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Testo del comunicato

Vedi allegato.

PRESS RELEASE

THE BOARD OF DIRECTORS OF MASI AGRICOLA APPROVED CONSOLIDATED RESULTS FOR 2016

REVENUE INCREASED, PROFITABILITY WAS HIGH ALBEIT AFFECTED BY A REDUCTION IN CMO CONTRIBUTIONS NET FINANCIAL POSITION INCLUDING CANEVEL ACQUISITION

DISTRIBUTION OF DIVIDENDS RECOMMENDED: 9 CENTS PER SHARE AS IN 2016

- **Net revenue 63.9 million euros (60.9 million euros in 2015, +5%)**
- **EBITDA 15.4 million euros (16.2 million euros in 2015) – also for CMO contributions reduced in 2016**
- **EBIT 10.1 million euros (10.8 million euros in 2015)**
- **Profit for the period 6.0 million euros (6.5 million euros in 2015)**
- **Net debt 6.6 million euros (NFP +3.1 million euros at 31 December 2015) including Canevel acquisition**
- **Dividend recommended for 2016: 9 cents per share as in 2016, with 1.9% yield as benchmarked against the price of 29 March 2017.**

Sant'Ambrogio di Valpolicella, 30 March 2017. The Board of Directors of Masi Agricola S.p.A., listed on AIM Italia and an Italian leader in premium wines, met today and approved the draft financial statements and the consolidated financial statements for the year ended 31 December 2016.

Sandro Boscaini, Chairman of Masi Agricola, stated: *"I believe the result to be positive from a growth perspective, considering the challenging international backdrop Italian still bottled wines have had to cope with. By acquiring Canevel, a well-established company specialising in premium sparkling wines, we aim at capturing the uptrend of sparkling wines. Profitability remained high compared with the industry as well as in line with our expectations, with the results being affected by structural events taking place in the distribution channel and a reduction in the allocation of aids aimed at fostering exports."*

THE GROUP'S FINANCIAL PERFORMANCE

Revenue analysis

Geographical breakdown of sales (in thousands of euros):

	2016 Financial Year	%	2015 Financial Year	%
Italy	9.935	15.6%	7.078	11.6%
Europe	27.507	43.1%	27.895	45.8%
The Americas	24.745	38.7%	24.378	40.0%
Other Regions	1.684	2.6%	1.522	2.5%
Revenue from sales and services	**63.870**	**100.0%**	**60.873**	**100.0%**

Revenue from sales and services increased as a whole by 5% approximately as a result, among other things, of the Canevel Group inclusion in the basis of consolidation, contributing to revenue to the extent of 1,549,000 euros. This also accounted for part of the increase recorded in Italy, which is largely Canevel's major market. Net of the foregoing, at constant scope revenue showed a 2.4% increase approximately (+3.6% approximately at constant exchange rates) driven by a small growth in The Americas, a small drop in Europe and significant (percentage) rises in Italy (+16% approximately) and Asia (+11% approximately).

2015-2016 comparison of revenue restated according to the product's positioning (in millions of euros)[1]:

	2016 Financial Year	2015 Financial Year
Top Wines	24.0%	25.7%
Premium Wines	49.3%	48.4%
Classic Wines	26.7%	25.9%

As may be seen, the acquisition of the Canevel Group reaffirms Masi Group's premium calling.

There were no particular problems concerning customers' solvency and debt collection operations, which were in line with the previous years.
As for seasonality, it should be stressed that over the past few years most of the revenue was generated in the second halves.

Analysis of net and consolidated operating results

[1]With reference to a retail price range on-shelf trend positioning at the shelf in Italy: *Top Wines* refer to wines with a price tag per bottle exceeding 25 euros; *Premium Wines* refer to wines with a price tag per bottle ranging between 10 and 25 euros; *Classic Wines*refer to wines with a price tag per bottle ranging between 5 and 10 euros.

It should be noted that Canevel Spumanti S.p.A's profit and loss account included in the consolidated financial statements at 31 December 2016 refers to the period spanning 22 September 31 December. In addition, the profit and loss accounts of Società Agricola Canevel S.r.l. and Canevel Spumanti – Tenuta Le Vigne Soc. Agr. a r.l. included in the consolidated financial statements at 31 December 2016 refer to the period spanning 19 September 31 December.

