CONSOLIDATED FINANCIAL STATEMENTS

Group : **PANAPESCA**

Closing date : **31 December 2013**

PANAPESCA GROUP

Consolidated Financial Statements for the year ended 31 December 2013

values expressed in thousands of Euro

			ASSETS	Due within the next fiscal year 31-Dec-2013	Due within the next fiscal year 31-Dec-2012	31-Dec-2013	31-Dec-2012
A)			**SUBSCRIBED CAPITAL UNPAID**				
			Total amounts due by shareholders				
B)			**FIXED ASSETS**				
	I		**Intangible fixed assets:**				
		1)	start-up and expansion costs			25	37
		2)	research development and advertising costs			1	3
		4)	concessions, licenses, trademarks and similar rights			3.655	188
		5)	goodwill			840	960
		6)	assets under construction and payments on account			8	8
		7)	other assets			206	634
		8)	consolidation differences				
			Total			4.735	1.830
	II		**Tangible fixed assets**				
		1)	land and buildings			26.512	31.139
		2)	fishing vessels				14.009
		3)	plant and machinery			3.121	4.753
		4)	industrial and commercial equipment			1.697	2.757
		5)	other assets			110	121
		6)	assets under construction and payments on account			688	799
			Total			32.128	53.578
	III		**Financial fixed assets:**				
		1)	*Equity interest in:*				
		a)	unconsolidated subsidiaries			1.140	1.207
		b)	affiliated undertakings			3.406	3.619
		c)	parent undertakings				
		d)	other undertakings			1.641	107
		2)	*Accounts receivable:*				
		a)	unconsolidated group companies				
		b)	affiliates	621	5.160	4.861	5.875
		c)	parent undertakings				
		d)	others	2.019	407	2.110	540
		3)	other securities			501	500
			Total	2.640	5.567	13.659	11.848
			Total fixed assets			50.522	67.256

values expressed in thousands of Euro

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - ASSETS			Due after the next fiscal year 31-Dec-2013	Due after the next fiscal year 31-Dec-2012	31-Dec-2013	31-Dec-2012
C)		**CURRENT ASSETS**				
I		**Inventories**				
	1)	raw, ancillary materials and consumables			2.225	4.266
	2)	work in progress and semi-finished products			183	379
	4)	finished products and goods			26.663	53.982
		Total			29.071	58.627
II		**Accounts receivable:**				
	1)	due from clients			40.773	65.410
	2)	unconsolidated subsidiaries			593	726
	3)	affiliated undertakings			1.072	7.445
	4 bis)	tax receivables			1.003	3.674
	4 ter)	anticipated taxes			2.131	3.302
	5)	other receivables	12.556	38	28.349	13.309
		Total	12.556	38	73.921	93.866
IV		**Liquid assets:**				
	1)	bank and postal deposits			2.718	1.962
	2)	cheques				179
	3)	cash and cash equivalents			474	723
		Total			3.192	2.864
		Total current assets			106.184	155.357
D)		**ACCRUALS AND PREPAYMENTS**				
	-	Prepayments and accrued income			659	1.984
		Total accruals and prepayments			659	1.984
		TOTAL ASSETS			157.365	224.597

values expressed in thousands of Euro

		LIABILITIES	Due after the next fiscal year 31-Dec-2013	Due after the next fiscal year 31-Dec-2012	31-Dec-2013	31-Dec-2012
A)		**NET WORTH**				
		Attributable to the Group:				
	I	Share capital			20.337	24.000
	III	Revaluation reserves			3.000	
	IV	Legal reserve				1.009
	-	Translation differences reserve			-517	-4.984
	-	Undivided profits of consolid. subsidiaries and other reserves			-1.521	18.560
	IX	Operating profit (loss) for the period			8.694	-1.881
		Total net worth attributable to the Group			29.993	36.704
		Attributable to minority interest:				
	X	Minority interest in capital stock and reserves			553	771
	XI	Profit (loss) attributable to minority interest			66	-40
		Total net worth attributable to minority interest			619	731
		Total Net Worth			30.612	37.435
B)		**PROVISIONS FOR RISKS AND CHARGES**				
	1)	retirement allowances and similar obligations				
	2)	taxes			300	310
	3)	other provisions			826	836
		Total provisions for risks and charges			1.126	1.146
C)		**EMPLOYEE SEVERANCE INDEMNITY**			2.594	2.864
D)		**ACCOUNTS PAYABLE**				
	4)	amounts owed to banks	4.904	6.333	79.069	112.922
	5)	amounts owed to other lenders	7.661	8.318	8.318	8.950
	7)	amounts owed to suppliers			29.118	44.479
	10)	amounts owed to affiliated undertakings			1.378	1.722
	12)	tax liabilities	381	224	1.628	2.157
	13)	amounts owed to national insurance and social security institutions			598	2.475
	14)	other account payable	126	402	1.823	7.506
		Total accounts payable	13.072	15.277	121.932	180.211
E)		**ACCRUALS AND PREPAYMENTS**				
	-	Accrued liabilities and deferred income			1.101	2.941
		Total accruals and prepayments			1.101	2.941
		TOTAL LIABILITIES			157.365	224.597
					-	-

values expressed in thousands of Euro

			MEMORANDUM ACCOUNTS	31-Dec-2013	31-Dec-2012
A)			**Guarantees issued:**		
	1)		*to third parties:*		
		a)	suretyships	12.356	359
			Total	12.356	359
B)			**Other memorandum accounts**		
		-	Expiring leasing payments	195	152
		-	Outstanding promissory notes and cash orders		403
		-	Transfer of receivables without recourse	2.900	1.014
		-	Corporate leased assets and other memorandum accounts	35	35
			Total	3.130	1.604
				15.486	1.963

values expressed in thousands of Euro

			INCOME STATEMENT	31-Dec-2013	31-Dec- 2012
A)			**(+) Value of production:**		
	1)		revenues from sales and services	186.423	279.838
	2)		change in work in progress of semi-finished and finished products	-407	427
	5)		*other revenues and income*		
		-	other revenues and income	1.545	2.997
			Total	187.561	283.262
B)			**(-) Production costs:**		
	6)		raw, ancillary materials, consumables and goods	-119.914	-195.116
	7)		for services	-26.119	-33.520
	8)		for leased assets of third parties	-1.833	-2.520
	9)		*for employees*		
		a)	salaries and wages	-9.106	-20.010
		b)	social security contributions	-2.573	-5.277
		c)	severance indemnity	-708	-701
		e)	other costs	-400	-963
	10)		*Depreciations/amortizations and write - downs*		
		a)	amortization of intangible fixed assets	-454	-628
		b)	depreciation of tangible fixed assets	-3.266	-5.477
		d)	write - down of accounts receivable recorded among current & liquid assets	-478	-445
	11)		changes in inventories of raw, ancillary materials, consumables and goods	-12.525	-10.576
	12)		risk provisions	-150	-42
	14)		sundry operating costs	-934	-2.513
			Total	-178.460	-277.788
(A - B)			**Diff. between production value - costs**	9.101	5.474
C)			**Financial income and charges:**		
	15)		*(+) income from equity investments*		
		b)	in affiliated undertakings	16	
	16)		*(+) other financial income*		
		a)	from receivables recorded among fixed assets:		
		-	due from third parties	175	6
		-	due from parent undertakings	113	177
		b)	securities held as fixed assets other than equity investments	13	12
		d)	income other than the above		
		-	due from third parties	28	78
		-	due from affiliated undertakings		32
	17)		*(-) interest and other financial income due from third parties:*		
		a)	due from third parties	-4.959	-6.256
	17-bis)		*(+/-) exchange gains and losses*	-217	-1.833
			Total financial assets	-4.831	-7.784
D)			**Value adjustments to financial assets**		
	18)		*(+) write-up of equity investments:*		
		a)	of equity investments	82	
	19)		*(-) write-down of equity investments:*		
		a)	of equity investments		-166
			Total value adjustments	82	-166
E)			**Non-recurring revenue and charges**		
	20)		*(+) non-recurring revenue*		
		a)	income	80	973
		b)	capital gains on fixed asset disposal	10.373	774
	21)		*(-) non-recurring charges*		
		a)	charges	-5.715	-215
		b)	capital loss on fixed asset disposal		-1
			Total non-recurring items	4.738	1.531
			Profit before tax	9.090	-945
	22)		*(-) Income taxes:*		
		a)	current taxes	-874	-1.808
		b)	deferred taxes	544	832
	23)		**Total net result**	8.760	-1.921
			profit (loss) for the period attributable to minority interest	-66	40
			profit (loss) for the period attributable to the Group	8.694	-1.881

The Board of Directors

PANAPESCA GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December 2013

FORM AND CONTENT OF THE CONSOLIDATED FINANCIAL STATEMENTS

1) FORMATION CRITERIA

The following consolidated financial statements were been drawn up pursuant to the provisions under art. 25 and subsequent amendments of Leg. Decree 127/91. They are comprised of the statement of financial position, the income statement and the notes to the accounts, drawn up pursuant to art. 38 of the aforementioned Leg. Decree. They form an integral part of the consolidated financial statements and are presented in comparative form setting forth the figures for the corresponding previous fiscal year. The items reported therein were reclassified based on the provisions set forth in the Civil Code pursuant to art. 2424 e 2425.

