.r.l., which is a Web-Agency that manages and realize internet sites, develops and furnishes web files for the e-commerce B2B and B2C and non-executive Director of other subsidiaries companies BB S.r.l., specialised in e-commerce services with www.cantoalto.it and Linkonline S.r.l., leader in distribution of consumer products for informatics.

From 13.03.2013 he plays the role of Director to the newco To Italy S.r.l. sole proprietorship with only one partner platform of digital processes currently applied to the field of tour operators. The company is wholly owned by Psfinteractive S.r.l. sole proprietorship.

GIUSEPPE FRIGOLI

Born in Chiari (BS) Chiari on August 6, 1951 where he lives; married with 3 children.

In January 1981, he takes part to the setting up of Poligrafica S. Faustino S.R.L. of which he is appointed director. In 1987 the Board of directors appoints him managing director with full powers in ordinary and extraordinary administration. The extraordinary shareholder meeting on March 13, 1998, which approves development into a stock company, confirms him in all his functions. In April 2001 he is appointed managing director with full powers in ordinary and extraordinary administration, which he has accomplished regularly so far.

In December 1997, he takes part to the setting up of the Company "BB S.r.l.", seated in Castrezzato, of which he is appointed director. Since March 28, 2001 is no longer Chairman but simply managing director. This company, already holds "CASAROSSO" mark, trade in all its forms by means of an Internet site about all goods that are normally sold in a supermarket and as tables product I do XIV included. Since 2001, BB S.r.l. dedicated to the development of a new platform B2B called "CANTOALTO" Specifically dedicated to the field of graphic arts. After the Board's decision to put on solvability the company, a liquidator has been appointed.

He is also Managing Directors of subsidiary company Litografia Spada S.r.l., specialised in printing of prestige paper labels and Chairman, Managing Director of Linkonline S.r.l., leader in distribution of consumer products for informatics and Managing Director of Psfinteractive (formerly Mediattiva) S.r.l., which is a Web-Agency that manages and realize internet sites, develops and furnishes web files for the e-commerce B2B and B2C.

From March 2013 to December 2014 he served as CEO of the new company To Italy Srl with Sole shareholder, platform of digital processes initially applied to the tour operating. The company is wholly owned by Psfinteractive Sole shareholder. Subsequently, following the resolution of early dissolution of the company, he was appointed liquidator.

EMILIO FRIGOLI

Born in Chiari on August 15, 1955 where he lives; he is married with 3 children.

In January 1981, he takes part to the setting up of Poligrafica S. Faustino S.r.l. of which he is

appointed director. The extraordinary Shareholders meeting of March 13, 1998, which approves development into a stock company, confirms him in all his functions. In March 1999 he is appointed managing director for trade relation with customers. In April 2001 he is appointed managing director with full powers in ordinary and extraordinary administration, which he has accomplished regularly so far.

He is also Directors of subsidiary company Litografia Spada S.r.l., specialised in printing of prestige paper labels, BB S.r.l. (until December 2011), specialised in e-commerce services with www.cantoalto.it, Linkonline S.r.l., leader in distribution of consumer products for informatics and Psfinteractive (formerly Mediattiva) S.r.l., which is a Web-Agency that manages and realize internet sites, develops and furnishes web files for the e-commerce B2B and B2C.

From 13.03.2013 he plays the role of Managing Director to the newco To Italy S.r.l. sole proprietorship with only one partner platform of digital processes currently applied to the field of tour operators. The company is wholly owned by Psfinteractive S.r.l. sole proprietorship.

FRANCESCO FRIGOLI

Born in Chiari on June 3, 1953 and lives in Cologne (Bs); he is married with 2 children.

In December 1997, he takes part to the setting up of the Company BB S.r.l.", seated in Castrezzato, of which he is appointed director. This company, already holds "CASAROSSO" mark, trade in all its forms by means of an Internet site about all goods that are normally sold in a supermarket and as tables product I do XIV included. Since 2001, BB S.r.l. dedicated to the development of a new platform B2B called "CANTOALTO" specifically dedicated to the field of graphic arts. He is presently managing director. He has been managing director till December 2011.

In November 1998 he is appointed director of Poligrafica S. Faustino S.P.A.. In March 1999 Mr. Francesco Frigoli is appointed managing director for Responsible for the activities for the press and media sector. Since April 2001 he is director without any executive role. Subsequently, by resolution of 23.04.2013, he received the delegation for research and development and is obliged to report to the CEOs about the possible agreements to be signed.

He is also non-executive Directors of subsidiary company Litografia Spada S.r.l., specialised in printing of prestige paper label, Linkonline S.r.l., leader in distribution of consumer products for informatics and Psfinteractive S.r.l..

From 13.03.2013 he plays the role of Director to the newco To Italy S.r.l. sole proprietorship with only one partner platform of digital processes currently applied to the field of tour operators. The company is wholly owned by Psfinteractive S.r.l. sole proprietorship.

GIOVANNI FRIGOLI

Born in Chiari (BS) on April 29, 1960 and lives in Coccaglio (BS); married with 3 children.

In November 1998 he is appointed director of "Poligrafica S. Faustino S.P.A.". In March 1999 Mr. Giovanni Frigoli is appointed managing director for marketing. Since April 2001 he is non-executive Director and from February 2012 he is Executive administrator with delegation to search for strategic suppliers/partners for the company. The delegation was confirmed following the renewal of the Board of Directors on 23.04.2013.

He takes part to the building of the Company Dedalus S.r.l. seated at first in Brescia and then in Castrezzato. He is appointed unique Director without limit. The company develops a production and wholesale and retail of paper products of all kinds and is specialised in the production of paper tissues called "TodoModo". He leaves his role in January 2001 to become counsellor of this company, called now Psfinteractive (formerly Mediattiva) S.r.l., which works now as web-agency and makes and manages internet sites, develops web functions for e-commerce B2B and B2C.

In February 2008, he was appointed director of Linkonline S.r.l., leader in distribution of consumer products for informatics. Actually he is Managing Director.

From 13.03.2013 he plays the role of Chairman and Managing Director to the newco To Italy S.r.l. sole proprietorship with only one partner platform of digital processes currently applied to the field of tour operators. The company is wholly owned by Psfinteractive S.r.l. sole proprietorship.

ALBERTO PIANTONI

Born in Chiari (BS) on April 6, 1956; married with a son, he took a degree in Economical politics at the faculty of Economics of the University of Modena.

He is member of the Symbola committee for the PIQ definition (Internal Quality product) which is intended to become a measurement instrument of the Italian quality as combination of innovation, technology, research, creativity and territorial skills. On June 27, 2007 he is nominated *project manager* of third Project of industrial innovation of *Made in Italy* Sponsored by the Ministry of Economic Development. He is also a member of the board of Lombardy territory of Unicredit and member of the strategic committee for the company network of Confindustria.

From 2004 he has been independent Director of Poligrafica S. Faustino S.p.A. and, since April 2007, lead independent director.

He has been managing director of Bialetti Industrie S.p.A. (company quoted at the Italian Stock Exchange) and of different companies of the Bialetti Group, in Italy and Abroad, as Girmi S.p.A., Bialetti Industrie France sarl, Bialetti Spain S.l., Bialetti Deutschland GmbH till the beginning of April 2008. Since April 2008 he is non-executive director at Bialetti Industrie S.p.A. and is managing Director at Richard Ginori 1735 S.p.a. (Company quoted at the Italian Stock Exchange) until December 2009. From March 2010 until July 2011 he has been Managing Director of Revolution S.p.A. (formerly Gruppo Sistemi 2000 S.r.l.) of Ancona.

From May 2011 until December 31, 2014 he was CEO of Missoni S.p.A.

CARLO ALBERTO CARNEVALE MAFFE'

Born in Vigevano (PV) on September 9, 1961, married with a son.

Is Lecturer in Company Strategies at the Company Direction School of the Bocconi University where he was founder and coordinator of the Master in Business Strategies(MISA). He is responsible for the "Business Strategy" teaching at the Bachelor in International Economics and Management. He teaches at "Media MBA" of the Steinbeis University in Berlin and at the "Master in Intelligence" of the University of Malta, and has teacher at the Graduate School of Business of the Columbia University, at the Stern School of Business of New York University and Wharton School, University of Pennsylvania.

He is member of the Steering Committee "E-Business Policies" of the European Commission DG Enterprise. He is member of columnist of Editorial Board di Harvard Business Review Italy. He works for different national and international newspapers such as CNBC International/Class CNBC "Il Sole24 Ore". He is member of the scientific committee of Assodigitale. He is independent Director of companies of the technology, Media and Telecommunications sector, some of which are quoted on the Italian Stock Exchange (Reply S.p.A. and Poligrafica S. Faustino S.p.A., where he is independent Director). He is Advisory Board of National High tech companies. He has published many books and company cases and is regularly present with interviews, articles and comments on some of the most important economic and financial International editions such as The Economist, Time, Harvard Business Review Italy, Business Week, Wall Street Journal, Financial Times, New York Times, International Herald Tribune, Les Echos.

ANDREA COLLALTI

Was born in Rome on 22nd November 1966, married and graduated in Economics at Rome's University *La Sapienza* and is taking a further degree in law at the same university. He attended post-graduation courses about European fiscal norms and commercial laws at the Luiss Schhol of Management.

He is fiscal counsellor member of the Accounting revisors and member of the arbiters at the Consob. He owns a professional office for fiscal, commercial and administrative advice in Rome. He is a receiver at the court of Rome and is technical counsellor at the civil section.

He works in the company, strategic, fiscal and financial counselling sector, in the company evaluations, in particular in the managing of company relations with the public sector for the managing and inspection of infrastructure financing.

He is an expert in the starting up of dossiers for infrastructure financings at the Ministry of Economics, C.I.P.E., the Ministry of infrastructures and economic development.

He is an expert in International fiscal planning and worked for many national and International companies.

At this moment he is the Chairman of the Board of Auditors of Postel S.p.A., company of the Group Poste Italiane, Chairman of the Board of Auditors of Fandango, Acea Distribuzione S.p.A., Cal and Auditor of ANAS International Enterprise, ANAS Group, Gamenet S.p.A (AAMS dealer for slot machines and gaming), Gamenet Scommesse S.p.A (AAMS dealer for online betting).

He is moreover Chairman of the Vigilance Organ of Postel Spa, member of the surveillance committee of Eutelia Sap in Extraordinary administration appointed by the Ministry of Economic Development, Member of the Board of vigilance of Foundation Bioparco in Rome appointed by the mayor of Rome, member of the management of SS Lazio Nuoto, Advisor for the analysis and evaluation of dossiers for CIPE, counsellor of the president of the Finance Commission of the Italian Senate.

Until 2013 he played the role of advisor to the Consorzio Venezia Nuova for the financial, administrative and organizational MOSE project and, until the end of 2014, auditor of Napoletanagas S.p.A..

He is independent director of Poligrafica S. Faustino S.p.A. since April 2012 and since January 2015 he is in charge as executive controller of the company Investimenti S.p.A. (former Fiera di Roma S.p.A.).