Moreover, the figures pertaining to the year ended 31 December 2015 reflect the restatement of the consolidated financial statements approved in the previous year, consistent with the new accounting principles issued in December 2016 by the OIC (Italian Accounting Board). In particular, the main effects pertained to interest rate and currency derivative agreements. For a more comprehensive review of the accounting effects, reference should be made to the Accompanying Notes.

EBITDA totalled 15,372,000 euros compared to 16,188,000 euros in the previous year (with an EBITDA margin dropping from 26.6% to 24.1%) essentially due to:

a) A diluting effect on profits caused by the inclusion of the Canevel Group in the basis of consolidation arising from: (a) operations in a wine business segment where the impact of raw material costs was significantly higher compared to the categories historically covered by the Masi Group; (b) company downsizing resulting on the one hand in a reduced ability to achieve "premium" prices in the relevant category and, on the other hand, a reduced ability to cover overheads. The strategic motivations underlying the acquisition are based on the possibility of developing management and distribution synergies that will gradually improve these factors over time;
b) An increase in *gross margin* as expressed in both absolute (+2,803,000 euros) and percentage (from 65.3% to 66.6%) values resulting, among other things, from a change in inventory mix, where semi-finished products showed a rise;
c) A 1,597,000 euros increase in *costs for services and leases*, mainly attributable to a major support provided to markets in terms of advertising and promotion services;
d) A 990,000 euros increase in staff costs due to both Canevel Group staff and an increase in the staff of subsidiary Terre e Vigne S.r.l. to start the direct management of the *wine shop* and "Vino & Cucina" at Masi Tenuta Canova at Lazise;
e) A 696,000 euros drop in other operating costs. In the previous year, this item reflected non-recurring costs totalling 710,000 euros.
f) A 1,729,000 euros reduction in *other revenue and income* resulting mainly (to the extent of 1,137,000 euros) from an expected drop in CMO contributions and non-recurring income booked in 2015 from distributors for non-selling services (300,000 euros). If the Company had received the same CMO contributions as in 2015, then EBITDA for the year ended 31 December 2016 would have been higher than the one reached in the previous year.

EBIT stood at 10,071,000 euros compared to 10,818,000 euros in 2015.

Finance income and expenses*: this item stood at -542,000 euros, compared to -1,251,000 euros in*

2015. The change was mainly due to exchange rate differences.

Book value adjustments of financial assets: they came in at -235,000 euros, compared to +368,000 euros in the previous year, and included the mark-to-market evaluation of foreign exchange derivative agreements in place at the date of the financial statements.

Income tax expense: decreased from 3,471,000 euros to 3,340,000 euros.

The consolidated profit *for the period decreased from 6,464,000 euros to 5,954,000 euros.*

FINANCIAL POSITION

Consolidated net debt at 31 December 2016 stood at 6,576,000 euros, as opposed to a positive NFP totalling 3,091,000 euros at 31 December 2015.

Besides the impacts caused by the aforesaid inclusion of the Canevel Group in the basis of consolidation, an increase in closing inventories compared with the period ended 31 December 2015 is worth noting, such increase being driven by: (a) the Canevel Group to the extent of 1,463,000 euros; (b) an increase in inventories “at constant scope” to the extent of 5,954,000 euros, which occurred virtually entirely (5,472,000 euros) at 30 June 2016 and was due to:

- A procurement policy aimed at increasing amounts held in stock, with special reference to Amarone’s, the purpose being to mitigate the effect of the 2016 harvest reduction (see *“Significant Events”* and address the need to “cover” the future voluntary non-marketing of the 2014 crop year (see *“Post Balance Sheet Significant Events”*);
- The need to improve the level of the customer order execution service as compared to early 2016, such period starting by contrast with an excessively low level of stocks (closing inventories at 31 December 2015 stood at 31,199,000 euros compared to 32,808,000 euros in the previous year);
- Between the end of 2016 and beginning of 2017, the Valgatara bottling plant was subject to downtime for about a month due to a line technological upgrade.

