2013 ANNUAL REPORT

PANAPESCA SPA
Headquarters: Massa e Cozzile (PT), Via Mazzini n. 31
Share Capital: Euro 20.337.012 fully paid in
Companies Registry of Pistoia No./ Tax Code: 00161570478

Corporate officers

Board of Directors

Chairperson	Panati Vito
Managing Director	Panati Andrea
Managing Director	Bartolini Giordano
Director	Becciani Roberto
Director	Pellegrini Michele
Director	Dami Edoardo

Board of Statutory Auditors

Chairperson	Rosellini Rosita
Permanent Auditor	Gnesi Andrea
Permanent Auditor	Nelli Marco
Substitute Auditor	Lombardi Paolo
Substitute Auditor	Michelotti Alessandro

Auditing Firm

MAZARS

Company history

Panapesca S.p.A. is an Italian company in which 66% equity interest is held by Vito Panati, 2.7% by Andrea Panati and 31.3% by Mapredil Centro Ovest S.p.A. (real estate firm). The company is specialized in the trade of frozen and deep-frozen seafood (including a minimum part of fresh seafood and frozen products other than seafood).

The Group was able to cover the entire production chain after several years of operation. In the early years (around the 60s), Vito Panati and his wife ran a sole proprietorship company mainly engaged in the trade of fish products, for the most part fresh.

In 1972, an affiliated company was established under the name of “Nuova Panapesca S.r.l” in which Vito Panati held a controlling interest. In the beginning, the company was mainly dedicated to the trade of fresh seafood. Over the years, its turnover grew from about 8 billion Liras in 1975 to about 50 billion Liras in 1980. At this time, the trade in deep-frozen seafood products was becoming increasingly prevalent.

In the 1908s, Nuova Panapesca S.r.l. transferred its business operations to Panapesca S.p.A. and changed its name into “Panafin S.p.A.”, thus becoming the Parent company, with the control of the operating branch Panapesca S.p.A.

Over the years, the branch undertook a process of growth and diversification by setting up various sales outlets, fish cold-storage facilities and processing plants all over Italy. In

2000 Panafin S.p.A. incorporated the operating branch and took on the name of Panapesca S.p.A.

From then on and up to the present day, Panapesca S.p.A. has been consolidating its presence in both end markets and raw materials markets.

As of today, the Group mainly operates in the sector of frozen/deep-frozen seafood and covers all production chain stages that consist in:

- **direct procurement of raw materials** (purchase of fresh seafood from third parties, intra-group purchase or purchase of frozen/deep-frozen seafood from third parties;
- **transformation of raw materials into finished products** ,through one or more of the following stages:
    - **preliminary** operations to prepare the product for the next processing stage;
    - **preservation** of the fresh product through freezing
    - **freezing** of fresh seafood at land - based freezing plants owned by the Group companies.
- **processing of frozen/deep-frozen seafood** (either caught or purchased) **at land-based plants.** This step may involve packaging alone, or thawing to facilitate cutting and further handling, such as cleaning, glazing and subsequent refreezing;
- thawing to enable the preparation of more complex seafood-based products);

- **<u>distribution of frozen/deep-frozen seafood products</u>** (either processed or unprocessed) to its own clients [third parties (wholesalers, mass distribution channels , retailers, end consumers, restaurants, hotels, door - to-door customers) and Group companies for resale purposes].

Panapesca S.p.A. is the Parent company of the Group, which is comprised, as of January 1, 2013, of Panapesca and other 12 subsidiaries (controlled both directly and indirectly) located in the four continents (Europe, Asia, Africa and America).

At the end of 2013, a corporate reorganization process was undertaken with the aim of focusing the Group's efforts towards its "core" business, that is, the trade sector. This involved the split-up of the Argentinean companies (Kaleu Kaleu S.A., Fishing Word S.A., Il Sole S.A., C.A.I.S. S.A) and the transfer of the shares held in the American firm Panapesca Usa Corp and the Moroccan firm, Pamapeche S.a.r.l. As a result, the Group's shipping activity was discontinued and the Group lost its American market.