ILARIA FRIGOLI

Born in Ponte dell'Olio (PC) June 2, 1985 and living in Milan, has a degree in "Psychology of personality and interpersonal relationships" at the University of Padua and at the same University he received the degree in "social Psychology, work and communication", has passed the state exam in 2012 for the exercise of the profession of psychologist. In 2012 he attended a Master Inter between the University of Padova and the University of Brescia "Mediation as an operational tool within the areas of family, criminal, community, civil and commercial matters".

From 2011 to February 2013 he collaborated with the Department of Applied Psychology at the Faculty of Psychology of the University of Padua as a designer and analyst. In the same period he also worked with the company Pragmata S.r.l. of Padova, active in the field of consulting organizations, as a consultant entrepreneurial, administrative, managerial and business planning.

From the month of March 2013 is working with the company To Italy S.r.l. as a Project Manager.

In April 2013 was appointed counselor of Poligrafica S. Faustino S.p.A. where he serves as non-executive director and member of the control committee and risk and the remuneration committee.

MAURIZIA FRIGOLI

Born in Chiari (BS) December 12, 1984 where she lives.

In 2003, she obtained a diploma in accounting at the Technical Institute of Brescia Marco Polo. From 2010 to 2011 she collaborated with the company BB S.r.l. as an accounting office. Subsequently, from November 2011 till today she performs the same functions in Poligrafica S. Faustino S.p.A..

In April 2013 she was appointed counselor of Poligrafica S. Faustino S.p.A. where she serves as non-executive director.

ELISA FRIGOLI

Born in Chiari (BS) December 5, 1983 and lives in Brescia, married with two children.

In 2002 she obtained a scientific degree at the Liceo Leonardo Brescia, and in 2008, she graduated from the University of Urbino in Communication Sciences.

She is currently the proprietor of the laboratory of digital art Droplab of Brescia and from April 2013 has the role of non-executive director of Poligrafica S. Faustino S.p.A..

Limitation of charges

The Board hasn't defined the general criteria about the number of positions in administration and control roles in other companies as it was considered that, even without a limitation, the role of the Director of the issuer has always been made in a proper way regarding the charge received from each director. The Board can anyway anticipate in every moment some limitations if necessary.

Induction Programme

The Board Chairman has deliberated that the administrators, after their appointment and during their term may take part to initiatives that are aimed to give them an adequate know how of the activity sector in which the Issuer operates, of the company dynamics and their evolution and their norm context.

Such initiatives, in particular, were possible during meetings with the Marketing director and commercial directors (also for the controlled companies) of the different business areas in which the company operates aimed to explain the business areas in which the company operates (business communication, label&packaging, documental electronic managing, printing and e-procurement), the new approach modalities with the real and potential clients and the offer of new products.

The head of corporate affairs, also, in consultation with the President, provided all Directors with adequate and exhaustive information about the changes to the regulatory framework of reference in the sector in which the Issuer operates

4.3. ROLE OF THE BOARD OF DIRECTORS (pursuant art. 123-bis, paragraph 2, letter d), TUF)

During the Exercise, the Board of directors summoned 5 times, with a medium duration of 1 hour and half. For the present accounting year 5 meetings have been planned, 1 of which held on March 13, 2015.

Before every meeting, the head of corporate affairs sends to all the directors a draft document to be approved together with all other information relating to items on the agenda. This documentation is delivered to the hands or sent via an e-mail with about one week notice, but not less than three days prior to the date of the meeting. During the year such notice has been respected.

The meetings are conducted under the guidance and coordination of the Chairman who care that the items on the agenda are assured as long as necessary to allow a constructive debate. In particular, the President encourages individual delegate directors that, each in his mandate, report about the activities carried out during the reporting period.

The meetings are open to the participation of parties outside the Board. All meetings of the year were attended, following an invitation of the Chairman, the head of corporate affairs and the manager responsible for preparing the financial reports.

Pursuant the art. 19 of By-laws, the administrative organ has plenty powers for the ordinary and extra ordinary managing of the company, without exceptions and has the faculty of making all the acts that he considers necessary for the achievement of the company goals, with the exclusion of those that are reserved by the law to the shareholders meeting. Considering what is written in the art. 2 and art. 23 of the By-laws, other functions of the administrative organ are the deliberations concerning:

- a) the merge, in the cases previewed by the articles 2505 and 2505-*bis* of the Civil Code;
- b) the reduction of the capital in case of withdrawal of one of the partners;
- c) the adjustment of the By-laws at normative disposals;
- d) the emission of ordinary bonds.

The Board's duties concern the examination and approval:

- the strategic, operational and financial Issuer, and the periodic monitoring of their implementation;
- the strategic, industrial and financial group of which the Issuer and the periodic monitoring of their implementation;
- of the issuer government system;
- of the structure of the Group.

The Board on March 14, 2014 has evaluated the compatibility of the organization , administrative and accounting asset of the issuer and of the controlled companies that were prepared by the managing directors, with particular reference to the internal control system and to the coming to terms with the interest conflicts, also with the help of the person in charge of the internal control and the account manager responsible for the accounting documents.

The Shareholders' Meeting, dated April 23, 2014, has determined the total remuneration due to the entire Board. Subsequently, on the same date, the Board, in accordance with the proposals of the Remuneration Committee and after consultation with the Board of Auditors, determined the remuneration of individual directors (fixed fee) as well as the parameters for the payment of incentive remuneration in favour of the executive directors and the relative measurement.

The Board has evaluated the general going of the managing, considering the information received from the delegated organs, and confronting the results obtained with those planned.

The Board is to examine and approve (basically) the operations of the issuer and its controlled, when they have an important strategic, economic and patrimonial relevance for the Issuer self. On November 14, 2014 the Board, in particular, examined the economic situation of the interim subsidiaries Psfinteractive (controlled directly) and To Italy Srl (indirectly controlled through Psfinteractive which owns 100% of the share capital) has asked the managing directors of such companies, and Giuseppe and Giovanni Frigoli (the latter only concerning To Italy) to take more appropriate and necessary measure, also extraordinary, in order to offset the accounts.

Neither the examination nor the preventive approval of the operations are required when one or more Directors have own interests within the Board. It was not considered necessary to introduce - at present - an explicit reservation in favour of the Board because, in the presence of an interest of this nature, the owner, or anyone may be interested, is required to report to the Board which will adopt the solution to this problem which is considered more appropriate in the interest of the Company.

It is provided a reservation in favour of the Board, prior examination and approval of related party transactions of the Issuer and its subsidiaries in the cases mentioned in the Procedure for Related Party Transactions approved by the Board on November 12, 2010 (for details see the art. 12 of this Report).

The Board, on November 14, 2014 has considered its dimension, composition and working of the Board itself and its committees, included the number of independent Directors equal to 3 (as per art. IA.2.13.6 of the Market Instructions) conforming to the social object. For the purposes of self-assessment, the Board has made use of exclusively internal functions without resorting to the help of external consultants.

The Shareholders' meeting hasn't authorised, as a general rule, derogations to the prohibition of concurrence as in the art. 2390 C.C..

4.4. EXECUTIVE DIRECTORS

Managing Directors

With a deliberation of the Board on April 23, 2013, Giuseppe Frigoli and Emilio Frigoli, beyond the Chairman, have been appointed Managing directors with the attribution of full powers in ordinary and extraordinary administration, except for those expressly prohibited in art. 2381 C.C..

These are to be considered as the main responsible of the company (Chief Executive Officer):

- Giuseppe Frigoli (administrative manager, purchasing, personnel, production);
- Emilio Frigoli (sales manager).

It occurs, for both, the situation of interlocking directorate as the same have no role at other issuers whose CEO is a director of the Issuer.

The absence of limits for the delegation is justified by the particular society asset and by the activity developed by them within the Issuer. The Board, anyway, can in every moment decide any kind of operation.

Chairman

The Chairman, despite having received the delegation for the ordinary and extraordinary administration, is no longer to be considered, by virtue of actually performed function, the main responsible for the management of the Issuer.

He, in addition to the organization of the work of the Board and of liaison between executive and non-executive directors during the year, has been busy preparing and coordinating the activities of the managing directors and executives in the definition and elaboration of the main strategies business of the Company and the Group, with the help and support of executives in charge of specific areas of intervention.

Informative to the Board

The Chairman, assisted by the Lead Independent Director, shall ensure that all materials submitted to the Board be given in time to the documentation and information necessary for evaluation and conscious decision of the topics covered. Documents relating to agenda items, in particular, is immediately sent to the Directors, when available, by the manager responsible for preparing corporate accounting documents or the head of corporate affairs. Each Director has the right to request further information and additions deemed necessary and appropriate.

The Managing Directors have kept informed regularly the Board about the activities made quarterly during the relations at the first meeting.

4.5. OTHER EXECUTIVE DIRECTORS

Within the Board, the director Mr. Giovanni Frigoli is to be considered executive director as he is managing director of the controlled Linkonline S.r.l., company with strategic relevance for the Group.

Within the Board there are two executive directors : Giovanni Frigoli and Francesco Frigoli.

The first one is to be considered as an executive director as CEO of the subsidiary Linkonline S.r.l., a company having strategic importance for the Group, as well as having received, on 23.04.2013, the responsibility for search and contact suppliers / strategic partners for the Company.

The second is executive director of the Company by virtue of the power delegated by the Board on 23.04.2013 for research and development.

Steps taken in order to raise awareness on the part of directors of reality and dynamics business took place at meetings of the Board through specific interventions at the activities and structures of the Group.

Directors are periodically updated in order changes in the rules and obligations belonging to them.

4.6. INDEPENDENT DIRECTORS

Pursuant the articles 147-ter, par. 4 and 148, paragraph 3 of TUF and according to art. 2.2.3, par. 3, letter l) of Rules of the Market and art. IA.2.10.6 of Rules of the Market Instruction and art. 3 of Code, there are three Independent Auditors in the Board (Prof. Carlo Alberto Carnevale Maffé, Dr. Alberto Piantoni and Dr. Andrea Collalti) who:

- a. don't controls, directly or indirectly, the issuer also through subsidiaries, trustees or through a third party, or is able to exercise over the issuer dominant influence,
- b. don't participates in a shareholders' agreement through which one or more persons may exercise a control or considerable influence over the Issuer;
- c. there haven't been in the previous 3 accounting years relevant figures (the Chairman, the legal representative, the Board chairman, a managing director or a manager with strategic

responsibility) of the issuer or of one mutually controlled company or of one entity that together with others may control the Issuer or may strongly influenced it;

- d. don't have, and didn't have, directly or indirectly (for example trough controlled companies or where there are relevant people as per point c) as partner or consultant) a relevant commercial, financial and professional relation or subordinate relationships:
- with the issuer, with one controlled and with relevant figures as indicated at point c) that precedes , the similar;
 - with a subject that, also together with others through a company agreement, may control the issuer, with other relevant figures as indicated at point c) that precedes, of the similar;
- e. considering what stated at the d) point, who don't have relationships of independent or subordinate work and other relationships of professional and patrimonial nature that may interfere with the independence:
- with the Issuer, with its controlled and with companies mutually controlled;
 - with the directors of the issuer;
 - with figures that are linked with parental ties within the fourth grade of the company's Directors;
- f. they haven't receives, or haven't received in the preceding three fiscal years, from the issuer or a subsidiary or holding company of the issuer, a significant additional remuneration compared to the "fixed" remuneration of non-executive director of the issuer, including the participation in incentive plans linked to the company's performance, including stock option plans;
- g. they weren't a director of the Issuer for more than nine years in the last twelve years;
- h. they didn't vest with the executive director office in another company in which an executive director of the Issuer holds the office of director;
- i. they aren't shareholder or quota-holder or director of a legal entity belonging to the same network as the company appointed for the accounting audit of the issuer;
- j. they weren't a close relative of a person who is in any of the positions listed in the above paragraphs and there are no parents, relatives and other people within the 4th grade of the Directors of the Issuer, of the controlled companies, of the mutual controlled companies.