The overall outflow for the year 2016 (standing at 9,667,000 euros) was primarily affected by an increase in net working capital as commented earlier and a significant amount of net investments, chiefly due to the 60% equity interest acquired in the Canevel Group.

SIGNIFICANT EVENTS

Production

The production of wines from raisined grapes in early 2016 with respect to the year 2015 proved most profitable in terms of quantity and quality, thanks to an excellent crop year and an autumn-winter period characterised by outstanding weather conditions.

The 2016 crop year in Italy also generated excellent results:

- In terms of quality: it proved very good and in several cases excellent throughout the central and northern regions as well as in the Islands as they benefited from very favourable weather conditions in September and October. In these areas, all the conditions to have 2016 remembered as an outstanding year appear to have been fully met. The same cannot be said for the central and southern region of the peninsula as it had to reckon with a rather rainy climate in September. Even though it partly compromised the quality of production, as a whole it remained good;
- Market: quotations turned out to be virtually the same as the same period in the previous year. A slight rise was observed in some types of wines in demand on the market, especially those with a designation of origin[2].

In terms of quantities produced, 2016 ranked first in the ranking of the past ten years, followed by 2015, showing however an increase in excess of 3%[3]. Moreover, the situation of the individual Regions was fairly consistent and, in some cases, was impacted by the start of operations of new vineyards.

A measure issued by the Veneto Regional Authorities on 14 September 2016 had a significant impact on the Group operations, resulting in an unfortunate reduction - while harvesting was virtually underway - in the percentage of grapes to be taken out of production for the production of DOCG (designation of controlled and guaranteed origin) wines “Amarone della Valpolicella” and DOCG “Recioto della Valpolicella”, reducing by 20% the “harvest choice” as compared to the limit allowed until the 2015 harvest, accounting for an actual 40% product reduction as compared to the relevant standard laid down by law. The Company, however, safeguarded its business by pursuing a consistent approach towards purchases and stocks, even though its net financial position declined accordingly. An appeal was filed with the Veneto Regional Administrative Court against the aforesaid measure by Masi Agricola SpA and several dozens of other wine producers, as it was deemed to violate one’s own rights.

Upon completion of the winemaking process for wines produced from fresh grapes, it was possible to establish that they met the high quality standards expected for the year, with white wines being lively and strongly scented and red wines being colourful and brawny.
Raisining started in mid September and ended on different dates, depending on the use of grapes: for double fermentation wines and/or Amaroni. For each winemaking process, grapes turned out to be most healthy, continuing to underscore a truly outstanding 2016 year, with respect to both fresh grapes as well as grapes intended for raisining.

Significant Awards to the Group’s Products

Among the many awards granted to the Group’s products, special emphasis is placed on the fact

[2] Source: *Associazione Enologi Enotecnici Italiani*
[3] Source: *ISTAT*

that James Suckling awarded a 94/100 score to Amarone Campolongo di Torbe 2009, which ranked 59 in the ranking of the world's top 100 wines (Wine Spectator's rating was 94/100), and awarded outstanding scores to many other wines of the Masi Group: 96/100 to Riserva di Costasera 2011, 95/100 to Vaio Armaron Serego Alighieri 2009, 94/100 to Mazzano 2009 (rated 95/100 by Wine Spectator and listed in the "Top 100 of 2016" ranking by International Wine Report) and 94/100 to Costasera 2011, 92/100 to Brolo Campofiorin Oro 2011, 91/100 to Campofiorin 2012, 91/100 to Bonacosta 2013.

These results bear out the corporate prime standing in terms of product quality and, more importantly, excellence consistency: every year, Masi's Amaroni as well as other wines, including Supervenetian Campofiorin, of which *vintage* 2014 (50 years after harvesting) is about to be launched on the market, continue to receive many and prestigious awards from major national and international rating authorities.