The following documents are enclosed to the Notes to the Accounts to provide a better understanding of the financial statements:
- Reclassified statement of financial position;
- Reclassified Income Statement;
- Cash Flow Statement.

2) CONSOLIDATION SCOPE

The consolidated financial statement of the Panapesca Group includes the financial statements of the Parent company and those of the Italian and foreign undertakings in which Panapesca S.p.A has direct or indirect control over the majority of voting rights that can be excercised at ordinary Shareholders' Meetings, undertakings where voting rights are enough to enable the Parent company to exercise a predominant influence in the ordinary Shareholders' Meeting, undertakings in which the Parent company has a predominant influence in virtue of a contract or clause under the Articles of Association to the extent permitted by applicable law, and lastly, undertakings in which the Parent company has autonomous control over the majority of voting rights based on the agreements made with the other shareholders. The list of undertakings consolidated using the equity method is enclosed hereto.

The equity method was used to evaluate equity investments that consitute fixed assets held in subsidiaries excluded from the consolidation scope due to the different business objects and/or the irrelevant value of their assets and liabilities, and equity investments in affiliates.
Affiliates are undertakings in which Panapesca directly or indirectly controls at least one fifth of the voting rights that can be excercised at ordinary shareholders' meetings. The list of equity investments evaluated using the equity method is enclosed hereto.
Equity investments that consitute fixed assets in unconsolidated subsidiaries and affiliates whose scope is deemed irrelevant are evaluated at cost.

At the end of 2013, the demerger between the Argentinean companies and Panapesca S.p.A. took place, as described more in detail in the Parent company's financial statements.
The shares held by Panapesca as at January 1, 2013 in the above Argentinean companies, increased by the value of the financial receivables owed by the same as at the end of 2012, were entirely attributed to a newly established enterprise named Panaholding Argentina s.r.l., which is separate from the Panapesca Group. As a result, the consolidated financial statements for fiscal year 2013 report significant changes that occured within the consolidation scope due to the loss of the equity investments held by Panapesca in:
- in Kaleu Kaleu S.A., (94.85%), of which the remaining 5.15% is held by Prodimar S.A.S., evaluated in its financial statments at purchase cost;
- in Fishing World S.A., (94.85%), of which the remaining 5.15% is held by Prodimar S.A.S, evaluated in its financial statements at purchase cost.
- in Il Sole S.A. (35%) and in C.A.I.S. (5%).

The demerger of the Argentinean companies falls within the scope of a broader reorganization process undertaken by the Panapesca Group at a commercial level, with the gradual decommissioning and/or outsourcing and/or transformation of several industrial activities. In particular, the demerger of the Argentinean companies was deemed opportune due to the uncertain economic context of the South American country, characterized by high rates of inflation and progressive depreciation of its domestic currency. In fact, despite the good profitability at local level, the consolidated financial statements reported major exchange losses as far back as 2012.
The effects of this transaction led to a decline in undivided profits and, generally speaking, in the consolidated net worth in correspondence with the Argentinean companies asset values, as defined at the moment of the demerger.

Furthermore, within the reorganization framework of the Panapesca Group, in 2013 further changes occurred in the consolidation area:
- the equity interest held by Panapesca S.p.A. in the US enterprise Panapesca USA Corp. was transferred to a third party, with the consequent realisation of a total capital gain of 9.8 million Euros;
- the equity interest held by Panapesca S.p.A. in the Moroccan enterprise Pamapeche S.a.r.l. was transferred to a third party, with the consequent realisation of a capital gain of around 500 thousand Euros.

Lastly, capital contributions for 240 thousand Euros were made to the Moroccan company Mer Fruit.

3) DATE OF REFERENCE

The consolidated financial statements were drawn up based on the annual accounts approved by the Shareholders' Meetings, or in lack thereof, on the basis of the draft budgets approved by the Board of Directors for the year ended December 31.

4) CONSOLIDATION PRINCIPLES

The financial statements pertaining to the consolidation process relate to each Group company for the year ended 31/12/2013. They were duly reclassified and adjusted to align them with the accounting principles and evaluation criteria adopted by the Parent company, which meet those provided for under art. 2423 and subsequent amendments of the Civil Code, O.I.C. (National Accounting Standards) and the criteria recommended by CONSOB.
In drawing up the consolidated financial statements, assets and liabilities, as well as income and charges of the consolidated undertakings are recognised in full. Receivables and payables, revenues and charges, profits and losses deriving from business conducted among the consolidated companies were omitted.
The book value of the equity investments in consolidated undertakings is elided against the corresponding portions of the subsidiaries’ net worth.

The negative balance between the equity investments book value and the corresponding portion of net worth assumed is ascribed to the consolidated net worth. In particular, in the case of acquisitions, the aforementioned balance is recognised under the heading “Consolidation Provision”, or, if referable to estimated unfavourable economic results, under the heading "Consolidation Provision for future risks and charges".
Positive balances (if any) are recognized beforehand among the consolidated undertakings fixed assets; residual positive balances (if any) are recognised under the heading “Consolidation difference”, duly depreciated over a maximum period of ten fiscal years.
The amount of the subsidiaries’ capital and reserves corresponding to minority interest is recognized under a net worth heading "Capital and reserves attributable to minority interest”. The portion of consolidated economic result corresponding to minority interest is recognised under the heading “Profit (loss) for the period attributable to minority interest”.

5) TRANSLATION OF FINANCIAL STATEMENTS EXPRESSED IN FOREIGN CURRENCY

The entries of the Statement of Financial Position were translated into Euros based on the exchange rates in effect at fiscal year end, while Income Statement entries were translated into Euros according to the average exchange rates in effect during the period of reference.
The difference between the operating profit resulting from the translation based on average currency exchange rates and the operating profit resulting from the translation based on the exchange rates in effect at fiscal year end, as well as the impact on assets and liabilities due to exchange rate fluctuations between the beginning and the end of the period, are recognised within the net worth under the heading “Foreign currency translation reserve”.
The exchange rates used for translating entries expressed in a currency other than the Euro are shown in the table below:

Currencies:	Fiscal year closing date:			
	31 December 2013		**31 December 2012**	
	Average exchange rate	Final exchange rate	Average exchange rate	Final exchange rate
Euro/US Dollar	-	-	1,28479	1,31940
Euro/Thai Baht	40,8297	45,1780	39,9276	40,3470
Euro /Moroccan Dirham	11,1683	11,2538	11,0976	11,1424
Euro/Argentine Peso	-	-	5,84032	6,48641

6) INFORMATIVE NOTES ON RELATED PARTY TRANSACTIONS

Pursuant to art. 2427 c. 1 n. 22-bis of the Civil Code and the incorporation of Directive 2006/46/EC, it is hereby specified that related party transactions, including intra-group transactions, were deemed neither atypical nor unusual and were carried out by the Group in the normal course of business.
All transactions were duly contractualised and monitored, and are governed by specific agreements or normal market conditions.

7) EVALUATION CRITERIA

a) General criteria

Accounting principles and evaluation criteria were applied in a uniform manner to all consolidated undertakings.
The evaluation criteria used for drawing up the consolidated accounts are those normally adopted by the Parent company, Panapesca S.p.A. and comply with the foregoing law provisions in force, interpreted and integrated by the accounting standards established by the National Council of Chartered and Registered Accountants and incorporated into the OIC. The criteria used for the period under consideration do not depart from those used for drawing up the consolidated financial statements for the previous period, with regards in particular to the evaluation and continuity of the said principles. Accounting entries were evaluated on the basis of general prudence and matching accounting principles, taking into account business continuity. As regards the recognition of accounting entries, their economic substance prevails over their legal form. Financial assets are accounted for at the moment they are settled. Profits are included only if they are realized within the fiscal year closing date, while risks and losses are taken into account even if they are known at a later date. Elements of heterogeneity related to each entry are evaluated separately. Long- term asset elements are recorded among fixed assets.

b) VALUE ADJUSTEMENTS AND VALUE RECOVERIES

The value of tangible and intangible assets with limited duration is adjusted downwards through depreciation. The same assets and other asset components are written down each time a permanent loss of value is reported. Their original value is restored to the extent that the reasons for such write-down no longer apply.
The analytical depreciation and write-down methods adopted are described further on in the Notes to the Accounts.

c) Write-ups

No write-ups were made, except for those provided for by special laws regarding tangible and intangible assets.

d) Derogations

As regards both the current and previous periods, no departures from the evolution criteria provided for by the law on consolidated financial statements were reported.

e) Information on fiscal interference

Over prior periods, no accounting entries were recognized by the Group companies in the exclusive application of specific tax regulations, and therefore no adjustments to the financial statements under consideration were required.