With reference to the requirement in sub letter g), it is to be indicated that the Board recognized that the directors Alberto Piantoni and Carlo Alberto Carnevale Maffé satisfy the requirements of independence , even if they are holding the office of directors of the Company for more than nine of the last twelve years, as a consequence of the in light of independent judgment and demonstrate their professional qualities.

The Board considers the existence and permanence of the above mentioned requisites following the information that those who are concerned must give under their own responsibility and the information at disposal of the Board.

The requisites of independence of the art. 3 of the Code and art. 148, comma 3, lett. b) and c), of the TUF of the independent Directors have been examined by the Board in occasion of their appointment (April 23, 2013) and during the Exercise (March 14, 2014).

In making all the evaluations the Board has applied all the criteria prescribed by the Code and by the TUF (except as indicated above).

During the Exercise, there haven't been situations that determined the disappearance of the above mentioned requisites for the independent Directors.

The Board of Auditors has verified the correct application of the principles and procedures for the

yearly evaluation of the independence of the independent directors, publishing the results in the report to the shareholders' meeting.

During 2014 there were two meetings of independent directors: in March (for the analysis of the budget plan) and in November (to assess the opportunity to sell a business unit by the subsidiary Psfinteractive and analyse the possibility of early termination of the company to Italy S.r.l.).

4.7. LEAD INDEPENDENT DIRECTOR

On April 23, 2013 the Board has confirmed Dr. Alberto Piantoni as lead independent director.

During the year he has called by itself (in March) and at the request of other directors (in November) special meetings of the independent directors to discuss issues from time to time considered of interest to the working well of the Board or management of the company (for the topics see previous section 4.6).

He has also worked with the President to ensure that the directors were recipients of complete information flows and timely information regarding adoption of resolutions by the Board and its exercise of the powers of management, address and control of the Company and the Group.

5. TREATMENT OF CORPORATE INFORMATION

The transmission of communications and information out of the Company, and the price sensitive ones in particular, is made only by the Chairman and by the managing director and, by order of them, by Investor Relations Manager (Dr. Anna Lambiase) in cooperation with company affairs department (lawyer Emanuele Nugnes).

The Chairman and the managing director make sure that information, complete and proper, pass promptly and fully to control organs, market and public.

Reserved information and register of the people who have access to the privileged information

The Board, on August 29, 2008, has approved new procedure about management reserved information systems, treatment and disclosure as per articles 114 and 115-*bis* of TUF; art. 66, 152-*bis* and following ones of Issuer Regulation and art. 4 of Code. The procedure was updated on November 11, 2011.

The essential aspects of the procedure are:

- definition and qualification of the privileged information;
- secrecy obligation for everybody who comes in contact with such information, following what is written in the ethical code;
- managing modality of information and data;
- prevision of an applicative procedure and different special procedures used in specific hypothesis;
- regulation of the register of all the people who have access to the privileged information (set up in April 2006);
- prevision of a report activity towards the Vigilance organ.

It is predicted, in particular, for all the subjects listed in the register of the people who have access to privileged news, the prohibition – directly or through other people – of sales acquisition, sales and subscription shares and financial instruments linked to them within the 15 days (black-out period) before the boarding meeting summoned to approve the accounting data of the

period – balance sheet, half yearly survey, managing report – and till the diffusion of the relative news as per 114 of TUF.

The responsible for the conservation and updating of the register is the Company Affairs Department Manager. He, in particular, before the commencement of the black-out period, send a specific communication to all members in the register recalling the ban on operations on the title PSF during the above period

Internal dealing

After the receiving of the “Market Abuse” directive (bill number 62/2005) and the adoption by the Consob (bill n. 15232 of November 29, 2005) of the new Issuer Regulation, the obligation of communication to the public and to the Consob of the accomplished operations by relevant people and by people strictly bound to them through financial instruments of the company.

In particular the articles 114, paragraph 7 and 193 paragraph 1 and 1-*bis* of the TUF and the articles 152-*sexies* and the following of the Issuer Regulation have disciplined the normative of the internal dealing, by pointing out the relevant elements and the people bound to them, the details and communication ways that deal with operations on shares or financial instruments linked with the actions of the rated issuer.

The Board, on November 12, 2008, has approved new Code of behaviour of Internal Dealing that is developed as follows:

- definition of relevant people and shareholders and people connected to them;
- procedure that has to determine who, among the employees, must be considered a relevant figure;
- individuation of the person in charge of the receiving, managing and diffusion to the market of information on the operations as at art.152-*octies*, the Issuer Regulation in the person of the Company Affairs Department Responsible;
- identification of the relevant controlled;
- definition of operations on actions and financial instruments;
- determination of the modalities and communication timing of the operations;
- prevision of the possibility to use the company to fulfil the obligations concerning the communication to the Consob;
- individuation of a period in which it is forbidden for the relevant figures and for the people connected with them to make operations on the bonds or other instruments linked with the shares issued by the company (black-out period);
- possibility to adopt remedies in case of violation of the Code of Behaviour;
- prevision of a report activity towards the Vigilance Organ.

6. COMMITTEE WITHIN THE BOARD (pursuant art. 123-*bis*, paragraph 2, letter d), TUF)

The Board, during its meeting on 14.11.2014, in view of the size and organizational structure of the Company, has identified that it was unnecessary to establish an internal committees with proposing and consulting functions other than those covered by the Code.

7. APPOINTMENTS COMMITTEE

The Board, during its meeting on 14.11.2014, in view of the ownership and organizational structure of the Company has identified that there was no need to establish, within it, a nomination committee.

8. REMUNERATION COMMITTEE

The relative information about the present section are contained in the Relation on the predisposed remuneration according to of art. the 123-*ter* of the TUF, approved by the Board on 13.03.2015 and published contextually to the present Report.

9. REMUNERATION OF DIRECTORS

The relative information about the present section are contained in the Relation on the predisposed remuneration according to of art. the 123-*ter* of the TUF, approved by the Board on 13.03.2015 and published contextually to the present Report.

10. CONTROL AND RISK COMMITTEE

Composition and functioning of control committee and risk (pursuant art. 123-*bis*, paragraph 2, letter d), TUF)

On April 23, 2013 members of the control and risk committee were appointed hat, in accordance with the provisions of the Code, is composed of non-executive directors, a majority of independent directors:

- Carlo Alberto Carnevale Maffè – Chairman (independent director);
- Alberto Piantoni (independent director);
- Ilaria Frigoli (non executive director).

During 2014 the Committee has been collected 3 times, to them also the Chairman of the Board of Auditors and the responsible of internal audit took part and the manager of drafting the official documents were invited to attend for the issues they were of their concern.

The average length of meetings was about one hour. For the current year two meetings were scheduled in an already held on March 13, 2015.

Functions of the control committee and risk

The control and risk committee has been given the functions as at art. 7 of Code, beyond that of helping the board of directors in making the functions of the same Code.

In particular, the Committee has the following duties:

- provide the Board with an opinion prior to the performance of duties delegated to it by the Code regarding internal control and risk management (binding opinion in the case of decisions relating to appointment, dismissal, remuneration and allocation of resources of the responsible internal audit function);
- evaluate, together with the manager responsible for preparing the financial reports and, after auctioned the statutory auditor and the board of auditors, the correct application of accounting principles and, in the case of groups, their consistency for the purpose of preparing the consolidated financial statements;
- express opinions on specific aspects regarding the identification of key business risk;

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- examine the periodic reports, relating to the evaluation of the system of internal control and risk management, and those of particular relevance prepared by the internal audit function;
 - monitor the independence, adequacy, effectiveness and efficiency of the internal audit function;
 - ask the internal audit function to perform some checks on specific operating areas, given notification to the chairman of the supervisory board;
 - report to the Board, at least every six months, upon approval of the annual financial report and statements, about its activities and the adequacy of the system of internal control and risk management;
 - express reasoned opinion binding to the Company in connection with the completion of related party transactions and the convenience and substantial correctness of the related conditions.

The control committee and risk must fulfil its duties together with the Board of Auditors, with the person in charge of the internal control and the executive Director on charge of the internal control system.

During the Exercise, the Internal Control Committee has fulfilled a monitoring action for the control system in particular about:

- purchasing of the job plan of the responsible for the internal audit function;
- assessment of changes of Organization, Managing and Control Model following the Italian Legislative Decree 231/01 approved by Board on November 14, 2014;
- evaluation and monitoring of the adequacy of the accounting administrative procedures, the managing procedure for the managing, the treatment and communication to the external of the privileged information. In particular, it has a favourable opinion on the new administrative and accounting procedures prepared by the manager responsible for financial reporting pursuant the article 154-*bis* of TUF;
- the evaluation, together with the deputy Manager for the drafting of the accounting documents, of the correct use of the accounting principles and their homogeneity for the aims of the consolidated balance.
- activities concerning the role of Vigilance Organism.

During the meetings planned for the approval of the balance draft and the half-yearly survey, the Committee has informed the Board about the activity made and about the adequacy of the internal control system.

During the committee meetings, regularly reported, the board of auditors chairman has always taken part.

The control committee has the faculty to access to all the information and company functions necessary for the development of its duties and to use external advisors with what decide the Board if necessary.

A certain quantity of resources at disposal of the Board hasn't been determined; the chairman can require every moment that the executive Director monitor the internal control system, the production of resources that are necessary for the fulfilment of its duties. However, the expenditure maximum for the use of independent experts on the occasion of the release of the opinion requested by the Board in connection with related party transactions cannot be greater than € 30,000.00 for each operation.

11. INTERNAL CONTROL SYSTEM

It belongs to the Board the responsibility of the internal control system, understood as all processes aimed at monitoring the efficiency of business operations, the reliability of financial reporting, respect for legality and safeguards of company assets, and the measurement, managing and monitoring of the risk.

Issuer works in the graphic-promotional sector exclusively on demand and, considering the particular productive typology, must adjust the production and the provisioning politics to the specific requests of the clients.