Canevel Acquisition

On 27 September 2016, Masi Agricola S.p.A. purchased a 60% equity interest in Canevel Spumanti S.p.A. as well as a similar interest in Società Agricola Canevel a r.l. and Canevel Spumanti Tenuta Le Vigne Società Agricola a r.l. for a price totalling 7 million euros approximately, which was settled entirely in cash.
The three companies own about 26 hectares of land - mainly under vines - in the Valdobbiadene Superiore DOCG area.
Carlo Caramel, the son of founder Mario Caramel living the core values of the company and Canevel brand, holds 40% of the share capital of the three companies and acts as Brand Ambassador. At the same time as the execution of the purchase agreement, Masi Agricola and Caramel entered into a shareholders' agreement setting forth the corporate governance rules and regulatory requirements applicable to the trading of the shares held in the three companies concerned.
The Canevel Group has been producing and selling premium sparkling wines, with special reference to Valdobbiadene Prosecco Superiore DOCG, in Italy and several foreign countries (includign Germany, United States, Switzerland, United Kingdom, Austria) since 1979, with total sales standing approximately at 4.5 million euros and production totalling around 800,000 bottles. The product is obtained from owned vineyards and (mainly) from a stable network of local growers who operate according to Canevel's production protocols, relying on a procurement model similar to the one used by the Masi Group. Distribution takes place chiefly through the Ho.re.ca channel and in Italy, where a network consisting of about sixty multi-firm agents is used.

Other Significant Events

In January 2016, the Company introduced the new "Modello delle Venezie" concept based on the historic label bearing the same name, which was already part of Masi's portfolio. The operation, which turned a product line into a truly new brand, involved the logo and entailed a restyling of the label and the definition of the basic elements of brand equity.

On 18 March 2016, the wine shop operating at Tenuta Canova in Lazise (province of Verona) since mid 2015 was enhanced with a "Vino & Cucina" space, allowing customers to taste the Group's wines with food pairings that are simple, authentic, and local. The Group also offers guided tours of this production site, which consists of a vineyard, a drying house and a cellar, as part of the *Masi Wine Experience* strategic project aimed at establishing an increasingly direct relationship with end consumers. The Masi Group directly operates Tenuta Canova through the subsidiary Terre e Vigne S.r.l.
In addition, in 2016 *Masi Wine Experience* travelled as far as Argentina, reaching Tupungato, the Mendoza region, where Masi's own vineyward estate played host to an hospitality and culture project dedicated to all wine tourism enthusiasts; from the botanical garden, biodiversity oasis, to organically-run vineyards, the drying house (the only one in Argentina), the winemaking cellar, the barrique cellar with its original Verona barrels and the wine tasting room dedicated to wine and food culture. Combining Argentinian nature with Venetian style is the underlying philosophy of Masi Wine Experience.

As previously announced by the Company, the *Masi Investor Club* was set up, with invitations to join sent to eligible shareholders. It is an initiative dedicated to those who, by investing in Masi, do not simply believe in a company with precious and tangible assets and a universally appreciated brand, but wish to get to know it better in terms of creating an experience. The Masi Investor Club is open to all those who have purchased at least one thousand Masi shares.

POST BALANCE SHEET SIGNIFICANT EVENTS

On 30 January 2017, Masi's focus on a responsible management of the entire pipeline, from the vineyard to bottling, was further enhanced by the achievement of certifications of compliance with the following international standards: ISO 14001:2015 "Environmental Management System" and OHSAS 18001:2007 "Management Systems for Health and Safety in the Workplace". These certifications were issued by Switzerland's SQS, an organisation recognised at an international level for its certification and rating services. All of the above was in line with the environmental and safety policy adopted by Masi, which has given rise to many initiatives, such (i) as doing away with internal means of transport that use fossil fuel, (ii) ecologically sustainable production with photovoltaic panels of a significant portion (more than 16%) of energy used, (iii) adopting FSC-certified packagings, and (iv) producing biological wines, some of which are already available on the market, such as Rosso Toscano Poderi BellOvile and Argentinian white wine Passo Blanco as well as other wines that will soon showcase biological certification. Given its focus on the environment, Masi was selected by the Ministry for Environment for the VIVA Sustainable Wine project, which aims at promoting the sustainability of the wine production industry.