Reclassified income statement

Income Statement (E/000)	2013A	2012A	Delta	Delta %
REVENUES	**187.561**	**283.262**	**(95.701)**	**33,8%**
Cost of goods sold	(132.439)	(205.692)	73.253	35,6%
Trade margin	**55.122**	**77.570**	**(22.448)**	**28,9%**
First margin	*29,4%*	*27,4%*	*2,0%*	
Other operating costs	(2.767)	(5.033)	2.266	45,0%
Costs of services	(26.119)	(33.520)	7.401	22,1%
Labour costs	(12.787)	(26.951)	14.164	52,6%
EBITDA	**13.449**	**12.066**	**1.383**	**11,5%**
EBITDA Margin	*7,2%*	*4,3%*	*2,9%*	
Depreciations/amortizations	(3.720)	(6.105)	2.385	39,1%
Other provisions	(478)	(445)	(33)	7,4%
Allocations to a provision for restoration	(150)	(42)	(108)	257,1%
EBIT	**9.101**	**5.474**	**3.627**	**66,3%**
EBIT Margin	*4,9%*	*1,9%*	*2,9%*	
Financial operations	(4.749)	(7.950)	3.201	40,3%
Extraordinary items	4.738	1.531	3.207	209,5%
PBT	**9.090**	**(945)**	**10.035**	**1061,9%**
PBT Margin	*4,8%*	*(0,3%)*	*5,2%*	
Income taxes for the period	(874)	(1.808)	934	51,7%
Deferred tax liabilities/ assets	544	832	(288)	34,6%
Net profit	**8.760**	**(1.921)**	**10.681**	**556,0%**
Profit (loss) attributable to minority interest	(66)	40	(106)	265,0%
Group operating profit (loss)	**8.694**	**(1.881)**	**10.575**	**562,2%**
NET Result Margin	*4,6%*	*(0,7%)*	*5,3%*	

Reclassified statement of financial position

Statement of Financial Position (E/000)	2013A	2012A	Delta	Delta %
Trade receivables	40.773	65.410	(24.637)	37,7%
Trade payables	(29.118)	(44.479)	15.361	34,5%
Inventories	29.071	58.627	(29.556)	50,4%
TRADE WORKING CAPITAL	**40.726**	**79.558**	**(38.832)**	**48,8%**
Other current assets	21.652	29.388	(7.736)	26,3%
Other current liabilities	(6.528)	(16.801)	10.273	61,1%
NET WORKING CAPITAL	**55.850**	**92.145**	**(36.295)**	**39,4%**
Tangible fixed assets	32.128	53.578	(21.450)	40,0%
Intangible fixed assets	4.735	1.830	2.905	158,7%
Financial fixed assets	6.195	3.973	2.222	55,9%
GROSS CAPITAL EMPLOYED	**98.908**	**151.526**	**(52.618)**	**34,7%**
Severance indemnity provision (TFR)	(2.594)	(2.864)	270	9,4%
Provisions for risks and charges	(1.126)	(1.146)	20	1,7%
NET CAPITAL EMPLOYED	**95.188**	**147.516**	**(52.328)**	**35,5%**
Current NFP	63.526	98.145	(34.619)	35,3%
Non-current NFP	1.050	11.936	(10.886)	91,2%
NET DEBT TOWARD THIRD PARTIES	**64.576**	**110.081**	**(45.505)**	**41,3%**
Share capital	20.337	24.000	(3.663)	15,3%
Third - party PN	619	731	(112)	15,3%
Reserves	962	14.585	(13.623)	93,4%
Profit /loss brought forward				
Operating result	8.694	(1.881)	10.575	562,2%
NET WORTH	**30.612**	**37.435**	**(6.823)**	**18,2%**
TOTAL SOURCES	**95.188**	**147.516**	**(52.328)**	**35,5%**

PANAPESCA SPA – VIA MAZZINI N. 31 - MASSA E COZZILE (PT) -

SHARE CAPITAL: € 20.337.012 FULLY PAID IN

COMPANIES REGISTRY OF PISTOIA No. / TAX CODE: 00161570478

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PANAPESCA GROUP REPORT ON OPERATIONS RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

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Dear Shareholders,

We hereby wish to report, alongside the information contained in the Financial Statement and the Notes to the Accounts, on further updates and elements regarding the Group's overall situation and the business performance of the companies included in the consolidated financial statements, to which substantial changes were introduced this year.