The strong competitors and the lack of standard pricelist-products determine the necessity to have price politics that are often influenced by the promotional budget at the clients' disposal. Till the end of the previous accounting year, the Group has always had only one reference market (the promotional one), with a modest exception of the web agency activity of the controlled Mediattiva. With the precise goal to diversify the reference markets and, in order to the different risk typologies, in 2008 the Issuer acquired Linkonline S.r.l., company that operates in the consumables sector that are destined to the retail sector.

Through such operation, Poligrafica S. Faustino has undertaken a development strategy that was aimed at the collecting of all possible synergies with particular attention to the commercial integration on loyal customers.

The financial management's activity is concerned with keeping the relations with many banks and carries on the analysis of different risk favouring indications on the credit risk, and in particular when there are contacts with new clients.

The change risk, given the absolute irrelevance of the transactions (both passive and active) also beyond the Euro area, is equal to zero. The supplying market of raw materials isn't affected by indirect consequences bound to the dollar.

As far as the credit risk is concerned, above all in front of the huge costs of the transactions and of the clients is limited. It is to be considered that the medium unity amount of the transitions is modest and the analysis of the credit positions already expired or soon to be expired are linked to a fortnight expiry date.

About the liquidity risk: the relationship between own and others' money has always been positive. Despite the negative trend of the last few years, the net financial position does not denote situations of particular risk. It should also be noted that the net borrowing of 31.12.2014 group is reduced to about Euro 1,1 million compared to the previous year. In 2008 the net financial position has been influenced not only by the important investments but also by longer time for the proceeds that are not counterbalanced by postponed payment terms.

This notwithstanding, the present financial structure, characterised by modest debts in relation to the capitalisation, together with the existence of significant real estate investments free from bonds and mortgages, determine objective solidity indicators that guarantee the possibility to enter into new credit lines, if necessary.

Concerning the interest rate risk, it is generated by short and long term flexible rate financial debts only one component referring to a loan disbursement recently has been joined to a derivative hedging instrument.

The Board, also according information gave during the Exercise from the Control Committee and Risk, evaluated effectiveness and actual functioning of the internal control system.

System of risk management and internal controls involved in relation to the financial reporting process, including consolidated, if applicable (pursuant art. 123-bis, paragraph 2, letter b), TUF)

With reference to the preparation of financial statements and consolidated financial statements, the administrative and accounting procedures established by the manager responsible for preparing corporate accounting documents in accordance with accounting standards are applied. This management is to ensure the reliability, accuracy, reliability and timeliness of financial reporting itself through internal procedures valid for the parent and subsidiaries and to ensure an activity of regular monitoring regularly and checking the accounting information widespread to the market.

The internal control system is structured so as to ensure the analysis of economic and financial importance, and control over resources and their uses.

The instruments are designed to verify:

- the accuracy of accounting records, paying particular attention to the evaluation of trade receivables, tangible and intangible assets, participation in inventories and, in general, the criteria for assessing applications to the annual budget and other types of periodic financial reporting to provide a faithful image of the financial position, financial and economic performance of the company;
- Computer systems;
- approval of business operations by the parties responsible for their approval and proper recording in the books.

Prepaid are undertaken primarily through the inspection of documents and of the surveys and the obtaining of information by managers and executive directors.

For the impairment test, in particular, procedures to estimate rather articulate account of the estimated cash flows and earnings for future years are being developed on the base of the approved forecast by several boards of directors that have the responsibility to elaborate the plan about the course of the relative CGU, to which the starter to be evaluated is concerned.

Internal controls have been such as to avoid situations of risk assessment processes for the evaluation of claims and inventories.

The administrative function of the Group leader elaborates some economic/patrimonial situations with regularity about the salary course of the group leader and of the controlled companies that are subordinated to the attention of the executive Directors. The main purpose of monthly reports of the salaries is that to monitor the course of the turnover, the costs, the marginality in terms of EBITDA and EBIT, and to estimate the course of the net financial position and the medium incidence of the debts.

The data of the interim reports are confronted with the historical data. The abnormal, unexpected or mainly meaningful differences in terms of value are inquired by the manager responsible for the writing of accounting records and the outcomes are subordinated to the attention of the general executive manager.

On the approval of the quarterly, half-year report and the draft budget, the Board will assess the adequacy and effectiveness of the system of internal control based on information communicated by the executive in charge of internal control and the control of the provost Procedure. During the Exercise, this assessment has always given positive results.

Regarding the preparation of financial statements, as at 31.12.2014, the consolidation area is so composed:

- Linkonline S.r.l.

-
- Litografia Spada S.r.l.
 - Psfinteractive S.r.l.
 - To Italy S.r.l. (in liquidation since 31.12.2014)

These companies prepare the financial statements in accordance with national accounting standards. For the subsequent preparation of financial statements of Issuer, these budgets are applied on a non-accounting adjustments required by the application of IAS / IFRS in order to aggregate all financial statements prepared by the same international principles. The accuracy of these corrections is verified through comparison with the corrections made in the previous period and analysis of individual budget items in order to individuate further corrections.

The keeping of the subsidiaries of the administration is entrusted to the same structure of the parent at the headquarters of Castrezzato. The monitoring of the internal control system of the subsidiaries is consistent with that expected on Issuer, with the aim to provide the data required for the preparation of consolidated financial information reliable, accurate and timely.

The Directors and the manager responsible for the preparation of financial statements in accordance with art. 154-*bis* TUF confirm that:

- the financial statements and the consolidated management report include the contents described in the letter e) of paragraph 5 of art. 154-*bis* of the TUF;
- for the half-yearly condensed consolidated, that the interim management report includes the contents described in the letter f) of paragraph 5 of art. 154-*bis* of the TUF.

11.1. DIRECTOR IN CHARGE OF INTERNAL CONTROL SYSTEM

The Board, on November 9, 2012, appointed CEO Giuseppe Frigoli as the director responsible for supervising the functionality of the internal control system (already executive director responsible for the supervising the functionality of the internal control system since 12.11.2008). This task has been implicitly confirmed in the head at the same councilor following the confirmation of the appointment by the Shareholders' Meeting of 23.04.2013.

Pursuant the applicative criterion 7.C.4. of Code, he:

- identified the main business risk, taking into account the characteristics of the activities; carried out by the issuer and its subsidiaries, and submit them periodically to the review of the Board;
- accomplished the guidelines defined in the board of administrators, taking care of the projects, realisation and inner control system managing and risk managing by verifying the adequacy and proficiency;
- the adaptation of the system to changes in operating conditions and the legislative and regulatory framework;
- has the power to ask the internal audit function to perform checks on specific areas of operation and about the compliance with the rules and procedures in the execution of business operations, given notification to the Chairman of the Board, the Chairman of the Audit and Risk Committee and the chairman of the supervisory board;
- communicated to the Board of administrators about the problems and critical points appeared during the developing of its activity or that has been acknowledged so that the Board can take its decisions.

Since 29.08.2013, moreover, he plays the role of the employer pursuant to art. 2, paragraph 1, lett. b) of Legislative Decree 81/2008.

11.2. RESPONSIBLE FOR THE INTERNAL AUDIT FUNCTION

At its meeting on 09.11.2012, the Board appointed Massimiliano Frigoli (formerly Head of Internal Audit since 14.03.2005), responsible for the internal audit function on the proposal of the internal control system person and after evaluation of the requirements of professionalism, organization and independence (despite the relationship with the managing directors and executives) and with the approval of the Committee for Internal Control (now Audit and Risk Committee) and after the consulting the board of auditors.

The above mentioned person is not responsible for any operating within the Issuer and does not report to the Council (works within the subsidiary Linkonline as head of customer service and management of IT processes).

During the year the head of the internal audit function, in accordance with Art. 7.C.5. of the Code,

- he checked, both on an ongoing and in relation to specific needs and in compliance with international standards, the operation and the suitability of the system of internal control and risk management, through an audit plan, approved by the Board of Directors, based on a structured analysis and ranking of the main risk;

- he Had direct access to all relevant information for the engagement;

- he Has prepared periodic reports containing adequate information about their work, the way in which management is conducted of the risk as well as compliance with the plans defined for their reduction, as well as an evaluation of the system of internal control and risk management and forwarded to the chairmen of the board of auditors, the Audit and Risk Committee and the Board as well as the administrator in charge of the system of internal control and risk management;

- he has prepared timely reports on major events (specifically the sale of a business unit of the subsidiary Psfinteractive and early dissolution of To Italy Srl) transmitting to the chairmen of the board of auditors, the Audit and Risk Committee and the Council as well as all ' director in charge of the system of internal control and risk management;

- he has occurred as part of the audit plan, the reliability of information systems including accounting systems.

He also carried out the following activities:

- the analysis of the timing and definition of the productive process;
- analysis of compliance on health and safety of workers at work;
- analysis of internal control processes in light of the final changes in the organizational group.

No precise amount of the financial resources has been planned at his disposal as he uses of the Issuer's company structures.

11.3. MANAGING MODEL AS ITALIAN LEGISLATIVE DECREE No. 231/2001

On March 19, 2008 the Board has adopted the Organization, Managing and Control Model according to Legislative Decree no. 231/01 and the Ethic Code.

The Model was updated by the Board on August 29, 2008, February 20, 2009 and November 13, 2009. During the financial year (14.11.2014) it was further implemented by the insertion of three special sections as shown below.

The Model is made of a General Part in which, after having exposed the general guidelines of the Decree, the components of the model are illustrated with reference to the vigilance board, the personnel training and the Model and ethical code diffusion within the company, the discipline

system and the measures adopted in case of failing observance of the prescriptions, the verifications that the Model and procedures will have to endure.

The special part takes into consideration the following kinds of offences

- offences against the Public Administration;
- company offences;
- market abuse;
- against the security on work;
- crimes of recycling, receiving, use of money and goods of illegal provenience;
- informatics crimes and illicit treatment of the data.
- accounting fraud (from 14.11.2014);
- inducement not to make statements or to make false statements to the court (from 14.11.2014);
- environmental crime (from 11/14/2014).

The Board gave the function of Vigilance Organism to the Control Committee and Risk. The Board has not evaluated the opportunity to assign the functions of supervisory body to the supervisory board.

Model and Ethic Code are available on Issuer website www.psf.it / investor relations / corporate governance:

http://investor.psf.it/it/page.asp?id_sez=48&id_sub=56&id_com=80 (Model)

http://investor.psf.it/it/page.asp?id_sez=48&id_sub=56&id_com=81 (Ethical Code)

11.4. AUDITING FIRM

On April 23, 2008, proposed by the Board of Auditors and positive advice of Internal Control Committee, was appointed for the audit of financial statements, consolidated financial statements and half year for the period 2008-2016 to Auditing Firm seated in Reggio Emilia, via Barilli 5/1.

11.5. MANAGER RESPONSIBLE FOR PREPARING THE COMPANY'S FINANCIAL AND OTHER ROLES AND FUNCTIONS OF BUSINESS

The Board, pursuant the art. 23 of By-laws, appoint, after a non-binding opinion of the Board of Auditors, the executive responsible for the preparation of the Company's account documents chosen among people of experience in the accounting and financial field and possessing the requisites of honourably required by the present norms for the control organ members. The board watches out that the deputy manager has the adequate powers and can accomplish his duties. The attributions and responsibilities of the deputy manager are determined by the law.