On 2 March 2017, Masi Agricola received the "Premio Leonardo Qualità Italia", an award granted each year by the Leonardo Committee to companies that mostly represent the excellence of *Made in Italy* products and the quality of the Italian manufacturing system in the world. The prestigious award was handed out to Masi Chairman Sandro Boscaini by the President of the Italian Republic, Sergio Mattarella, and the Chairwoman of the Leonardo Committee, Luisa Todini, during a ceremony held at the Quirinale (the Italian presidential palace). The Leonardo Award is given to entrepreneurs whose companies distinguished themselves during the year for the quality and innovation of their products as well as for the strong international vision of their companies from both a commercial and manufacturing perspective. This approach has always set Masi Agricola apart, leading it to succeed on the international markets where the company, with its own wines, is recognised as an ambassador of the *Italian Wine Style* values, the tradition and uniqueness of Venezie's suitable terroirs. This award is to be added to Sandro Boscaini's nomination as "Cavaliere del Lavoro" (knighthood for professional services) in 2016.

With the 2014 crop year, which will be launched on the market in the near future, Campofiorin will celebrate its fiftieth anniversary. The anniversary of this iconic *Supervenetian* will be celebrated by Masi with special labels and formats as well as a number of international initiatives, events and advertising campaigns. Campofiorin was first created in 1964 - following a brilliant idea of Guido Boscaini - as an original raisined wine rich of flavours and perfumes, soft and refined tannins, positioning itself between Valpolicella's cordial simplicity and Amarone's complexity. The outcome was overwhelming and it has turned out to be a benchmark: for 50 years it has been a landmark across the territory of Verona and has won over more than 300 million people in more than 100 countries throughout the world, ranking amongst the classic wines of the best wine tradition, a symbol of the *Italian Wine Style*. The selection of grapes is extremely important for the fiftieth anniversary edition: in a crop year like 2014, which was not particularly favourable, Masi will not sell its Amaroni:
the best grapes were allocated to Campofiorin, thereby reaching the quality excellence demanded by the celebration of such an important event.

Contrary to the original expectations of the Directors, at present the amount of CMO contributions for 2017 to be granted to the "Istituto Italiano del Vino di Qualità Grandi Marchi" (hereinafter "Grandi Marchi", an association gathering 19 brand companies accounting for 8% of the entire exports of Italian wine through which the Company submits its own promotion projects for the purpose of receiving CMO contributions) for the promotion of wine outside of Europe cannot be estimated to exceed those granted in 2016. This is due to a pending dispute regarding the national ranking according to which funds for overseas promotion are granted. With respect to such dispute, different entities that have been left out, including Grandi Marchi, have filed a number of claims and appeals with the Lazio Regional Administrative Court. According to the claimants, the criteria

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defined by the Ministry for fund allocation were unduly exploited by companies who, as a result, received undue recognition. At present, the aforesaid contributions are frozen pending the outcome of the claims submitted to the Regional Administrative Court who met on 21 March and resolved to delay the decision on the dispute, with judgement being expected to be passed within the next 60 days.

NOTICE CONVENING THE SHAREHOLDERS' GENERAL MEETING AND RELATIONS WITH SHAREHOLDERS

It is hereby notified that today the Board of Directors convened the Shareholders' General Meeting to be held on 28 April 2017, at 11:00 a.m., at the Foresteria delle Possessioni di Serego Alighieri situated in Via Giare 277, 37015 S. Ambrogio di Valpolicella (Verona) – Loc. Gargagnago, in first call, and on 29 April 2017, same place and time, in second call.
With regard to the approval of the financial statements for the year ended 31 December 2016, the Board of Directors will recommend the distribution of an ordinary unitary dividend, before statutory tax withholdings, of about 0.09 euros per share (totalling 2,893,604.04 euros, representing about 51% of the profit resulting from the Parent Company's draft financial statements for the year ended 31 December 2016), with presentation of coupon being set for 22 May 2017 (record date 23 May 2017) and payment starting from 24 May 2017.
The notice convening the General Meeting will be published pursuant to law requirements and company by-law provisions as well as on the corporate website at www.masi.it in the Investors/Corporate Governance/Assemblee section (in the area dedicated to the Meeting herein being referred to).