The most significant principles and criteria are listed below:

f) TANGIBLE FIXED ASSETS

They are recognized at their acquisition cost or internal production cost, including ancillary charges, and are depreciated on a straight – line basis. Costs for plant and machinery are recorded under the apposite asset column and are depreciated over their economic useful life, which shall not exceed 5 years in any case.
Research, development and advertising costs are recognised in full on the income statement for the period of reference, except for costs related to the development of new products, provided they relate to corporate projects of corporate for which reasonable profitability can be predicted. These costs are depreciated on a straight-line basis over a five-year period. Development and research costs recognised as assets are depreciated over a five-year period.
Industrial patent rights and similar intellectual property rights are depreciated based on their expected useful life, which will not exceed, in any case, the terms set out in the license contracts.
Concessions, licenses, trademarks and similar rights are recognized among assets and are depreciated based on their expected useful life that will not exceed, in any case, the terms set out in the purchase contract.
In case the useful life of the assets cannot be determined or in the absence of a contract, their expected useful life shall extend over a five-year period.

Goodwill is recognised as an asset to the extent it is acquired against payment, within the limits if the costs incurred, and is depreciated over a period that will not exceed its expected useful life, or in case it cannot be determined, over a maximum period of five years.
The consolidation difference emerges when drawing up the consolidated financial statements, with the elision of the shares book value against the corresponding portions of net worth attributable to the subsidiaries. The positive surplus that is not attributable to single asset entries included in the consolidated accounts is recognised, if conditions are met, as an asset under "Consolidation difference", and depreciated over a period within which economic benefits are expected from said assets (up to a maximum of 10 years).
Fixed assets, whose economic value at fiscal year end turns out to be enduringly lower than its cost, depreciated according to the criteria above, are written down until their economic value is reached. If the reasons for such write-down no longer apply, the cost is restored.

g) TANGIBLE FIXED ASSETS AND DEPRECIATION

Fixed assets are recognised at their acquisition or production cost, including ancillary charge and indirect/direct costs, for the portion that can be reasonably ascribed to the assets to which they refer. The cost value is adjusted upwards only to the extent permitted by national laws regarding the write-up of fixed assets.
Depreciation is calculated on the basis of the cost, systematically written-up, if applicable, according to the residual useful life of the asset. Fixed assets, whose economic value at year end turns out to be enduringly lower than its cost, depreciated on the basis of the criteria above, are written down until their economic value is reached.

Ordinary maintenance costs are recognised in full on the income statement.
Maintenance costs that increase the value of the asset are ascribed to the asset to which they refer and are depreciated according to the residual useful life of the same.
The following depreciation rates mainly applied by the Group have remained unchanged with respect to previous years:

land and buildings	
- land and buildings for civilian use	-
- commercial real estate	3,00%
- industrial real estate	4,00%
- lightweight constructions	15,00%
fishing vessels	12,50%
plant and machinery	
- generic plant and machinery	12,50%
- specific plant and machinery	15,00%
- other equipment	15,00%
other assets	
- miscellaneous and minor equipment	20,00%
- office furniture and machines	12,00%
- electronic office machines	20,00%
- motor vehicles, motor cars	20%-25%
- electronic computers	20,00%
other assets	
- assets worth less than one million	100,00%
- other assets	20,00%

In the period when the asset is purchased, depreciation is reduced by half on a lump-sum basis, since this represents a reasonable approximation of the temporal distribution of purchases during the period.

Assets that are object of financial leasing contracts are recognised among fixed tangible assists under the relevant headings and are systematically depreciated, like property assets, according to their potential residual useful life.
To offset the asset, medium and long term debt owed to the finance leasing institution is recorded.
Monthly instalments are reversed from the costs related to leased assets of third parties and the interest for the period is recognised among financial charges. In this way, finance leasing transactions are recorded based on the so-called *financial accounting method* as per the International Accounting Standard (I.A.S.) n. 17.
The relevant impact is described below in the Notes to the Accounts.
It should be noted that during the period, three properties leased by the Parent were reclassified according to IAS 17 and the relevant impact is described further on.

h) FINANCIAL FIXED ASSETS

- *EQUITY INVESTMENTS*

Fixed assets consisting of equity investments in unconsolidated subsidiaries and related undertakings are evaluated according to the equity method for an amount equal to the corresponding portion of net worth resulting from the last financial statements of said undertakings, after deducting the dividends and making the adjustments required by the principles for consolidated financial statement presentation.
Capital gains/losses resulting from the application of the equity method are recognised in the income statement respectively under the headings "Write-ups of equity investments" and "Write-downs of equity investments".

- *NON-CURRENT SECURITIES*

Non - current securities are evaluated at their acquisition cost.
In case of permanent loss of value, they are adequately written down and if the reasons for the write-down no longer apply for a given period, its initial value is restored.

i) INVENTORIES

- *RAW MATERIALS, WORK IN PROGRESS AND FINISHED GOODS*

Inventories are evaluated at the lesser value between the purchase/manufacturing cost including ancillary charges, and their presumed realizable value based on market trends. Obsolete or slow moving inventories are written down taking into account their expected useful life and realisation value.
The cost configuration adopted is the last cost method (F.I.F.O.). The net realization value is determined on the basis of the net sales price less manufacturing costs that are still to be incurred (if any) and direct sales costs.

j) TRADE RECEIVABLES

Trade receivables are recognised at their presumed value of realisation.
Such value is obtained by directly writing down the receivables and through an apposite write-down provision.
Write-downs of relevant items are analytically evaluated, whereas irrelevant items are evaluated on a lump-sum basis.

k) ACCRUALS AND DEFERRALS

Prepaid expenses and accrued income relate to portions of costs and revenues common to two or three consecutive periods, whose extent is determined on the basis of the matching and accrual principles.

l) PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges are set up to cover certain or presumed losses/liabilities, for which the amount or contingency date could not be determined at fiscal year end. Said provisions were evaluated based on the general prudence and matching principles and reflect the best possible estimates on the basis of the available elements.

m) INCOME TAXES

Income taxes for the period are determined on the basis of a realistic estimate of tax payables still due, in application of the current fiscal regulation, and are recognized net of advances and withholding taxes among "Tax payables" in case of net debt, and among "Tax receivables" in case of net credit.
In case of temporary differences between statutory and fiscal evaluations, the relative advance and deferred taxes are recognised on the basis of the tax rates in effect in the different countries of reference. As provided for by the accounting principles, advance taxes, in compliance with the principle of prudence, are recognised only if their future recovery can be predicted with reasonable certainty. Both advance and deferred taxes are recognised separately in the financial statements respectively under “Advance taxes receivable" and "Provisions for deferred taxes”.
Also, advance and deferred taxes are calculated based on the fiscal effects deriving from the consolidated accounts.

n) EMPLOYEE SEVERANCE INDEMNITY

This provision represents the actual indemnities accrued in favour of employees in compliance with the law provisions, the current labour agreements and collective bargaining agreements. It corresponds to the total amount of each indemnity accrued as at the financial statements closing date and is equal to the amount that would be paid assuming that the work relationship will terminate on the same date. This liability is written down according to the current regulations.

o) ACCOUNTS PAYABLE

Accounts payable are recognised at their nominal value.

p) RISKS, COMMITMENTS AND GUARANTEES

Commitments and guarantees are recognised in the memorandum accounts at contract value.
Risks for which the arising of a liability is probable are described in the Notes to the Accounts and allocated to apposite risk provisions based on congruence criteria, whereas, risks for which the arising of a liability is possible are described in the Notes to the Accounts, and no risk provision is set up according to the accounting principles of reference.
Remote risks are not taken into account. Commitments include hedging contracts relative to financial futures transactions are recognised at notional value.

q) RECOGNITION OF REVENUES AND INCOME, COSTS AND CHARGES

Revenues and income, costs and charges are recognized net of returns, discounts, allowances and bonuses, as well as direct selling taxes and taxes related to the provision of services. Revenues generated from the sale of goods are recognised at the moment the assets are transferred, which normally coincides with the goods delivery or shipment. Financial revenues are recognised on an accrual basis. Insurance refunds are recorded in the income statement if they are expected to be collected with reasonable certainty and are associated with the relevant cost entries.

r) AMOUNTS EXPRESSED IN FOREIGN CURRENCY

Assets and liabilities expressed in a currency other than the Euro, except for intangible and tangible fixed assets and equity investments evaluated at cost, were analytically adapted to the exchange rates in effect as at 31 December 2013. The impact of such adjustments was recorded directly in the income statement. Net profits (if any) are destined to a special non-distributable reserve at the moment of allocation.

In the income statement, the heading “Exchange gains and losses" is emphasized on the basis of the provisions set forth in art. No. 2425, point 17-bis of the Civil Code. Such values are indicated separately in the Notes to the Accounts, respectively under “Unrealised currency gains” and “Realised currency gains".

Foreign currency transactions are initially accounted for on the basis of the exchange rate in effect as at the transaction date.

Differences in exchange rates arising at the moment of collection or payment are recognised in the income statement as a financial component.

s) CAPITAL CONTRIBUTIONS

Capital contributions related to the acquisition/realisation of instrumental assets and capital contributions received for different purposes, such as grants for scientific research, are attributed to the period in which they were deliberated upon by the granting body, provided the applicable conditions are met.