The Board, in order to get conformed to the art. 154-*bis* of the TUF and in conformity of By-laws, appointed during the meeting on November 14, 2006 Mrs. Cristina Capitanio Manager executive responsible for the preparation of the Company's accounting documents.

Such choice seemed to be the most suitable because of the professional skills and abilities together with the fact that she is already Administrative Director and that the Board has full trust in her.

11.6 COORDINATION AMONG PEOPLE INVOLVED IN THE INTERNAL CONTROL SYSTEM AND RISK MANAGING

The coordination among the different roles involved in the internal control system and risk managing is accomplished jointly by the responsible of the company affairs office together with the manager for the issue of the accounting documents.

12. DIRECTORS' INTEREST AND TRANSACTION WITH RELATED PARTIES

On 12.11.2010 it was approved the "Procedure for transactions with related parties"(effective from the 1st January 2011) prepared as per art. 4 of the Regulation laying down rules on related party transactions adopted by Consob with resolution no. 17221 of March 12, 2010, as amended and Article 2391-*bis* of Civil Code and art. 9.C.1. of Code of Conduct.

The above procedure determines the rules governing the identification, approval and enforcement of related party transactions entered into by the Company, directly or through subsidiaries, in order to ensure transparency and fairness in both substantively and procedural operations of the same.

The Company, having the dimensional requirements contained in the definition of the small companies within the meaning of Consob Regulation 17221/2010, has used the facility to establish a simplified procedure which applies equally to the operations of major and minor importance, subject to the following grounds for exclusion:

- a. transactions for smaller amounts, i.e. those with a value less than Euro 120,000 provided it hasn't the risk factors related to the characteristics of the operation and on the assumption that these transactions may have a significant impact on the financial position of the Company;
- b. compensation plans based on financial instruments approved by the Shareholders' meeting under art. 114-*bis* of the TUF and operations executive, especially considering the relevant shareholders' meeting and the strict reporting regime applicable;
- c. Shareholders' meeting resolutions referred to in the art. 2389, paragraph 1 of the Civil Code relating to fees payable to members of the Board of Directors as well as decisions regarding the remuneration of directors charged with special powers that are included in the total amount determined in advance by the shareholders as per art. 2389, paragraph 3 of the Civil Code and the fees payable to members of the Board of Auditors;
- d. resolutions on the remuneration of directors and advisers appointed to particular positions, other than resolutions mentioned under letter c), as well as management personnel, provided that:
 - the Company adopts a remuneration policy
 - the Board for the remuneration is involved in the definition of the above mentioned policy;
 - a report setting out the remuneration policy has been submitted to the advisory vote of the Shareholders' meeting;
 - the remuneration is coherent with such policy.
- e. the transactions with or between controlled companies, controlled also jointly, by Poligrafica provided that in the controlled companies by the Issuer there are significant interest in the correlated parts of the company. The interests that come from the simple share of one or more Directors or managers with strategic responsibilities between Issuer

and its subsidiary companies are not qualified as significant.

- f. the ordinary operations, i.e. those that are within the operating activity and of the connected financial activity that are accomplished according to equal conditions to those of the market or standard.

The authority to decide on the related party transactions is up to the Board that must receive, in advance, timely and complete news in relation to the characteristic features of the transactions with related parties, such as the nature of the relationship, their executive modalities, their conditions, also economic, for their achievement, the interest, and the underlying reasons and potential risk for the Company.

The Board shall act on transactions with related parties, upon the reasoned opinion of the Internal Control Committee (now Control Committee and Risk) of the Company for the transaction on the interest and convenience and fairness of its conditions. In order to issue its opinion, the Committee for Internal Control (now Control Committee and Risk) must also receive adequate and complete information about the transactions and the elements characteristic of the operations. The Audit Committee may be assisted, at the expense of the Company, by one or more independent experts who are not related.

The Board and Board of Auditors should receive full disclosure at least quarterly on the execution of transactions with related parties.

If the transaction involves the interests of one of the Directors of Poligrafica, the Director who is in the condition of a related party of the operation shall immediately inform in detail the Board of the existence of the interest as per art. 2391 of the Civil Code and will not participate to the deliberations. Should the Board of Directors consider it desirable, however, to participate to the preparatory stage and to the deliberation of the Director, the same could allow, after hearing the Board of Auditors, the participation of the Director concerned, who however, should refrain from voting.

The deliberations of the Board of Directors regarding transactions with related parties shall give the reasons to justify the interest of the Company, the reasons, convenience and fairness of the same operations for the Company and the Group.

13. APPOINTMENT OF THE BOARD OF AUDITORS

The appointment of the Board of Auditors is made according to lists introduced to the shareholders in which the candidates must not be more than the auditors to be elected and are listed following a progressive order. The list is formed by two sections:

- one for the candidates for the role of effective Auditor;
- the other for the candidates to the role of alternate Auditor.

All the lists that include a number of candidates equal or superior to three must respect the criterion of genres division.

For the first renewal of the Syndicate collegium after one year of validity of the Law 120/2011, the least represented genre must be equal to at least one fifth of the total of components to be elected.

For the second and third renewal after the above indicated term, the least represented genre must be equal to one third of the components to elect.

They have the right to present the lists only to the shareholders that, alone or together with others, are shareholders with vote right and who represent at least a percentage of the capital in

the entity decided by Consob with a own regulation for the appointment of the organs of administration according to art. 147-*ter* of TUF. Consob has deliberated (issue n. 19109 of 28.01.2015) that the percentage for Poligrafica must be 4.5%.

Each shareholder and all the shareholders belonging to the same group and the partners that support a Shareholders' agreement that implies shares of the issuer cannot present , also through a third person, more than one list and vote different lists.

Each candidate can be present in only one list. The candidates that have already auditors functions in other five quoted companies cannot be elected as auditors. The same for those who are Directors in the controlled or controlling companies and who have roles of administration and control beyond the limits settled by the Consob with own regulation. The outgoing auditors are re-eligible.

The undersigned lists by the partner or by the partners that present them must be registered at the company seat at least 25 days before the fixed day for the Shareholders' meeting in first call and this will be mentioned in the summoning call. Together with each list, within the above mentioned term, there are deposited:

- information concerning the identity of the partners who have presented the lists with indication of the percentage of participation totally held;
- a certification of the intermediaries in which the ownership of such partnership is shown. This certification can also be produced after the filing of the lists provided by the deadline for publication of the same ones (21 days before the date of the Shareholders' meeting).
- a declaration of the partners, different from those who hold a participation of control or of relative majority, which attests the absence of relationships of links with the latter ones as attested by the Consob;
- a fully detailed report about the personal and professional features of the candidates;
- the declarations with which the single candidates accept the appointment and attest, under their own responsibility, the insistence of causes for the ineligibility and incompatibility and the existence of the requisites settled by the norms for their positions.

The list for which the instructions here mentioned have not been observed is considered as if has not been presented.

In case at the expiring date of the presentation of the lists, only one list has been deposited, i.e. only lists presented by partners linked by them as stated in the Consob norms, there can be presented lists till the 3rd day after such date. In such case the limits implied by the chart for the presentation of the lists are reduced to half.

Here are the procedures for the auditors' election:

1) two effective members and one deputy are elected from the list that that has collected most votes, following a progressive order;

2) the remaining effective member and the deputy member are elected in a progressive order from the second list that has obtained most votes in Shareholders' meeting, among the lists presented and voted by partners that are not linked even indirectly with reference partners, as in art.148 of TUF that have presented and voted the list which resulted first for number of votes.

The effective member taken from the second list that has obtained most votes is appointed chairman of the Board.

If the division of genres criterion is not respected, the members of the least represented genre that obtained bigger quota will be instead elected for the first renewal of the board after the beginning of validity of the law 120/2011, and will be one fifth of the components to be elected.

For the second and third renewal after the above mentioned term, the members of the least

representative genre will be instead elected an will be one third of the total amount of the components to be elected.

If the application of the criterion of division between the genres doesn't offer a number of components to be reserved to the least represented genre, such number is rounded to the superior unity.

In case non one from this list has obtained a major number of votes than the others, or in case more lists have obtained the same number of votes, a new voting will be immediately made between the lists that have obtained the same number of votes.

In case of substitution of one auditor, the substitute belonging to the same list of the ceased one. When the Shareholders' meeting must appoint of effective and/or substitutive auditors, necessary for the integration in the Board of Auditors, here are the proceedings:

- in case there is the substitution of the auditors elected by the majority, the appointment happens through a relative majority without list restraint;
- in case the auditors elected in the minority must be substituted, the Shareholders' meeting will substitute them with a majority vote choosing them among the candidates in the minority list to which belonged the auditor to be substituted that is in the minority list that has reported the second entity of votes.

If the application of these proceedings won't allow, for every reason, the substitution of the minority appointed auditors, the Shareholders' meeting will proceed with the voting by relative majority.

The substitution must be accomplished according to the criteria as per bill 120/2011 for the presence of the least represented genre with the limitation of the cases that are present after the first, second and third renewal of the board after one year of the validity of the above mentioned law.

14. AUDITORS (pursuant art. 123-*bis*, paragraph 2, letter d), TUF)

The Shareholders' meeting on April 23, 2013 has appointed a new Board of Auditors to hold office until the approval of the budget for the year 2015.

On this occasion it was only presented a list by Alberto Frigoli, Giuseppe Frigoli, Emilio Frigoli, Francesco Frigoli and Giovanni Frigoli who got the 99.6987% of the votes of the voting capital. Their curricula are available on the website of the Issuer (www.psf.it – Corporate Governance – Company organs – Board of Auditors).

During the Exercise, the Auditors' Board was summoned 4 times with an average duration of about three hours and half for each meeting. For the current year were scheduled 4 meetings.

In the first meeting after the appointment the independence has been evaluated by using the same principles required by the code for the Directors. The remaining of the independence requisites for its members has been also taken into consideration during the Exercise by them on March 18, 2014 and by the Board on March 14, 2014.

In case the Auditor, by himself or by others, had an interest in a determined operation of the issuer, has to inform quickly and exhaustively the other auditors and the chairman about the nature, origin and entity of his interest.

The Board of Auditors has moreover watched out about the independence of the Auditing Firm, checking the respect of the normative dispositions concerned. During the Exercise there haven't had other accounting control services for the issuer or for the controlled by the aforesaid company.

During the carrying out of the activity, the Board of Auditors had a function coordination of Control Committee and Risk through an exchange of information with the responsible for the internal audit function and through the participation of the chairman of Board of Auditors in every meeting.

Personal and professional features of each Auditor (art. 144-*decies* of the Issuer Regulation)

UMBERTO BISESTI (Chairman)

Born in Palazzolo sull'Oglio (BS) on March 10, 1973 where he lives.