DISCLOSURE OF CONSOLIDATED FINANCIAL STATEMENTS AND DRAFT FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

The consolidated financial statements and draft financial statements for the year ended 31 December 2016 will be disclosed to the public as pursuant to law provisions at the corporate office, Borsa Italiana S.p.A. and on the corporate website at www.masi.it in the Investors/Bilanci section.

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MASI AGRICOLA

Masi Agricola is a winery based in Valpolicella Classica, producing and distributing fine wines firmly rooted in the values of the Triveneto region. By using indigenous grape varieties and methods, as well as constantly conducting experiments and research, today Masi is one of the best-known Italian producers of fine wines in the world. Its products, and especially its Amarone wines, have won several international awards. The Group's business model combines high quality and efficiency with the modernization of local values and traditions. All this forms part of a vision that allows Masi to stand out not only for its core business, but also for how it carries out research and experimentation in agriculture and winemaking, seeking to promote the territory and the cultural heritage of the Triveneto region. The Group boasts an increasingly strong international outlook: it operates in more than 100 countries, with exports representing over 84% of overall sales. In 2016, the Masi Group generated approximately 64 million euros in sales, with an EBITDA margin of around 24%. Masi has a detailed growth strategy based on three pillars: broadening the offering of wines associated with the territory and techniques of the Triveneto region, including through acquisitions; growing organically by strengthening its position in the several markets where it already operates; establishing a more direct relationship with end consumers (also through the Masi Wine Experience project), making its internationally famous brand resonate more strongly. Masi is listed on AIM Italia since 30th June 2015. Masi shares trade under the ticker symbol "MASI" and the ISIN code IT0004125677. The minimum trading lot is 250 shares.The company's Nomad and Specialist is Equita Sim S.p.A.

ANNEXES

- Restated consolidated profit and loss account
- Restated consolidated balance sheet
- Restated consolidated cash flow statement

Note: the information relating to 2016 and 2015 was prepared according to the accounting principles set out by the Consiglio Nazionale dei Dottori Commercialisti ed Esperti Contabili (the Italian association of chartered accounts), revised, updated and supplemented by the OIC (Italian Accounting Board) and, where these are lacking, the accounting principles recommended by the IASB as recalled by Consob. The aforesaid information was subject to a full audit (in the process of being completed for 2016 information). The profit and loss account, the balance sheet and the cash flow statement herewith attached were restated according to a format that is normally used by management and investors to evaluate the results of the Group. These restated financial statements are not aligned with the reporting standards required by the reference accounting principles, and must not therefore be viewed as substitutes thereof. Nevertheless, since the content they show is the same, these can easily be reconciled to the financial statements shown in the formats provided for by the reference accounting principles.

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RESTATED CONSOLIDATED PROFIT AND LOSS ACCOUNT

(in thousands of euros)	**2016 Financial Year**	**2015 Financial Year (1)**
Revenue from sales and services	**63,870**	**60,873**
Costs for raw materials and consumables	*(28,189)*	*(18,595)*
Change in inventory of semi-finished and finished goods and products under construction	*7.082*	*(2,936)*
Change in inventory of raw materials and consumables	*(232)*	*386*
Costs for raw materials and consumables, net	(21,340)	(21,145)
Gross margin	**42,531**	**39,728**
Gross margin %	*66.6%*	*65.3%*
Costs for services and leases	(20,372)	(18,775)
Staff costs	(7,537)	(6,547)
Other operating costs	(455)	(1,151)
Other revenue and income	1,204	2,933
EBITDA (*)	**15,372**	**16,188**
EBITDA Margin (**)	*24.1%*	*26.6%*
Depreciation, amortisation and write-downs	(5,301)	(5,370)
EBIT (***)	**10,071**	**10,818**
EBIT Margin (****)	*15.8%*	*17.8%*
Total financial income and expenses	(542)	(1,251)
Total book adjustments of financial assets	(235)	368
Profit before tax	**9,294**	**9,935**
Income tax for the period, current and deferred	(3,340)	(3,471)
Profit for the period	**5,954**	**6,464**
Attributable to third parties	41	(16)
Attributable to the Group	5,914	6,480
% Profit for the period / Revenue	*9.3%*	*10.6%*