Brief overview of the group and its business

The companies, to which the organization chart and the financial/economic data provided in the table below refer, represent an integrated, full-cycle group that operates in the fish sector, in particular, frozen seafood products. Panapesca is a leading company in the Italian seafood sector and one of the first groups at European level

The production chain, that includes both the Parent and the subsidiaries, encompasses the following activities: processing, deep-freezing, storage, logistics and multi-channel trading of caught seafood (wholesale, HO.RE.CA. MD), including the management of various retail stores specialised in frozen seafood which, thanks to its many direct and indirect distribution channels, franchising and outlets ran by Mega Surgelati within MD structures, exceed 150 units.

Besides the subsidiaries above, the company has numerous affiliates which, despite the minority interest held, conduct business with a unitary approach to facilitate the development of complementary and synergistic activities between the various entities.

Brief overview of the general economic framework

In 2013 many European countries, including Italy, were adversely affected by a further escalation in the recession and saw a decrease in GDP and investments, flanked by a sharp decline in the food sector (unfortunately still underway in the first months of 2014 as regards Italy). At the same time, these countries saw a rise in the cost of money and were hit hard by the credit crunch.

Nonetheless, the extra - European countries where some of our subsidiaries are located are continuing to grow, although at a slow pace. However, in general, such economical dishomogeneity has caused more trouble than benefits to our Group as the most part of our business is concentrated in the weakest areas.

Group performance

The Group’s consolidated turnover for the period under consideration amounts to € 187.6 million, less than the turnover for the previous period. This is due to the fact that several companies left the perimeter of consolidation, as detailed further on.

In fiscal year 2013, the company’s annual sales revenues amounted to € 186.4 million.

The Group's revenues for fiscal year 2013 are broken down by geographical area and business type in the table below. Figures are compared against those related to the previous year.

	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%
Provision of services	504	909	-405	-44,55%
Total	**186.423**	**279.838**	**-93.415**	**-33,38%**

	31-Dec-2013	31-Dec-2012	Change	Change %
Italy sales	165.606	189.883	-24.277	-12,79%
UE 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%
Total	**186.423**	**279.838**	**-93.415**	**-33,38%**

The decline in the sales volumes related to the two periods under consideration is mainly due to the transfer of Panapesca USA Corp. and the split-up between the Argentinean companies and the Parent, which was necessary, among other things, to enable the Group to focus on its "core business".

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 those of Pana Freezer Center stores are currently on the rise .

The sales volume of the foreign subsidiary Prodimar also remains steady whereas that of Thai Spring Fish has seen an improvement.

Below is a summary of the Group's main operating costs:

	31-Dec -2013	31-Dec -2012	Change	Change %
Purchase of goods in Italy	11.328	10.199	1.129	11,07%
Purchase of goods overseas	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 –in costs	1.106	2.167	-1.061	-48,96%
Porterage and related charges		2.713	-2.713	-100,00%
Other costs:	726	2.166	-1.440	-66,48%
Total	119.914	195.116	-75.202	-38,54%

	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 expenses	1.756	1.388	368	26,51%
Maintenance	997	1.417	-420	-29,64%
Consulting expenses	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 depot owners' fees	396	623	-227	-36,44%
Commissions	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 service provisions	5.544	5.598	-54	-0,96%
Total	26.119	33.520	-7.401	-22,08%

The purchase trend reflects the changes within the consolidation area besides a decline in the Parent's sales volume.

Conversely, the gross operating margin and the total results of operations have been steadily rising, with a profit after tax of €8.7 million against a loss of earnings of €1.9 million in 2012.

Such result, which can be deducted more clearly from the two tables below and those provided in the Notes to the Accounts, is obtained from the algebraic sum of the losses/gains incurred by the Group companies and reflects the profound reorganization process undertaken within the Group itself.

As regards operations, the Group undertook, on the one hand, to increase its sales margin, and on the other hand, to greatly reduce costs by reviewing and improving all is structures, mainly by outsourcing in Italy the majority of its manufacturing processes and warehousing/logistics services.

Further extraordinary operations were included, such as the transfer of equity interests and non-strategic activities. The sale of the equity interests held in Panapesca USA Corp and Pamapeche S.a.r.l., allowed the achievement of substantial capital gains.

Furthermore, agreements related to the transfer of the entire Gaeta plant premises were concluded over the past days. The plant ceased all production activities in April 2013. It is estimated that this transfer, which should occur in two tranches, will result in an increase in the Group's liquidity, as well as a reduction in debt (a part of the plant is leased) and good profit margins.