Contributions add to the formation of taxable income in amounts correlated to the depreciation of the assets to which they refer.

t) ADDITIONAL INFORMATION

Details regarding the Group's organization structure, significant events after fiscal year end, relationships with related undertakings and other information on the different business areas, are provided in the Report on Operations.

ANALYSIS OF ACCOUNTING ENTRIES

ASSETS

B) FIXED ASSETS

I - INTANGIBLE FIXED ASSETS

Intangible fixed assets beginning and ending balances are broken down hereunder:

CATEGORIES	BALANCE 31/12/2012	Increase	Write-ups (Write-downs)	Other Moviments	(Depreciation)	BALANCE 31/12/2013
start-up and expansion costs	37			1	-13	25
research, development and adv. costs	3			-1	-1	1
conc., licenses, trademarks and sim. rights	188	75	3.572	-4	-176	3.655
goodwill	960				-120	840
assets under constr. and paym. on account	8					8
other items	634	102		-386	-144	206
Total	1.830	177	3.572	-390	-454	4.735

In 2013 the Parent revaluated the Panapesca brand for € 3.5 million, pursuant to Law 147/2013, and investments in software licences for commercial and accounting operations were made for approximately € 50 thousand.
Goodwill relates to Su.Sa. s.a.s. Cagliari, the company that operates in the trade and distribution of deep-frozen food products, acquired by Panapesca S.p.A. in 2011 for € 1.2 million. Goodwill is amortizable over a 10-year period.

Among the other movements, the impact of the exit of the Argentinean companies from the consolidation perimeter recognised under "other items" is worth noting.

II TANGIBILE FIXED ASSETS

The movements that occurred during the period, with referral to the historic cost of fixed assets, are the following:

COST	BALANCE 31/12/2012	Increase	Write-ups	Other Movements	(Transfers)	BALANCE 31-Dec-2013
land and buildings	50.298	127		-3.899		46.526
fishing vessels	24.079			-24.079		
plant and machinery	32.791	466		-1.550	-330	31.377
industrial and commercial	16.024	354		-1.562	-541	14.275
other assets	1.374	35		-122		1.287
assets under construction and payments on accoun	843			-111		732
Total	125.409	982		-31.323	-871	94.197

DEPRECIATION PROVISION	BALANCE 31/12/2012	Depreciation charge	Write-downs	Other Movements	(Transfers)	BALANCE 31-Dec-2013
land and buildings	19.159	1.655		-800		20.014
fishing vessels	10.070			-10.070		
plant and machinery	28.038	861		-388	-255	28.256
industrial and commercial	13.267	702		-959	-432	12.578
other assets	1.253	48		-124		1.177
assets under construction and payments on accoun	44					44
Total	71.831	3.266		-12.341	-687	62.069

The demerger of the Argentinean subsidiaries Kaleu Kaleu and Fishing World, besides the transfer of the subsidiaries Panapesca USA Corp. and Pamapeche to third parties explains why the four financial statements were not consolidated using the equity method.
As a result, the values related to the assets of the companies above as at 31.12.12 were reversed (as shown in the tables included herein) as shown under the heading "Other movements". The net result of such reversal amounts to over € 18 million (for an overall reduction in the historic values of tangible assets of around € 29.8 million and in the depreciation provisions for around € 11.4 million)..
It should be noted that the entry "fishing vessels" was set to zero.

NET VALUE	BALANCE 31/12/2012	Increase	(Depreciations and Write-downs)	Other Movements	(Transfers)	BALANCE 31-Dec-2013
land and buildings	31.139	127	-1.655	-3.099		26.512
fishing vessels	14.009			-14.009		
plant and machinery	4.753	466	-861	-1.162	-75	3.121
industrial and commercial	2.757	354	-702	-603	-109	1.697
other assets	121	35	-48	2		110
assets under construction and payments on accoun	799			-111		688
Total	53.578	982	-3.266	-18.982	-184	32.128

"Plant and machinery" are accounted for according to the financial method under IAS 17 in relation to the Parent company's fixed assets held under finance leases.
The final impact of such entry led to an increase in fixed assets for € 9,332 thousand, plus an increase in debt owed to other lenders for € 8,318 thousand and a decrease in deferred expenses for € 492 thousand, with a net positive tax impact on profits for € 120 thousand and on net worth for € 358 thousand.

III - FINANCIAL FIXED ASSETS

Financial fixed assets are analysed as follows:

	31-Dec-2013	31-Dec-2012	Change	Change %
Equity interest held in:				
unconsolidated subsidiaries	1.140	1.207	-67	-5,55%
affilated undertakings	3.406	3.619	-213	-5,89%
other undertakings	1.641	107	1.534	1433,64%
Accounts receivable				
due from affiliated undertakings	4.861	5.875	-1.014	-17,26%
due from others	2.110	540	1.570	290,74%
other securities	501	500	1	0,20%
Total	13.659	11.848	1.811	15,29%

EQUITY INVESTMENTS

Equity investments in unconsolidated subsidiaries" include shares that were excluded from the scope of consolidation with equity method pursuant to art. 28 of Leg. Decree 127/1991. At the end of 2013, the entry included the Vietnamese Indochine Seafood Processing Joint Stock Company, acquired by Panapesca S.p.A. in 2010 and not yet operational as of today.

Equity investments in "affiliated undertakings" include the evaluation using the net equity method of equity investments in the affiliates Cabomar Congelados S.A., FYS Chile S.A. and Tirrenica Company s.r.l., as well as the evaluation at historic cost of Mandius & Co. S.a.r.l. (Senegal).
It should be noted that the affiliate FYS Chile is evaluated based on the financial statements for the year ended 31.12.12 , as accounts related to 2013 were not available as at the date of the consolidated accounts.

Equity investments in "other undertakings" include the carrying value of Kaleu Kaleu and Fishing World recorded in the financial statements of the subsidiary Prodimar, equal to € 1,05 million and € 475 thousand respectively. Such values represent a 5.15% equity interest in the two undertakings.

The complete list of equity investments in "unconsolidated subsidiaries" and "affiliated undertakings" is enclosed to these Notes to the Accounts.

ACCOUNTS RECEIVABLE AND SECURITIES

In 2013, agreements relative to the loans issued in the previous years by Panapesca in favour of the affiliate Cabomar Congelados were recontractualised.
At the end of the same year, the loan principal amounted to € 4.72 million of which € 480 thousand was due within the next fiscal year, besides interest accrued for € 141 thousand. The credit repayment plan foresees quarterly instalments of € 120 thousand up to 2019, and quarterly instalments of € 152 thousand from 01/01/2020 to 31/12/2022, that is the presumed loan extinguishment date.

"Amounts due from other undertakings" include the loan granted to the former subsidiary Panapesca USA Corp, which amounts to € 2 million, including interest accrued in 2013.

"Other securities" are represented by bonds issued by Banca di Credito Cooperativo della Valdinievole, for € 500 thousand due in 2014 , as well as bonds issued by Banca Popolare di Vicenza for the difference.

C) CURRENT ASSETS

I - INVENTORIES

Inventories are analysed hereunder:

	31-Dec-2013	31-Dec-2012	Change	Change %
Inventories:				
raw materials, ancillary and consumables	2.225	4.266	-2.041	-47,84%
work in progress and semi-finished products	183	379	-196	-51,72%
finished products and goods	26.663	53.982	-27.319	-50,61%
Total	29.071	58.627	-29.556	-50,41%

As pointed out in the evaluation criteria section, inventories are evaluated using the F.I.F.O. method (last cost).
The evaluation method adopted does not show substantial differences with respect to the evaluation of inventories at current costs.
The overall value of inventories include goods in transit.
Please note the reduction in the Group’s inventory following the transfer/demerger of the US and Argentinean equity investments for a total of € 16 milion, which adds to a reduction in the Parent company's inventory of around € 13 milion.

Finished products inventory is detailed hereunder:

	31-Dec-2013	31-Dec-2012	Change	Change %
national goods inventory	20.280	29.407	-9.127	-31,04%
foreign goods inventory	1.452	16.150	-14.698	-91,01%
goods in transit	4.931	8.425	-3.494	-41,47%
Total	26.663	53.982	-27.319	-50,61%

II - ACCOUNTS RECEIVABLE

Accounts receivable are broken down as follows:

	31-Dec-2013	31-Dec-2012	Change	Change %
Accounts receivable:				
trade receivables	40.773	65.410	-24.637	-37,67%
due from unconsolidated subsidiaries	593	726	-133	-100,00%
due from affiliated undertakings	1.072	7.445	-6.373	-85,60%
due from tax autorithies	1.003	3.674	-2.671	-72,70%
for advance taxes	2.131	3.302	-1.171	-35,46%
due from others	28.349	13.309	15.040	113,01%
Total	73.921	93.866	-19.945	-21,25%

Trade receivables include the aggregate of current credits against supplies of goods and services associated with the commercial activity, including interest receivable for extended payments (if any) and cash orders issued.
A significant decrease in Panapesca S.p.A trade receivables was reported at year end for an amount of € 14 milion, which is in line, however, with the reduction in its sales volume.
It should be noted that the most part of the Group companies' trade receivables is covered by an insurance policy against the risk of credit losses due to debtor insolvency.