He got his degree in Accounting at the I.T.C Einaudi of Chiari and after that the qualification for the free profession of account . Since 1999 he is member of the register of the account auditors.

Since 2001 he is associate to the "*Studio Bisesti ed Associati*" of Brescia. He is also auditor in the subsidiary Linkonline S.r.l..

FRANCESCO CURONE (Effective member)

Born in Lonigo (VI) on December 2, 1961 is seated in Brescia.

He got his degree in economics at the University of Brescia in 1989 and is member of the Accounts order of Brescia since 1993 and of the Accounting auditors register since 1999.

Since 1991 he is auditor in different companies, one of which is Linkonline S.r.l.

MARIAGRAZIA BISESTI (Effective member)

Born in Verolanuova (BS) on 31.12.1969 she lives in Brescia.

She got her degree in Accounting and Commercial at the ITC Don Primo Mazzolari Verolanuova and, subsequently, the qualification for the profession. Since 1995 she is registered in the Register of Auditors.

She is owner of "*Studio Bisesti ed Associati*" in Brescia which deals mainly of tax consultancy, accounting for ordinary artists and professionals , assistance and tax advice, administration of companies, financial statements, reclassifications and analysis, processing of tax forms, personnel administration, corporate restructuring.

UMBERTO BISESTI (Effective member until 23.04.2013)

Born in Verolanuova (BS) on March 25, 1968 where he lives.

He got his degree in Accounting at the I.T.C Einaudi of Chiari and after that the qualification for the free profession of account. Since 1999 he is member of the register of the account auditors.

Since 2001 he is associate to the "*Studio Bisesti ed Associati*" of Brescia. He is also auditor in different companies (one of which is the controlled Litografia Spada S.r.l. and Linkonline S.r.l.) and is Managing director in the company.

15. RELATIONSHIP WITH THE SHAREHOLDERS

The Board is going to survey the shareholders' all the information and the administrative documents quickly. A continuous relationship with the market will be set out, considering the laws and norms for the communication of privileged information. The company is going to tend to avoid informative discrepancies in order to grant homogeneity in keeping the financial community informed. The Company offers its availability for all information for the financial

community on the internet site www.psf.it in the area Investor Relations.

The Board on November 9, 2012 identified the responsible of the company affairs department as responsible of the relationship with the Shareholders. Nello svolgimento del proprio compito egli si coordinerà con la Dott.ssa Anna Lambiase, *Investor Relations Manager* dell'Emittente.

16. SHAREHOLDERS' MEETING (pursuant art. 123-bis, paragraph 2, letter c), TUF)

Pursuant to Article 83-*sexies* of Legislative Decree No. 58/98 and art. 10 of By-laws, the right to participate in the Shareholders' meeting and the exercise of the voting right is established by a notice to the Company, carried out by the intermediary in accordance with his accounting records, in favour of the person who has the right to vote, according to the evidence at the end of the accounting day of the seventh trading day preceding the date of the Shareholders' Meeting; recordings made on credit and debit accounts after that time are not relevant to the legitimate exercise of the right to vote at the meeting. Those who are holders of shares of the Company only after that date will not be entitled to attend and vote at the Meeting. The communication of the above mentioned intermediary must reach the company by the end of the third trading day preceding the date of the Shareholders' Meeting. The entitlement to attend and vote is legitimate if all communications are received by the Company beyond that date, provided that it happens by the beginning of the meeting of the single convocation.

Those who are entitled to participate in the Meeting may appoint a representative by way of a proxy given in writing means, pursuant to the applicable laws, by signing the proxy form issued at the request of the person entitled by the authorized intermediaries or the form available at the Company's registered office, as well as on the company website, at www.psf.it.

The proxy may be transmitted to the Company by registered mail at the Company's registered office or by certified electronic mail (address specified in the notice).

If the representative delivers or transmits a copy of the proxy to the Company, he/she shall certify, under his/her own responsibility, the conformity of the proxy to the original document, as well as the identity of the delegating person.

The Company pursuant to Articles 135-*undecies* of TUF will appoint the Designated Representative as a subject to which the person entitled to vote, entitled by the law, may delegate for free with instructions to vote as long as it is received by the same person within the end of the second day of open market prior to the date of the Shareholders' Meeting, on first call. Any proxy given to Designated Representative shall not have effect with regard to those proposals, for which no voting instructions have been given. Within the same term, the proxy voting and the vote instructions are revocable.

The proxy form is available at the Company's registered office as well as on the company website at www.psf.it.

Referring to the functioning of the Shareholders' meeting, states that the Company has adopted a regulation because the rules of law and By-laws and the normal procedural invitations addressed those present at the shareholders' meeting by the Chairman was considered appropriate to ensure an efficient carrying out.

During the accounting year there are not been meaningful variations neither in the capitalization of the shares market of the Issuer nor in the composition of its social structure.

17. MORE CORPORATE GOVERNANCE PRACTICES (pursuant art. 123-*bis*, paragraph 2, letter d), TUF)

The Issuer does not apply additional corporate governance practices beyond those described in the preceding paragraphs of this Report.

18. CHANGE FROM THE ACCOUNTING YEAR'S CLOSURE

There haven't been changes in the structure of corporate governance from the closure of the Exercise.

TABLE 1 – INFORMATION ABOUT OWNERSHIP

CAPITAL STOCK STRUCTURE				
Type of shares	N. shares	% related to capital	Negotiate	Rights and obligation
Ordinary shares	1,194,107	100	MTA Market – STAR Segment of Italian Stock Exchange	The shares, of nominal value of Euro 5.16 are freely to transfer and each one gives the right to vote. The company can require that the shareholders are obliged to repay within the time and according to the criteria decided by the law.

RELEVANT PARTICIPANTS TO THE CAPITAL		
Declarant	Direct shareholder's	Amount % of ordinary capital
Alberto Frigoli	Alberto Frigoli	9.028
Giuseppe Frigoli	Giuseppe Frigoli	8.971
Emilio Frigoli	Emilio Frigoli	9.018
Francesco Frigoli	Francesco Frigoli	9.013
Giovanni Frigoli	Giovanni Frigoli	9.037
Andrea Collalti	Andrea Collalti	5.091

TABLE 2 – BOARD OF DIRECTORS AND COMMITTEES STRUCTURE

Board of Directors													Control Committee and Risk		Remuneration Committee	
Position	Name	Year of birth	Date first appoint.*	In office since	In office until	List **	Exec	Non exec	Indep	Indep. TUF	Other posit ***	(*)	(*)	(**)	(*)	(**)
Chairman And CEO	Alberto Frigoli	1949	13.03.1998	23.04.2013	Approval of 2015 fin. statements	M	X				-	5/5				
CEO ♦	Giuseppe Frigoli	1951	13.03.1998	23.04.2013	Approval of 2015 fin. statements	M	X				-	5/5				
CEO ♦	Emilio Frigoli	1955	13.03.1998	23.04.2013	Approval of 2015 fin. statements	M	X				-	5/5				
Exec. Director	Giovanni Frigoli	1960	14.11.1998	23.04.2013	Approval of 2015 fin. statements	M	X				-	5/5				
Exec. Director	Francesco Frigoli	1953	14.11.1998	23.04.2013	Approval of 2015 fin. statements	M	X				-	4/5				
Indepen. Director ■ ●	Alberto Piantoni	1956	21.04.2004	23.04.2013	Approval of 2015 fin. statements	M			X	X	1	4/5	3/3	M	2/2	M
Indepen. Director ●	Carlo Alberto Carneval e Maffé	1961	30.04.2004	23.04.2013	Approval of 2015 fin. statements	M			X	X	1	5/5	3/3	P	2/2	P
Indepen. Director	Andrea Collalti	1966	20.04.2012	23.04.2013	Approval of 2015 fin. statements	M			X	X	3	4/5				

Non exec Director ●	Ilaria Frigoli	1985	23.04.2013	23.04.2013	Approval of 2015 fin. statements	M		X			-	5/5	3/3	M	2/2	M
Non exec Director	Maurizia Frigoli	1984	23.04.2013	23.04.2013	Approval of 2015 fin. statements	M		X			-	5/5				
Non exec Director	Elisa Frigoli	1983	23.04.2013	23.04.13	Approval of 2015 fin. statements	M		X			-	5/5				

Quorum required for the presentation of lists by minority shareholders for the election of one or more members pursuant the art. 147-ter TUF: 4.5%

Number of meetings held during the year: 5

Control and risk committee: 3

Remuneration committee: 2

● director in charge of interna control system and managing riks.

◆ CEO.

■ Lead Independent Director (LID).

* the date of first appointment of each director is the date in which the director has been appointed for the first time (ever) in the Issuer's Board of Directors (not considered periods prior to 13.03.1998, the date of conversion of the Company in SpA)

** This column shows the list from which it was derived each director ("M": majority slate; "m" minority list; "Board": the list submitted by the Board).

*** This column shows the number of positions as director or auditor held by the person in other companies listed on regulated markets, including foreign markets, in financial, banking, insurance or large companies.

(*) This column shows the attendance of directors at meetings of the Board and Committees of the total number of meetings which he could participate.

(**) This column shows the status of adviser within the Committee: "P": President; "M": member

Offices held in other company as at December 31, 2014

Name	Position	Company*
Alberto Piantoni	CEO	Missoni S.p.A.*
Carlo Alberto Carnevale Maffè	Indipendent Director	Reply S.p.A.
Andrea Collalti	Chairman of the Board of Auditors and Chairman of the Supervisory	Postel S.p.A.
	Chairman of the Board of Auditors	Acea Distribuzione S.p.A.
	Auditor	Investimenti S.p.A. (ex Fiera di Roma S.p.A.)

* Charge ended on 31/12/2014

TABLE 3 – BOARD OF AUDITORS STRUCTURE

Position	Name	Year of birth	Date first appoint.*	In charge since	In charge until	List **	Indep. Of Code	Board's of auditor meeting	Other charges ***
Presidente	Umberto Bisesti	1973	13.03.1998	23.04.2013	Approval of 2015 fin. statements	M	X	4/4	1
Membro	Mariagrazia Bisesti	1969	23.04.2013	23.04.2013	Approval of 2015 fin. statements	M	X	4/4	1
Membro	Francesco Curone	1961	13.03.1998	23.04.2013	Approval of 2015 fin. statements	M	X	4/4	9
Supplente	Umberto Bisesti	1968	13.03.1998	23.04.2013	Approval of 2015 fin. statements	M	X	-	N.A.
Supplente	Monica Margariti	1964	13.03.1998	23.04.2013	Approval of 2015 fin. statements	M	X	-	N.A.

**Quorum required for the presentation of lists by minority shareholders for the election of one or more members pursuant the art. 148 TUF: 4,5%
Number of meetings held during the year: 4**

* the date of first appointment of each Auditor is the date in which the director has been appointed for the first time (ever) in the Issuer's Board of Auditors (not considered periods prior to 13.03.1998, the date of conversion of the Company in S.p.A.)