(*) EBITDA indicates the result before financial expenses, taxes, amortisation/depreciation of fixed assets, write-down of receivables, allocations to the provisions for risks and charges and extraordinary items. EBITDA is therefore the result from operations before amortisation/depreciation and the assessment of the collectability of trade receivables. EBITDA thus defined is the indicator used by the Company's directors to monitor and assess the Company's operating performance. EBITDA is not identified as an accounting measure under Italian accounting principles and so must not be considered an alternative measure to assess the trend in the Company's operating results. Since the composition of EBITDA is not regulated by the reference accounting principles, the criterion applied by the Company for its measurement may not be the same as that adopted by other companies and therefore may not be comparable with them.

(**) EBITDA Margin is calculated by the Group as the ratio of EBITDA to Revenue from sales and services.

(***) EBIT indicates the result before financial expenses, extraordinary items and taxes for the period. EBIT is therefore the result of operations before the remuneration of both own and third-party sources of financing. EBIT thus defined is the indicator used by the Company's directors to monitor and assess the Company's operating performance. EBIT is not identified as an accounting measure under Italian accounting principles and so must not be considered an alternative measure to assess the trend in the Company's operating results. Since the composition of EBIT is not regulated by the reference accounting principles, the criterion applied by the Company for its measurement may not be the same as that adopted by other companies and therefore may not be comparable with them.

(****) EBIT Margin is calculated by the Group as the ratio of EBIT to Revenue from sales and services.

(1) Figures restated consistent with the new accounting principles issued in December 2016 by the OIC

MASI AGRICOLA

RESTATED CONSOLIDATED BALANCE SHEET

(in thousands of euros)	**31 Dec 2016**	**31 Dec 2015 (1)**	**Delta**
Intangible fixed assets	17,988	18,495	(507)
Tangible fixed assets	53,534	44,812	8,722
Financial fixed assets	943	810	133
Net fixed assets	**72,465**	**64,117**	**8,348**
Trade receivables	15,751	13,517	2,234
Inventory	38,616	31,199	7,417
Trade payables	(9,441)	(8,899)	(542)
Net operating working capital	**44,926**	**35,817**	**9,109**
Other assets	4,056	6,722	(2,666)
Other liabilities	(2,833)	(2,435)	(398)
Net working capital	**46,149**	**40,104**	**6,045**
Provisions for risks and charges	(1,873)	(1,165)	(708)
Provision for employee severance indemnities	(1,094)	(764)	(330)
Deferred/(prepaid) taxes	(239)	(28)	(211)
Net capital invested	**115,408**	**102,264**	**13,145**
Consolidated net equity	6,576	(3,091)	9,667
Net financial position	108,832	105,355	3,478
Total sources of financing	**115,408**	**102,264**	**13,145**

(1) Figures restated consistent with the new accounting principles issued in December 2016 by the OIC

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RESTATED CONSOLIDATED CASH FLOW STATEMENT

(in thousands of euros)	**2016 Financial Year**	**2015 Financial Year (1)**
Net profit	**5,954**	**6,464**
Depreciation, amortisation and write-downs of non-current assets	5,125	4,911
Net gains on sale from disposal of fixed assets	0	0
Other adjustments (taxes, interest expense, dividends received, provisions made, other non-monetary adjustments, etc.)	1,249	(160)
	12,328	**11,215**
Change in net working capital	(6,045)	840
***Cash flow* from operating activities**	**6,283**	**12,055**
Net investments	**(13,473)**	**(8,262)**
Free cash flow	**(7,190)**	**3,793**
Share capital increases	0	19,996
Other movements in shareholders' funds	(2,477)	(2,084)
Change in net financial position	**(9,667)**	**21,705**
Opening net financial position	3,091	(18,614)
Closing net financial position	(6,576)	3,091

(1) Figures restated consistent with the new accounting principles issued in December 2016 by the OIC

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