"Receivables due from others" include amounts owed by Kaleu Kaleu and Fishing World derived from advance payments for supplies made by the Parent in prior years for a total of € 7.5 million, as well as a credit of € 10 million due from ESAP China Limited, acquirer of the shares in Panapesca USA Corp. and a credit of € 454 thousand derived from the transfer of the Pamapeche shares.

Trade receivables are broken down as follows:

	31-Dec-2013	31-Dec-2012	Change	Change %
Italy clients	38.590	50.007	-11.417	-22,83%
E.U. clients	1.022	3.291	-2.269	-68,95%
Foreign clients	1.735	12.756	-11.021	-86,40%
minus: provision for doubtful accounts	-574	-644	70	-32,43%
Total	40.773	65.410	-24.637	-37,67%

The provision for doubtul accounts entirely refers to the Parent company.

Tax receivables are broken down as follows:

	31-Dec-2013	31-Dec-2012	Change	Change %
Direct tax receivable	578	1.819	-1.241	-68,22%
VAT receivable	425	1.741	-1.316	-75,59%
Withholding tax receivable		114	-114	-100,00%
Total	1.003	3.674	-2.671	-72,70%

Details related to advance taxes are provided further on in the Notes to the Accounts under "Temporary differences".

Other financial credits and receivables included among current assets are analysed hereunder :

	31-Dec-2013	31-Dec-2012	Change	Change %
Accountes receivable due within the next fiscal year				
Due from employees		131	-131	-100,00%
Insurance reimbursements yet to be received		251	-251	-100,00%
Advances to suppliers	7.142	4.081	3.061	75,01%
Other accounts receivable	10.670	9.215	1.455	15,79%
	17.812	13.678	4.134	30,22%
Accounts receivable due after the next fiscal year				
Income tax receivable				
Security deposits	114	171	-57	-33,33%
Other accounts receivable	12.533		12.533	
	12.647	171	12.476	7295,91%
Total	30.459	13.849	16.610	119,94%

The credit due from Kaleu Kaleu and Fishing World is expected to be recovered over a 6-year period starting from 2014 through the supply of goods.
The credit due from ESAP China Limited of € 4.4 million is expected to be collected within 2014 and the remaining part over a 3-year period, with the last instalment due in 2017.
The credit derived from the transfer of Pamapeche to a third party is expected to be collected in full within the second half of 2014.
“Other accounts receivable” due beyond the next fiscal year include medium-long term portions of the foregoing receivables.

IV - CASH AND CASH EQUIVALENTS

Cash and cash equivalents are broken down as follows:

	31-Dec-2013	31-Dec-2012	Change	Change %
cash and cash equivalents:				
bank and postal deposits	2.718	1.962	756	38,53%
cheques		179	-179	-100,00%
cash in hand	474	723	-249	-34,44%
Total	3.192	2.864	328	11,45%

D) ACCRUED INCOME AND PREPAID EXPENSES

Accrued income and prepaid expenses are broken down as follows:

	31-Dec-2013	31-Dec-2012	Change	Change %
Accrued income:				
Other accrued income	52	222	-170	-76,58%
Total accrued income	52	222	-170	-76,58%
Prepaid expenses:				
Insurance premiums	9	309	-300	-97,09%
Medium/long term prepaid expenses	225	276	-51	-18,48%
Other short-term prepaid expenses	373	1.177	-804	-68,31%
Total prepayments	607	1.762	-1.155	-65,55%
Total	659	1.984	-1.325	-66,78%

LIABILITIES

A) NET ASSETS

TABLE OF NET ASSET MOVEMENTS

The table shows net asset movements for the period.

NET ASSETS	Balance 31/12/2012	Giro result	Distributed dividends	Translation differences	Other movements	Balance 31/12/2013
Attributable to the Group:						
Share capital	24.000				-3.663	20.337
Revaluation reserves					3.000	3.000
Legal reserve	1.009				-1.009	
Other Reserves						
Foreign currency translation reserve	-4.984			-734	5.201	-517
Subs.' undivided profits and other reserves	18.560	-1.881			-18.200	-1.521
Profit (loss) brought forward						
Operating profit (loss) for the period	-1.881	1.881			8.694	8.694
Total net assets attributable to the Group	36.704			-734	-5.977	29.993
Attributable to minority interest:						
Third party capital stock and reserves	771	-40	-120	-58		553
Profit (loss) attributable to minority interest	-40	40			66	66
Total net assets attrib. to minority interest	731		-120	-58	66	619
	37.435		-120	-792	-5.911	30.612

The Parent company Panapesca, by deed dated 12/19/13, separated all its business in the Argentinean companies (shares and financial receivables as at 01.01.13) in favour of Panaholding Argentina s.r.l., whose share capital is attributed to Panapesca S.p.A. shareholders according to a proportional criteria.
As an immediate result, the Parent company's net worth saw a reduction in the corresponding asset value for € 33.3 million.
A reduction in the share capital was also reported following the demerger. However, the demerger project, the shareholders' meeting deliberation and the demerger deed foresee the possibility of re-establishing the share capital original amount € 24 million) through the allocation of profit for the year ended 31 December 2013.
As a result, "Other movements'" include the full impact of the demerger of the Argentinean companies, which led to a decrease in net worth of around € 18 million, net of the increase in the translation reserve of about € 5 million. The negative translation difference was reported in the consolidated accounts for the previous periods due to the gradual devaluation of assets expressed in Argentine pesos.

In 2013 the Parent company revaluated the Panapesca brand pursuant to Law No. 147 of December 27, 2013 (Stability Pact for 2014) for € 3 million, as clearly shown under "other movements".

The "translation difference" heading mainly reports the negative impact of the Thai baht devaluation on the net worth at the end of 2014 with respect to the exchange values of the previous period.

The analysis of the Net Worth pursuant to art. 2427 No.7 bis of the Civil Code is provided in the Parent company's individual financial statements.

The difference between the Parent company's financial statements and the consolidated accounts, with referral to the operating result and net worth, is summarized hereunder.

Reconciliation statement between the Parent's financial statement and the consolidated accounts				
	Current period		*Previous period*	
	Net result	Net worth	Net result	Net worth
BALANCES RESULTING FROM THE PARENT COMPANY'S FINANCIAL STATEMENT	5.422	28.759	449	53.674
Elimination of the impact of transactions carried out among consolidated undertakings net of fiscal effects:				
- Internal profits from warehouse inventories	-62	-73	19	-12
- Dividends from consolidated undertakings			-477	
Change impact and homogenization of evaluation criteria within the Group net of fiscal effects:				
- Application of the financial method for leased assets	120	358	109	238
- Evaluation using the equity method of undertakings recognised at cost	82	770	-166	5
Carrying value of consolidated equity investments		-9.869		-47.798
Net worth and operating result of consolidated undertakings	949	10.048	-2.486	30.597
Attribution of differences to consolidated undertakings assets and relative depreciations:				
- Consolidation differences			-102	
Impact of other adjustments:				
- Changes in the consolidation area	2.183		773	
BALANCES resulting from the CONSOLIDATED FS - Share attrib. to the Group	8.694	29.993	-1.881	36.704
BALANCES resulting from the CONSOLIDATED FS - Minority Interest share	66	619	-40	731
BALANCES RESULTING FROM THE CONSOLIDATED FINANCIAL STATEMENTS	8.760	30.612	-1.921	37.435

The heading "changes in the consolidation area" includes realised capital gains derived from the transfer of the affiliates Panapesca USA Corp. and Pamapeche compared to the consolidation values for the previous period.

B) PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges are analysed hereunder:

	BALANCE 31/12/2012	PROVISION	(UTILIZATION)	OTHER MOVEMENTS	BALANCE 31/12/2013
for deferred taxes	310	84	-94		300
other provisions:					
Provisions for future risks and charges	75	150	-58		167
Client indemnification provision	610	63	-14	-1	658
Other minor provisions	151		-120	-30	1
Total other provisions	836	213	-192	-31	826
Total	1.146	297	-286	-31	1.126

"Provisions for future risks and charges" pertains to the Parent and represents a partial coverage of Ires and Irap tax ascertainment related to 'transfer pricing' for the years 2009 and 2010.

Movements related to deferred tax provisions are analysed in the table below.

ANALYSIS OF ADVANCE AND DEFERRED TAXES

The application of the tax accounting principle led to the recognition of temporary differences between the tax base and the profit according to the law.
The table below, pursuant to point 14) of art. 2427, describes the temporary differences that led to the recognition of deferred tax assets and liabilities.
No amounts were credited or debited to the net worth.