** This column shows the list from which it was derived each director ("M": majority slate; "m" minority list.

*** This column shows the number of charges held by the person in other companies pursuant the art. 148-*bis* TUF.

Office in other company as at December 31, 2014

Name	Position	Company °
Bisesti Umberto (1973)	Auditor member	Linkonline S.r.l.
Curone Francesco	Auditor member	Linkonline S.r.l.
	Auditor member	Grandi Riso S.p.A.
	Auditor member	Gedit S.p.A.
	Auditor member	Paradiso S.p.A.
	Auditor member	Marcello Gabana S.p.A.
	Auditor member	Società Sportiva Gabeca Pallavolo S.p.A.
	Auditor member	Steltronic S.p.A.
	Auditor unique	Immobiliare Margherita S.r.l.
	External auditor	San Marco Servizi coop a r.l.
Bisesti Mariagrazia	Auditor member	BF-BS S.p.A.

The complete list is also published by Consob on its website as per Art. 144-quinquiesdecies of the Consob Issuer Regulation



REMUNERATION REPORT

(pursuant to art. 123-ter TUF and art. 84-*quater* of the CONSOB Issuers Regulation)

Issuer: POLIGRAFICA S. FAUSTINO S.P.A.

Website: www.psf.it

Date of approval: March 13, 2015

INTRODUCTION

The Remuneration Policy, which sets out the objectives pursued and the principles that are the basis of the determination of the remuneration of the administrative, general managers and managers with strategic responsibilities, has been approved by the Board of Directors on March 13, 2015 at the proposal of the Remuneration Committee met on the same date.

This Remuneration Report (the "Report") is divided into two sections:

- Section I: Remuneration policy for 2015;
- Section II: Remuneration Statement for 2014.

The Report was prepared pursuant to art. 123-ter of the "*Testo Unico della Finanza*" and art. 84-quater of the CONSOB Issuers Regulation (as amended by CONSOB resolution no. 18049 of 23 December 2011). It was drafted in accordance with art. 6 of the Code of Conduct drawn up by Borsa Italiana S.p.A., as amended in July, 2014.

As provided by Consob Regulation no. 17221 of 12 March 2010 relating to transactions with related parties, as implemented in the procedure adopted by the Company on November 12, 2010, the approval of the Remuneration Policy by the Shareholders' Meeting exempts the Company from applying the above procedure for transactions with related parties in the deliberations on the remuneration of directors and key management personnel, provided the latter are consistent with the Remuneration Policy.

The report for the year 2014, presented for information to the shareholders, provides a final on remuneration highlighting consistency with the policy on remuneration approved by the Company in the previous year.

SECTION I

Those involved in the preparation and approval of the Remuneration Policy

The main parties and bodies involved in the preparation and approval of the Remuneration Policy are the Shareholders' Meeting, the Board of Directors, the Remuneration Committee and the Board of Auditors.

Shareholders' Meeting:

- determines the remuneration of the members of the Board of Directors, the Executive Committee, if appointed, and the Board of Auditors pursuant to Article 2364, paragraph 1, no. 3) Civil Code;
- give an advisory opinion, ruling not binding, on the Report on the Remuneration Policy adopted by the Board of Directors (on the proposal of the Remuneration Committee) pursuant to art. 123-ter, paragraph 6 of the CFA;
- decide on any remuneration plans based on shares or other financial instruments intended for directors, employees and collaborators, including the managers with strategic responsibilities, pursuant to Article 114-bis of the CFA.

Board of Directors:

- constitutes an internal Remuneration Committee composed of non-executive directors, most of whom are independent; at least one member of the Committee must possess sufficient knowledge and experience in financial matters;
- determines the remuneration of directors holding particular positions, after consulting the Board of Auditors and on the proposal of the Remuneration Committee;
- defines, on the proposal of the Remuneration Committee, the Remuneration Policy;
- approve the Remuneration Report, prepared in accordance with the criteria and application principles of art. 6 of the Code of Conduct, to be submitted to the shareholders;
- prepares, with the assistance of the Compensation Committee, any plans of remuneration based on shares or other financial instruments intended for directors, employees and collaborators, including the managers with strategic responsibilities, submit them for approval of Shareholders' meeting pursuant to Article 114-*bis* of TUF and will ensure its implementation.

Remuneration Committee, established within the Board of Directors since 2001 in accordance with the Code of Conduct, is composed exclusively of non-executive directors, most of whom are independent; at least one member of the Committee must possess sufficient knowledge and experience in financial matters.

The Board of Directors, by resolution of April 23, 2013, appointed the following internal directors as members of the Remuneration Committee:

- Carlo Alberto Carnevale Maffé - Presidente (independent)
- Alberto Piantoni (independent)
- Ilaria Frigoli (non-executive)

In accordance with the Code, the Committee is therefore composed of non-executive directors, the majority independent.

Following the appointment, there were no changes in the composition of the Committee.

Directors Alberto Piantoni and Carlo Alberto Carnevale Maffé have experience in accounting and

finance considered appropriate by the Board of Directors at the time of appointment in the light of their previous professional experience.

The Remuneration Committee shall meet whenever its Chairman deems appropriate, i.e. when a request is made by at least one component and, in any case, with appropriate frequency for the proper performance of their duties.

During 2014 the Committee has been collected 2 times, on March 14 and April 23. The average length of meetings was about half hour. For the current year two meetings were scheduled in an already held on March 13, 2015.

The Remuneration Committee:

- makes proposals to the Board of Directors regarding the remuneration of executive directors and those who hold particular positions or which are assigned specific powers;
- submits to the Board of Directors proposals on the remuneration of executive directors and on the correct identification and assessment of the performance targets;
- makes proposals to the Board of Directors on the adoption of the remuneration policy;
- supports the Board of Directors in the preparation and implementation of any compensation plans based on shares or other financial instruments;
- periodically assesses the adequacy, overall consistency and concrete application of the Remuneration Policy;
- examine and submit to the Board of Directors report on the remuneration paid to members of the administration and control.

The Committee may accede to the information and functions necessary for the accomplishing of its duties and use external consultants, within the terms expressed by the Board when necessary.

The documentation and information available (and in any case, those necessary) are transmitted to all members of the Remuneration Committee with sufficient time to express the meeting.

For the validity of the meetings of the Compensation Committee it is required the presence of a majority of members in office and the resolutions are passed by an absolute majority of the members present. The meetings of the Remuneration Committee may be held by means of telecommunication, and are duly recorded and transcribed into a specific.

No financial resources have been destined to the Committee as it uses the Issuer's structures to fulfil its duties.

The Remuneration Policy has therefore been outlined and approved by the Compensation Committee and the Board of Directors.

The Board of Auditors expresses its opinion on the proposals of remuneration of executive directors, and more generally, of the directors holding particular positions, checking the consistency of the proposals themselves with the Remuneration Policy.

Aims and outline of the Remuneration Policy and description of the policies on fixed and variable components of remuneration

The remuneration of directors, general managers and managers with strategic responsibilities is defined so as to ensure a total compensation structure able to recognize the value of professional actors to enable an appropriate balance of fixed and variable components with the goal of creating sustainable value in the medium and long term and to ensure a direct link between pay and specific performance objectives.

In particular, the guidelines which inspired the remuneration policy are based on the following criteria:

- the fixed component and the variable component shall take account of the strategic objectives and the related business risks undertaken by the Company;
- the variable component is a maximum;
- the fixed component is sufficient to reward the performance of the person concerned if the variable is not paid for the failure to achieve their goals;
- performance goals are predetermined, measurable and linked to the creation of shareholder value in the medium to long term;
- the payment of the variable component is deferred for an appropriate period at the time of maturity;
- the provision of contractual arrangements that allow the Company to request the return, in whole or in part, of the components of the remuneration paid, calculated on the basis of data that will be revealed later manifestly erroneous;
- the amount of the incentive to be paid to each person involved is determined based on the achievement of results actually pursued.

In the event of the interruption worker's relationship with the Group for reasons other than just cause, the orientation of the Company is to find agreements to define the relationship in a consensual way.

You can predict for the CEOs compensation in case of termination of administration the amount that, as a rule, and except in exceptional cases, may not exceed an amount corresponding to 40% of its fixed remuneration to the same total recognized over of office.

The payment of a specific allowance may be recognized, moreover, always after evaluation of the competent bodies, in the following cases:

- termination by the Company without good cause;
- termination by the Administrator for cause, meaning, without limitation, the substantial change in the role or to his assignments and / or cases of cd. Opa "hostile."

In the above assumptions the allowance is equal to two years of gross annual remuneration (fixed component).

In the definition of the remuneration policy, the Company has not used as a reference remuneration policies implemented by other companies and did not avail itself of the assistance of independent experts.

Main changes compared to the previous year

The Remuneration Policy 2015 has expanded the group of stakeholders from the payment of incentive remuneration. In addition to managing directors this additional component will also be paid to the executive directors to the achievement of specific objectives set by the Board of Directors.

Were introduced, in addition, new parameters for the maturation of the variable compensation and introduced the possibility of providing compensation plans for directors of shareholder base.

Finally, in accordance with the application criterion 6.C.1. letter. f) of the Code, it is required the definition of contractual arrangements that enable the company to return, in whole or in part, of the variable remuneration.

Remuneration of Directors

Managing Directors

With a deliberation of the Board on April 23, 2013, Giuseppe Frigoli and Emilio Frigoli, beyond the Chairman, have been appointed Managing directors with the attribution of full powers in ordinary and extraordinary administration, except for those expressly prohibited in art. 2381 C.C..

The remuneration of CEOs, determined according to the size and structure of the Company is as follows:

- a fixed component, determined to a significant extent, conform to the position and effort required and, in any case, as to be sufficient to reward performance in the event that the variable component is not paid due to failure to achieve the objectives set out infra;
- a variable component related to the attainment of the objectives - economic performance - measured and related to the creation of value for shareholders over the medium term, as a rule not less than 36 months. However, due to its ownership of the Company and of the organizational structure and powers currently in force within the Group, it is believed that the participation of executive directors in the share capital of the Company is suitable for securing the attainment of a goal typical of a system incentive to medium term. This is considered a period of 24 months.

The amount of the fixed and variable component is determined annually by the Board of Directors, upon recommendation made by the Remuneration Committee, according to the actual achievement of the objectives and the tasks assigned.

The variable component will be paid every two years to achieve the goals set by the Board of Directors (according to the parameters on the consolidated results of the Group) with deferred payment at the end of the determined period.

The variable component may not exceed 50% of the amount set for the fixed compensation (taking as a reference total amount paid in the period). In respect of the above mentioned parameters above-mentioned, it is possible to predict stock-based compensation plans.

The costs incurred by the Directors for the performance of their duties are reimbursed by the Company.

The Remuneration Policy does not provide for the payment of non-monetary benefits.

Executive Directors

The Board of Directors, by resolution of April 23, 2013, has given specific powers to the Directors Francesco Frigoli (research and development) and Giovanni Frigoli (for research and contact suppliers / strategic partners for the Company).