	Rate applied	BALANCE 31-12-12-2012	INCREASE	DECREASE	Rate applied	BALANCE 31-12 2013
Advance taxes						
Internal profits from inventory	31,40%	6	35		31,40%	41
Total consolidated accounts		6	35			41
Advance taxes in Panapesca	31,40%	1.542	781	-309	31,40%	2.014
Advance taxes in Prodimar		18		-18	33,30%	
Advance taxes in Panapesca USA	30,00%	195		-195	34,00%	
Advance taxes in Mega Surgelati	27,50%	2		-1	27,50%	1
Advance taxes in Pana Freezer Center		47	28		27,50%	75
Advance taxes in Kaleu Kaleu	35,00%	724		-724	35,00%	
Advance taxes in Fishing World	35,00%	768		-768	35,00%	
Total balances of the companies		3.296	809	-2.015		2.090
Total advance taxes		***3.302***	***844***	***-2.015***		***2.131***
Deferred taxes						
Deferred taxes in Panapesca	31,40%	201	29	-94	31,40%	136
Deferred taxes Panapesca leasing effect	31,40%	109	55		31,40%	164
Total company balances and accounts		310	84	-94		300
Total deferred taxes		***310***	***84***	***-94***		***300***
Net total		***2.992***	***760***	***-1.921***		***1.831***

Taxes recognised in each company's accounts are detailed in the individual financial statements of the same.

C) DEPENDANT EMPLOYEE SEVERANCE INDEMNITY

The following table shows the movements for the period:

	BALANCE 31/12/2012	PROVISION	(UTILIZATION)	OTHER MOVEMENTS	BALANCE 31/12/2013
	2.864	159	-443	14	2.594
Total	2.864	159	-443	14	2.594

The provision represents the Group's actual debt towards employees working in the companies as at the specified dates, net of advance payments.

D) DEBT

DEBT ANALYSIS

	31-Dec-2013	31-Dec-2012	Change	Change %
amounts owed to banks	79.069	112.922	-33.853	-29,98%
amounts owed to other lenders	8.318	8.950	-632	-7,06%
trade payables	29.118	44.479	-15.361	-34,54%
amounts owed to affiliated undertakings	1.378	1.722	-344	-19,98%
amounts owed to tax authorities	1.628	2.157	-529	-24,52%
amounts owed to nat. inst. and soc. sec. inst.	598	2.475	-1.877	-75,84%
other accounts payable	1.823	7.506	-5.683	-75,71%
Total	121.932	180.211	-58.279	-32,34%

"Amounts owed to other lenders" corresponds to the reclassification of debts owed to leasing companies according to the IAS 17 principle.

MEDIUM – LONG TERM LOANS AND MORTGAGES

Medium-long term loans and mortgages are detailed hereunder:

Owed to banks	31-Dec-2013	31-Dec-2012	Change	Change %
Unicredit		200	-200	-100,00%
Banca Pop. Em. Rom.		200	-200	-100,00%
Mediocredito Centrale	5.714	7.143	-1.429	-20,01%
Artigiancassa	619	619		0,00%
Total	6.333	8.162	-1.829	-22,41%

LOANS SECURED BY REAL GUARANTEES

Corporate assets are burdened by mortgages, liens and other real guarantees in favour of third parties for loans obtained, as analysed hereunder:

Owed to banks	Amount 31/12/2013	Amount 31/12/2012	Rate	Expiry date	Guarantee amount (K€)	Type of guarantee
Mediocredito Centrale	5.714	7.143	0,77%	29/11/2021		Real-estate mortgage
Total	5.714	7.143				

Total debts for loans granted by banking institutions are reported under the heading “debt owed to banks”

Tax payables are broken down as follows:

	31-Dec-2013	31-Dec-2012	Change	Change %
Income taxes - Italy	68	1	67	6700,00%
Income taxes - Foreign countries	15	15		0,00%
IRPEF employees	400	421	-21	-4,99%
Debt related to substitute tax	572	16	556	3475,00%
VAT owed to tax authorities	302	158	144	91,14%
Amounts owed to tax authorities for withholding tax	55	390	-335	-85,90%
Other tax payables	216	1.156	-940	-81,31%
Total	1.628	2.157	-529	-24,52%

"Debt related to substitute tax” refers to a 16% substitute tax on the revaluation of the Panapesca brand.
"Other tax payables" include a residual amount of € 199 thousand relative to the ascertainment of the Parent company’s income tax for the 2004 – 2007 period, due in January 2014.

Other tax payables are broken down as follows:

	31-Dec-2013	31-Dec-2012	Change	Change %
Trade receivables	437	951	-514	-54,05%
Amounts owed to employees for compensation	713	1.518	-805	-53,03%
Amounts owed to directors and statutory auditors		2.830	-2.830	-100,00%
Other accounts payable	673	2.207	-1.534	-69,51%
Total	1.823	7.506	-5.683	-75,71%

"Other accounts payable" include the residual debt owed by Panapesca S.p.A. to the State Property Office for € 182 thousand and that owed to Patrimonio dello Stato S.p.A. for € 71 thousand, with which in 2009 a transaction related to the occupation of the Gaeta premises was defined.

"Amounts owed to directors and statutory auditors" entirely refer to debt related to the year 2012 owed to the sole director and shareholder of Panausa and extinguished in 2013 following the transfer of the equity investment.

E) ACCRUED LIABILITIES AND DEFERRED INCOME

Accrued liabilities and deferred income are broken down as follows:

	31-Dec-2013	31-Dec-2012	Change	Change %
Accrued liabilities:				
Interest payable	18	41	-23	-56,10%
Accrued employee costs	286	349	-63	-18,05%
Other liabilities	424	2.134	-1.710	-80,13%
Total accrued liabilities	728	2.524	-1.796	-71,16%
Deferred income:				
Short-term deferred income	105	113	-8	-7,08%
M/L term deferred income for community contributions	263	304	-41	-13,49%
Other short-term deferred income	5		5	
Total deferred income	373	417	-44	-10,55%
Total	1.101	2.941	-1.840	-62,56%

Share capital contributions attributed to the Parent company are recognised as advanced deferred revenue and rediscounted in relation to the useful life of the investments to which they refer, in order to match the contribution with the relative depreciations.
Employee accruals relate to costs for unused vacation time, leaves, 14th - month pay and production bonuses for the current period.

MEMORANDUM ACCOUNTS

Bank guarantees and other suretyships are issued by banking institutions to third parties on behalf of the Parent company.
Leasing instalments relate to outstanding debt related to leasing contracts deemed irrelevant and not reclassified on the basis of the IAS 17 financial standard.
Such contracts, reclassified on the basis of financial criteria, are deemed to have an irrelevant impact on the consolidated financial statements.
Further details are provided in the Parent company's Notes to the Accounts.

INCOME STATEMENT

A) VALUE OF PRODUCTION

SALES AND SERVICES ANALYSIS

Breakdown of Revenue by business category

	31-Dec-2013	31-Dec-2012	Change	Change %
Retail sales	44.329	60.204	-15.875	-26,37%
Catering sales	50.389	101.904	-51.515	-50,55%
Store sales	35.820	41.161	-5.341	-12,98%
Wholesale sales	55.381	75.660	-20.279	-26,80%
Services	504	909	-405	-44,55%
Total	186.423	279.838	-93.415	-33,38%

Breakdown of Revenue by geographical area

	31-Dec-2013	31-Dec-2012	Change	Change %
Italy sales	165.606	189.883	-24.277	-12,79%
EU sales	13.061	16.782	-3.721	-22,17%
USA sales	2.601	49.420	-46.819	-94,74%
Other countries	5.155	23.753	-18.598	-78,30%
Totale	186.423	279.838	-93.415	-33,38%

The transfer of the trading company Panapesca USA Corp., besides the separation of the Argentinean companies from the Parent company determined the loss of a part of the Group's turnover equal to a quarter of the total amount.
A drop in the sales volume compared to 2012 was also reported. The Parent reported a 15% decrease in its sales volume, mainly in the retail sector.
On the whole, the sales volume related to business conducted in Italy by the other two Group companies remains steady; Mega Surgelati sales has seen a slight decline whereas the sales volume of the Pana Freezer Center stores is on the rise .
The sales volume of the foreign subsidiary Prodimar also remains steady while that of Thai Spring Fish has seen an improvement.

Other revenues and income are analysed hereunder:

	31-Dec-2013	31-Dec-2012	Change	Change %
Rental income	42	59	-17	-28,81%
Accident refunds and indemnities from insurance companies	447	488	-41	-8,40%
Other recurring contingencies	36	52	-16	-30,77%
Capital gains from transfer of assets of an ordinary nature	78	9	69	766,67%
Other revenues and income	901	2.348	-1.447	-61,63%
Operating grants	41	41		0,00%
Total	1.545	2.997	-1.452	-48,45%

"Other revenues and income" include the recovery of transport costs and sundry expenses incurred by Panapesca and other Group companies.