The remuneration of Executive Directors, determined according to the size and structure of the Company is as follows:

- a fixed component, determined to a significant extent, conform to the position and effort required and, in any case, as to be sufficient to reward performance in the event that the variable component is not paid due to failure to achieve the objectives set out infra;
- a variable component related to the attainment of the objectives - economic performance - measured and related to the creation of value for shareholders over the medium term, as a rule not less than 36 months. However, due to its ownership of the Company and of the organizational structure and powers currently in force within the Group, it is believed that the

participation of executive directors in the share capital of the Company is suitable for securing the attainment of a goal typical of a system incentive to medium term. This is considered a period of 24 months.

The amount of the fixed and variable component is determined annually by the Board of Directors, upon recommendation made by the Remuneration Committee, according to the actual achievement of the objectives and the tasks assigned.

The variable component will be paid every two years to achieve the goals set by the Board of Directors (according to the parameters on the consolidated results of the Group) with deferred payment at the end of the determined period.

The variable component may not exceed 30% of the amount set for the fixed compensation (taking as a reference total amount paid in the period). In respect of the above mentioned parameters above-mentioned, it is possible to predict stock-based compensation plans.

The costs incurred by the Directors for the performance of their duties are reimbursed by the Company.

The Remuneration Policy does not provide for the payment of non-monetary benefits.

Non-executive Directors

All non-executive directors are paid only a fixed amount.

For the Directors called to participate in the Control and Risk Committee and the Remuneration Committee, both made up of non-executive directors, there is no provision for the payment of additional remuneration or an attendance fee.

The costs incurred by the Directors for the performance of their duties are not reimbursed by the Company.

The Remuneration Policy does not provide for the payment of non-monetary benefits.

Remuneration of key managers with strategic Responsibilities

The remuneration of key management personnel is established in accordance with the principles described for CEOs and consists of:

- a fixed component, determined to a significant extent, conform to the position and effort required and, in any case, as to be sufficient to reward performance in the event that the variable component is not paid due to failure to achieve the objectives set out infra
- a variable component related to the attainment of the objectives - economic performance - measured and related to the creation of value for shareholders over the medium/long term, as a rule not less than 36 months.

The variable component is equal to a predetermined percentage of the fixed gross annual salary of generally not less than 20% of that remuneration.

The Remuneration Policy does not provide for the payment of non-monetary benefits.

The costs incurred by the key managers with strategic responsibilities for the performance of their duties are reimbursed by the Company.

SECTION II

This section is divided into two parts and shows, using the attached tables in the second part, the remuneration of the members of the administrative and control in line with the Remuneration Policy 2014, and information relating the shares in the Company owned themselves.

Remuneration paid to members of the Board of Directors

The Shareholders' meeting held on April 23, 2014 has determined the total remuneration payable to the Board of Directors in the amount of € 1,149,055.00, coherently with the resolution of the previous year.

The Board of Directors, which met on the same date, set the fixed compensation to the extent specified below:

- Alberto Frigoli (Chairman and CEO): € 108,000.00
- Giuseppe Frigoli and Emilio Frigoli (CEOs): € 287,500.00
- Giovanni Frigoli (Executive Director): € 281,500.00
- Francesco Frigoli (Executive Director): € 120,000.00

Alberto Piantoni, Andrea Collalti, Ilaria Frigoli, Maurizia Frigoli and Elisa Frigoli (Non-executive Directors): € 12,911.00.

No compensation has been paid to the director Carlo Alberto Carnevale Maffé.

Coherently with the provisions of the Remuneration Policy, part of the remuneration of the executive directors is linked to the results achieved by the Issuer.

Together with the fixed remuneration determined, the remaining part, as determinate by Board previous proposal of Remuneration Committee, is so calculated:

- € 120,000 when Ebit equal to € 1,400,000 is reached;
- € 180,000 when Ebit equal to € 3,000,000 is reached;
- € 200,000 when Ebit equal to € 6,000,000 is reached;
- € 600,000 when Ebit equal to € 12,000,000 is reached.

In light of the results achieved in the 2013-2014 period, there were no prerequisites for the payment of the variable component in favor of the executive directors.

Additional remuneration for committee participation were not paid.

During the year, the directors have received the remunerations indicated in "Table 1 - Scheme 7-bis" attached below.

Remuneration of the Board of Auditors

The gross annual remuneration payable to the Board of Auditors was approved by Shareholders, on the occasion of the appointment of the control, to the extent provided by the professional fees.

Remuneration of key managers with strategic responsibilities

At the date of approval of this report there are no Key managers or general managers in the company

All decisions with strategic implications are taken by the executive directors in accordance with the responsibilities of the Board of Directors.

Indemnity for resignation, dismissal or termination of employment (pursuant the art. 123-bis, par. 1, letter i) TUF)

No agreements have been signed between the Company and the directors which provide indemnity fees in case of resignation or dismissal / termination without just cause or if the employment relationship is terminated following a takeover bid.

Incentive plans based on financial instruments

In line with the provisions of the Remuneration Policy for the year 2014, incentive plans based on financial instruments have not been approved.

Table 1 Scheme 7-bis

Remuneration paid to directors

Name and Surname	Position	Office holder's period of service	Term of office expiry	Fixed remuneration	Committee membership remuneration	Variable non-equity remuneration		Non-monetary benefits	Other remuneration	Total	Fair value of equity remuneration	Severance indemnity for end of office or termination of employment
						Bonuses and other incentives	Profit sharing					
Alberto Frigoli	Chairman	01.01.2014 31.12.2014	Up until appr. of the 2015 financial statements									
Remuneration at the company drawing up the financial statements				108						108		
Remuneration at subsidiaries and affiliates				12						12		
Total				120						120		
Giuseppe Frigoli	CEO	01.01.2014 31.12.2014	Up until appr. of the 2015 financial statements									
Remuneration at the company drawing up the financial statements				288						288		
Remuneration at subsidiaries and affiliates				0						0		
Total				288						288		
Emilio Frigoli	CEO	01.01.2014 31.12.2014	Up until appr. of the 2015 financial statements									
Remuneration at the company drawing up the financial statements				288						288		
Remuneration at subsidiaries and affiliates				0						0		
Total				288						288		
Francesco Frigoli	Directors	01.01.2014 31.12.2014	Up until appr. of the 2015 financial statements									
Remuneration at the company drawing up the financial statements				120						120		
Remuneration at subsidiaries and affiliates				0						0		
Total				120						120		
Giovanni Frigoli	Directors	01.01.2014 31.12.2014	Up until appr. of the 2015 financial statements									
Remuneration at the company drawing up the financial statements				282						282		
Remuneration at subsidiaries and affiliates				6						6		
Total				288						288		

Alberto Piantoni	Direct ors	01.01.2014 31.12.2014	Up until appr. of the 2015 financial statements							
Remuneration at the company drawing up the financial statements				13					13	
Remuneration at subsidiaries and affiliates				0					0	
Total				13					13	
Carlo Alberto Carnevale Maffé	Direct ors	01.01.2014 31.12.2014	Up until appr. of the 2015 financial statements							
Remuneration at the company drawing up the financial statements				4*					4	
Remuneration at subsidiaries and affiliates				0					0	
Total				4					4	
Andrea Collalti	Direct ors.	01.01.2014 31.12.2014	Up until appr. of the 2015 financial statements							
Compensi nella società che redige il bilancio				13					13	
Compensi da società controllate e collegate				0					0	
Totale				13					13	
Iliaria Frigoli	Direct ors	01.01.2014 31.12.2014	Up until appr. of the 2015 financial statements							
Remuneration at the company drawing up the financial statements				13					13	
Remuneration at subsidiaries and affiliates				0			20		20	
Total				13					33	
Maurizia Frigoli	Direct ors	01.01.2014 31.12.2014	Up until appr. of the 2015 financial statements							
Remuneration at the company drawing up the financial statements				13			1		14	
Remuneration at subsidiaries and affiliates				0					0	
Total				13					14	
Elisa Frigoli	Direct ors	01.01.2014 31.12.2014	Up until appr. of the 2015 financial statements							
Remuneration at the company drawing up the financial statements				13					13	
Remuneration at subsidiaries and affiliates				0					0	
Total				13					13	

* Fee approved for the year 2013

Remuneration paid to Board of Auditors

Name and surname	Position	Office holder's period of service	Term of office expiry	Fixed remuneration	Committee membership remuneration	Variable non-equity remuneration		Non-monetary benefits	Other remuneration	Total	Fair value of equity remuneration	Severance indemnity for end of office or termination of employment
						Bonuses and other incentives	Profit sharing					
Umberto Bisesti (1973)	Chairman	01.01.2014 31.12.2014	Up until appr. of the 2015 financial statements									
Remuneration at the company drawing up the financial statements				14						14		
Remuneration at subsidiaries and affiliates				3						3		
Total				17						17		
Francesco Curone	Effective member	01.01.2014 31.12.2014	Up until appr. of the 2015 financial statements									
Remuneration at the company drawing up the financial statements				9						9		
Remuneration at subsidiaries and affiliates				3						3		
Total				12						12		
Mariagrazia Bisesti	Effective member	01.01.2014 31.12.2014	Up until appr. of the 2015 financial statements									
Remuneration at the company drawing up the financial statements				9						9		
Remuneration at subsidiaries and affiliates				0						0		
Total				9						9		

Scheme 7-ter

Shareholdings held by directors, auditors and chief executive officers

Name and Surname	Position	Subsidiary	No. of shares held as at 31.12.2013	No. of shares purchased	No. of shares sold	No. of shares held as at 31.12.2014
Alberto Frigoli	Chairman and CEO	Poligrafica S. Faustino S.p.A.	107,807	0	0	107,807
Giuseppe Frigoli	CEO	Poligrafica S. Faustino S.p.A.	107,127	0	0	107,127
Emilio Frigoli	CEO	Poligrafica S. Faustino S.p.A.	107,686	0	0	107,686
Francesco Frigoli	Director	Poligrafica S. Faustino S.p.A.	107,629	0	0	107,629
Giovanni Frigoli	Director	Poligrafica S. Faustino S.p.A.	107,909	0	0	107,909
Alberto Piantoni	Director	Poligrafica S. Faustino S.p.A.	0	0	0	0
Carlo Alberto Carnevale Maffé	Director	Poligrafica S. Faustino S.p.A.	0	0	0	0
Andrea Collalti	Director	Poligrafica S. Faustino S.p.A.	60,791	0	0	60,791
Ilaria Frigoli	Director	Poligrafica S. Faustino S.p.A.	0	0	0	0
Maurizia Frigoli	Director	Poligrafica S. Faustino S.p.A.	0	0	0	0
Elisa Frigoli	Director	Poligrafica S. Faustino S.p.A.	0	0	0	0
Umberto Bisesti	Chairman of Board of Auditor	Poligrafica S. Faustino S.p.A.	0	0	0	0
Francesco Curone	Effective member	Poligrafica S. Faustino S.p.A.	0	0	0	0
Mariagrazia Bisesti	Effective member	Poligrafica S. Faustino S.p.A.	0	0	0	0