B) PRODUCTION COSTS

PURCHASE OF RAW, ANCILLARY MATERIALS, CONSUMABLES AND GOODS

Purchases are broken down as follows:

	31-Dec-2013	31-Dec-2012	Change	Change %
Purchase of goods - Italy	11.328	10.199	1.129	11,07%
Purchase of goods - foreign countries	97.309	163.349	-66.040	-40,43%
Purchase of packaging materials	2.408	5.933	-3.525	-59,41%
Insurance	565	940	-375	-39,89%
Customs duties	3.641	4.497	-856	-19,03%
Purchase freight	2.831	3.152	-321	-10,18%
Freight costs	1.106	2.167	-1.061	-48,96%
Porterage and related charges		2.713	-2.713	-100,00%
Other expenses	726	2.166	-1.440	-66,48%
Total	119.914	195.116	-75.202	-38,54%

The goods purchase trend reflects the changes in the consolidation area, besides a drop in the Parent company's sales volume.

BREAKDOWN OF COSTS RELATED TO THE PROVISION OF SERVICES

The provision of services is broken down as follows:

	31-Dec-2013	31-Dec-2012	Change	Change %
Subcontracted work costs	1.433	1.310	123	9,39%
Electric power	4.622	4.838	-216	-4,46%
Porterage and warehouse costs	1.756	1.388	368	26,51%
Maintenance	997	1.417	-420	-29,64%
Consulting	1.224	3.573	-2.349	-65,74%
Transport and travel expenses	5.274	7.176	-1.902	-26,51%
Insurance	882	1.188	-306	-25,76%
Storage service and warehouse operator fees	396	623	-227	-36,44%
Commisions	2.009	3.377	-1.368	-40,51%
Marketing costs	1.716	2.636	-920	-34,90%
Bank services and charges	266	396	-130	-32,83%
Other provisions of services	5.544	5.598	-54	-0,96%
Total	26.119	33.520	-7.401	-22,08%

BREAKDOWN OF LEASED ASSETS OF THIRD PARTIES

"Leased assets of third parties" comprise the following:

	31-Dec-2013	31-Dec-2012	Change	Change %
Lease of commercial and distribution structures	1.532	1.997	-465	-23,28%
Rentals	211	257	-46	-17,90%
Lease of company divisions		143	-143	-100,00%
Leasing	65	65		0,00%
Other costs	25	58	-33	-56,90%
Total	1.833	2.520	-687	-27,26%

BREAKDOWN OF DEPENDANT EMPLOYEES COSTS

	31-Dec-2013	31-Dec-2012	Change	Change %
salaries and wages	9.106	20.010	-10.904	-54,49%
social security contributions	2.573	5.277	-2.704	-51,24%
severance indemnity	708	701	7	1,00%
other costs	400	963	-563	-58,46%
Total	12.787	26.951	-14.164	-52,55%

COMPOSITION OF SUNDRY OPERATING EXPENSES

Sundry operating expenses are broken down as follows:

	31-Dec-2013	31-Dec-2012	Change	Change %
Taxes other than income taxes	534	1.219	-685	-56,19%
Contributions to associations and other costs	61	81	-20	-24,69%
Other recurring contingencies	73	28	45	160,71%
Ordinary losses from asset transfer	28	10	18	180,00%
Credit losses not covered by the provision	10	235	-225	-95,74%
Fines and penalties	46	167	-121	-72,46%
Other minor costs	182	773	-591	-76,46%
Total	934	2.513	-1.579	-62,83%

C) FINANCIAL INCOME AND CHARGES

Financial income is analysed in the table below:

	31-Dec-2013	31-Dec-2012	Change	Change %
other financial income from receivables recorded among fixed assets				
due from third parties	175	6	169	2816,67%
Total	175	6	169	2816,67%
from securities recorded among fixed assets other than shares				
FROM OTHER SECURITIES				
Interest	13	12	1	8,33%
Total	13	12	1	8,33%
income other than the above: due from third parties				
Interest receivable	27	62	-35	-56,45%
Other financial income	1	16	-15	-93,75%
Total	28	78	-50	-64,10%
Income due from affiliated undertakings	113	209	-96	-45,93%
Total	329	305	24	7,87%

Interest payable and other financial charges are broken down as follows:

	31-Dec-2013	31-Dec-2012	Change	Change %
Financial charges on:				
amounts owed to banks	3.927	4.329	-402	-9,29%
amounts owed to banks for mortgage loans	275	627	-352	-56,14%
amounts owed to other lenders	128	466	-338	-72,53%
other accounts payable		193	-193	-100,00%
Other financial charges:				
bank fees and charges	545	530	15	2,83%
other	84	111	-27	-24,32%
Total	4.959	6.256	-1.297	-20,73%

Foreign exchange gains and losses are broken down as follows:

Description:	31-Dec-2013	31-Dec-2012	Change	Change %
realised exchange gains	810	371	439	118,33%
realised exchange losses	-211	-509	298	-58,55%
realised exchange gains-losses	599	-138	737	-534,06%
unrealised exchange gains	268	407	-139	-34,15%
unrealised exchange losses	-1.084	-2.102	1.018	-48,43%
unrealised exchange gains-losses	-816	-1.695	879	-51,86%
Total	-217	-1.833	1.616	-88,16%

D) VALUE ADJUSTMENTS TO FINANCIAL ASSETS

Write-ups, value recoveries and write-downs of equity interest and other financial assets are already reported and commented on under the financial fixed assets heading.

E) NON-RECURRING INCOME AND CHARGES

BREAKDOWN OF NON-RECURRING INCOME

Non-recurring income is broken down as follows:

	31-Dec-2013	31-Dec-2012	Change	Change %
Non-recurring income				
Contingent gains and non-existent losses	75	702	-627	-89,32%
Other non-recurring income	5	271	-266	-98,15%
Total	80	973	-893	-91,78%
Capital gain on fixed asset disposal				
Capital gain on financial fixed asset disposal	10.373	774	9.599	1240,18%
Total	10.373	774	9.599	1240,18%
Total	10.453	1.747	8.706	498,34%

“Capital gain" on financial fixed assets disposal entirely refers to Panapesca USA Corp. and Pamapeche, transferred in 2013. In particular, the transfer of equity interest held in Panapesca USA Corp. led to the realisation of a capital gain equal to € 9.8 million, while the transfer of equity interest held in Pamapeche resulted in a € 500 thousand increase in value.

Non-recurring costs are broken down as follows:

	31-Dec-2013	31-Dec-2012	Change	Change %
Non-recurring costs				
Contingent losses and non-existent gains	5.692	37	5.655	15283,78%
Other non-recurring costs	23	179	-156	-87,15%
Total	5.715	216	5.499	2545,83%

"Contingent losses and non-existent gains" include credit losses for € 5.2 million incurred by the Parent company following the transfer of positions that could no longer be recovered.

ADDITIONAL INFORMATION

The number of employees broken down by category and compensation paid to Directors, Statutory Auditors and Auditors are provided hereunder as required by law.

Average number of dependant employees broken down by category

	31-Dec-2013	31-Dec-2012	Change	Change %
Workers	493	916	-423	-46,18%
Office clerks	191	243	-52	-21,40%
Total	684	1.159	-475	-40,98%

Compensation paid to Directors and Statutory Auditors and Auditors

	31-Dec-2013	31-Dec-2012	Change	Change %
COMPENSATION PAID TO DIRECTORS	362	478	-116	-24,27%
COMPENSATION PAID TO STATUTORY AUDITORS	37	39	-2	-5,13%
COMPENSATION PAID TO AUDITORS	50	50		0,00%
Total	449	567	-118	-20,81%

LISTS

Enterprises consolidated using the equity method

			Percentage of ownership held			Total
Name	Headquarters	Share capital	Direct	Indirect	Total	equity interest
Parent:						
Panapesca S.p.A.	Massa e Cozzile (PT)	€ 20.337.000	-	-	-	-
Subsidiaries:						
Mer Fruit S.a.r.l.A.U.	Nador (Mar)	Dirham 6.083.900	100,00%		100,00%	100,00%
Prodimar S.A.S.	Marsiglia (F)	Eur 1.120.000	97,50%		97,50%	97,50%
Thai Spring Fish Co. Ltd.	Rayong (Tha)	Baht 200.000.000	92,00%		92,00%	92,00%
Mega Surgelati s.r.l.	Ciampino (Roma)	Eur 20.000	90,00%		90,00%	90,00%
Pana Freezer Center s.r.l.	Massa e Cozzile (PT)	Eur 100.000	95,00%		95,00%	95,00%

Equity investments evaluated using the equity method or cost method

			Percentage of ownership held			Total
Name	Headquarters	Share capital	Direct	Indirect	Total	equity interest
Cabomar Congelados S.A.	Vigo (E)	Eur 3.186.582	24,00%		24,00%	24,00%
FYS Chile S.A.	Chonchi (CL)	pesos 7.000.000.000	17,00%		17,00%	17,00%
Tirrenica Co. S.r.l.	Grosseto (I)	Eur 10.329	48,00%		48,00%	48,00%
Mandius co. S.r.l.	Dakar (Senegal)	CFA 1.000.000	49,00%		49,00%	49,00%
Indochine Seafood Processing JSC	Vung Tau City (Vietnam)	Dong 36.000.000.000	74,90%		74,90%	74,90%

ACCOUNTING ANALYSIS

For clarity purposes, the overall consolidated financial statements are analysed briefly in the tables below.
The financial statements are comprised of the reclassified statement of financial position, the reclassified income statement, a series of key ratios and the consolidated cash flow statement. The statement of financial position was reclassified based on the increasing liquidity criterion and reports total short-term assets and total short-term liabilities to enable the accurate assessment of the overall financial situation.
The income statement was drawn up in scalar form and shows the aggregated entries that make up the operating margin, while respecting the recognition of costs according to their nature. For simplification purposes, key ratios are calculated on the basis of the final consolidated accounts related to the two comparative periods. The consolidated cash flow statement is reported herein with the purpose of highlighting, in an organic and structured way, major changes to the accounting entries.
The accounting method adopted is the "cash flow" method as recommended by the National Council of Chartered and Registered Accountants.
(The reclassified statement of financial position and income statement, as well as the key ratios, were not subjected to audit).

ACCOUNTING ANALYSIS – STATEMENT OF FINANCIAL POSITION

ASSETS	**31/12/2013**	**%**	**31/12/2012**	**%**	**change**	**change %**
SHORT-TERM ASSETS						
Cash in hand and at banks	3.192		2.864		328	11,45%
Trade receivables	42.438		73.581		-31.143	-42,32%
Warehouse inventories	29.071		58.627		-29.556	-50,41%
Prepayments and accrued income	434		1.708		-1.274	-74,59%
Other short-term assets	21.567		25.814		-4.247	-16,45%
Total short-term assets	**96.702**	**61,45%**	**162.594**	**72,39%**	**-65.892**	**-40,53%**
FIXED ASSETS:						
Fixed assets	32.128		53.578		-21.450	-40,04%
Intangible fixed assets	4.735		1.830		2.905	158,74%
Equity investments and securities	6.688		5.433		1.255	23,10%
Other fixed assets	16.887		886		16.001	1805,98%
Prepayments and accrued income	225		276		-51	-18,48%
Total fixed assets	**60.663**	**38,55%**	**62.003**	**27,61%**	**-1.340**	**-2,16%**
TOTAL ASSETS	**157.365**	**100,00%**	**224.597**	**100,00%**	**-67.232**	**-29,93%**

LIABILITIES AND NET ASSETS	**31/12/2013**	**%**	**31/12/2012**	**%**	**change**	**change %**
SHORT - TERM LIABILITIES						
Banks	74.165		106.589		-32.424	-30,42%
Suppliers	30.496		46.201		-15.705	-33,99%
Other accounts payable	2.952		10.211		-7.259	-71,09%
Accrued liabilities and deferred income	838		2.637		-1.799	-68,22%
Tax payables	1.247		1.933		-686	-35,49%
Total short-term liabilities	**109.698**	**69,71%**	**167.571**	**74,61%**	**-57.873**	**-34,54%**
M/L TERM LIABILITIES						
M/L term loans	12.565		14.651		-2.086	-14,24%
Severance indemnity provision	2.594		2.864		-270	-9,43%
Deferred tax provision	300		310		-10	-3,23%
Other M/L term liabilities	1.333		1.462		-129	-8,82%
Accrued liabilities and deferred income	263		304		-41	-13,49%
Total M/L term liabilities	**17.055**	**10,84%**	**19.591**	**8,72%**	**-2.536**	**-12,94%**
Total liabilities	**126.753**	**80,55%**	**187.162**	**83,33%**	**-60.409**	**-32,28%**
NET ASSETS						
Share capital	20.337		24.000		-3.663	-15,26%
Reserves	962		14.585		-13.623	-93,40%
Net profit	8.694		-1.881		10.575	-562,20%
Total net assets attributable to the Group	**29.993**	**19,06%**	**36.704**	**16,34%**	**-6.711**	**-18,28%**
Third party capital stock and reserve	**619**	**0,39%**	**731**	**0,33%**	**-112**	**-15,32%**
Total net assets	**30.612**	**19,45%**	**37.435**	**16,67%**	**-6.823**	**-18,23%**
TOTAL	**157.365**	**100,00%**	**224.597**	**100,00%**	**-67.232**	**-29,93%**

ACCOUNTING ANALYSIS – INCOME STATEMENT

INCOME STATEMENT	31/12/2013	%	31/12/2012	%	change	change %
net revenue	187.968	**100,00%**	282.835	**100,00%**	**-94.867**	**-33,54%**
operating costs:						
purchases	-119.914	-63,79%	-195.116	-68,99%	75.202	-38,54%
provision of services	-26.119	-13,90%	-33.520	-11,85%	7.401	-22,08%
depreciations	-3.720	-1,98%	-6.105	-2,16%	2.385	-39,07%
labour cost	-12.787	-6,80%	-26.951	-9,53%	14.164	-52,55%
increase (decrease) in inventories	-12.932	-6,88%	-10.149	-3,59%	-2.783	27,42%
other operating costs	-3.395	-1,81%	-5.520	-1,95%	2.125	-38,50%
operating income	**9.101**	**4,84%**	**5.474**	**1,94%**	**3.627**	**66,26%**
financial income	1.423	0,76%	1.857	0,66%	-434	-23,37%
financial charge	-6.254	-3,33%	-8.867	-3,14%	2.613	-29,47%
sundry income	10.535	5,60%	973	0,34%	9.562	982,73%
sundry costs	-5.715	-3,04%	-382	-0,14%	-5.333	1396,07%
profit before tax	**9.090**	**4,84%**	**-945**	**-0,33%**	**10.035**	**-1061,90%**
income taxes:						
current taxes	-874	-0,46%	-1.808	-0,64%	934	-51,66%
deferred taxes	544	0,29%	832	0,29%	-288	-34,62%
income before minority interest	**8.760**	**4,66%**	**-1.921**	**-0,68%**	**10.681**	**-556,01%**
minority interest share	-66	-0,04%	40	0,01%	-106	-265,00%
PROFIT (LOSS) FOR THE PERIOD	**8.694**	**4,63%**	**-1.881**	**-0,67%**	**10.575**	**-562,20%**

KEY RATIOS

	31/12/2013	31/12/2012
FINANCIAL POSITION RATIO		
LIQUIDITY RATIO		
current ass./liab.	0,88	0,97
CURRENT RATIO		
current ass.-inv./current liab.	0,62	0,62
FINANCIAL INDEPENDENCE		
net ass./tot.fixed ass.	0,19	0,17
COVERAGE OF SHAREHOLDERS' EQUITY		
net ass./tot.fixed ass.	0,50	0,60
COVERAGE OF FIXED ASSETS		
n.et ass.+deb.m/l/tot.fixed ass.	0,79	0,92
PROFITABILITY RATIOS		
R.O.I.	5,78%	2,44%
op.profit/tot.ass.		
R.O.E.	28,40%	-5,02%
net profit /net ass.		
R.O.S.	4,84%	1,94%
op.profit/net sales		
ASSET TURNOVER RATIO	1,19	1,26
sales/tot.assets		
SALES PER EMPLOYEE	275	244
sales/number of employees		

CASH FLOW STATEMENT

CASH FLOW FROM OPERATING ACTIVITIES:		31/12/2013		31/12/2012
Profit (loss) for the period		**8.694**		**-1.881**
Adjustments related to items that have no impact on liquidity:				
Depreciations	3.720		6.105	
Severance indemnity accrued over the period	708		701	
Severance indemnity paid over the period	-978		-767	
Allocation (utilization) of deferred tax provision	-544		-832	
Capital losses (gains) from asset transfer	-10.373		1	
Changes in current assets and liabilities:		1.227		3.327
Clients	31.143		-496	
Other accounts receivable	4.247		-1.060	
Inventories	29.556		11.265	
Prepayments and accrued income	1.274		-46	
Suppliers	-15.705		7.873	
Sundry accounts payable	-7.259		1.508	
Accrued liabilities and deferred income	-1.799		-1.271	
Tax payables	-686	33.304	-694	22.287
Cash flow from operating activities		41.998		20.406
CASH FLOW FROM INVESTING ACTIVITIES:				
Revenue from sale of plant assets	29.539		10.241	
Acquisition of plant assets	-982		-6.743	
Increase in intangible assets	-3.359		-411	
Increase) decrease in equity interest	-1.255	23.943	98	3.185
CASH FLOW FROM FINANCING ACTIVITIES:				
undertaking of new loans				
loan repayments	-2.086		-3.511	
Other net worth movements	-14.671		-2.864	
Distributed dividends				
Decrease (increase) in other fixed assets	-15.950		2.272	
Increase (decrease) in other M/L liabilities	252	-32.455	-1.699	-5.802
Foreign currency translation differences		-734		-3.046
INCREASE (DECR.) IN NET SHORT-TERM DEBT		32.752		14.743
SHORT-TERM DEBT AT THE BEGINNING OF THE FISCAL YEAR		-103.725		-118.468
SHORT-TERM DEBT AT THE END OF THE FISCAL YEAR		-70.973		-103.725

* * *

This Financial Statement, comprised of the Statement of Financial Position, the Income Statement and the Notes to the Accounts, provides a true and fair view of the Company's actual financial position and the Group companies' net income.

The Board of Directors