In December 2013 the Parent formalized the split-up of the Argentinean subsidiaries, whose equity interests were attributed to the newly established enterprise Panaholding Argentina Srl, as described more in detail in the Notes to the Accounts.

The Argentinean companies formalized agreements with a local entrepreneur for the establishment of a new company (Food Arts S.a.), to which all our former subsidiaries' shipping and industrial activities were gradually transferred. Such subsidiaries will be no longer operational once the incorporation process is completed.

The above will not affect the Parent's commercial operations; as a matter of fact, it will remain a privileged customer as well as a natural sales market for manufacturing process that will continue to be carried out in Argentina.

The statement of financial position remains well - balanced, although a marked decrease in the main asset and liability items can be observed, mostly due to the changes that occurred within the Group's organization structure.

At the same time, a further decrease in the company's bank liabilities by more than 30 million Euros was reported for the period under consideration, which, added to the reduction in the previous period, amounts to 50 million Euros. It is estimated that such trend will continue through 2014.

Panapesca, the Parent company, is currently formalising an agreement with various banking institutions aimed at maintaining its current lines of credit to ensure regular and continuous operations.

Key Figures

For a better understanding of the Group's results of operations, net income and financial position, the following key figures are provided below:

KEY FIGURES (K€)	2012	2013
Ricavi	283.262	187.561
Ebitda	12.066	13.449
Ebitda%	4,3%	7,2%
PFN	(110.081)	(64.576)
PN	37.435	30.612
N. dipendenti	1.159	684

The decline in the sales volume should be assessed taking into account that several companies left the consolidation perimeter, as mentioned previously. Nonetheless, a sharp increase in the EBITDA percentage (from 4.3% in 2012 to 7.2% in 2013) was reported, resulting in an increased value also in absolute terms.

Such variation mainly depended on the following factors:

- The EBITDA of Panapesca SpA, the company that has the major influence on the consolidated financial statements, grew from 3.9 % to 6.2% in 2013. This was possible thanks to an effective client selection process, where the Group privileged "retail" operators (that is, the link of the distribution chain that enables the achievement of the best profit margins), as well as a reduction in costs by streamlining warehouse management processes and outsourcing several manufacturing phases
- The exit from the perimeter of consolidation of Panapesca USA Corp, characterized by a lower EBITDA % compared to the average one of the Group.

The Group's financial position reflects considerable improvements, as detailed in the tables below.

The decrease in the number of employees was due to both the changes within the Group, as mentioned previously (at the end of 2013 more than 300 employees were reportedly working in the Argentinean companies), and the major reorganization process undertaken by the Parent over the period under consideration.

Changes in the perimeter of consolidation

Following the transfer of the shares held in PanaUsa Corp, Pamapeche S.a.r.l. and the split-up of the Argentinean companies, major changes occurred to the consolidation area. The figures below, related to the foregoing companies, allows for a comparison between the consolidated financial statements for the period under consideration and those for the previous period.

	Consolidated Fin. Statements 2012	Changes in the consolidation area	Pro-forma consolidated Fin. Statements 2012	Consolidated Fin. Statements 2013
Short term assets	157.341	-51.085	106.256	106.843
Fixed assets	67.256	-18.957	48.299	50.522
tot. Assets	**224.597**	**-70.042**	**154.555**	**157.365**
Short term liabilities	167.875	-48.769	119.106	109.961
Medium - long term liabilities	19.287	-54	19.233	16.792
Net worth	37.435	-21.219	16.216	30.612
tot. Liabilities	**224.597**	**-70.042**	**154.555**	**157.365**
Net revenue	283.262	-75.529	207.733	187.561
Operating costs	-277.788	74.850	-202.938	-178.460
Operating income	**5.474**	**-679**	**4.795**	**9.101**
Operating result	**-1.881**	**2.188**	**307**	**8.694**

Company Policy

Panapesca, as stated in the relevant Annual Report, is mainly oriented towards the commercial sector, in particular, the trade in high - quality products. In order to cope with fierce and growing competition, mainly pertaining to the supplies to MD (all major chains have now become our clients), it is advisable for the companies to have their own production facilities primarily in the areas of origin of the raw materials (caught fish). For the Group, this is made possible thanks to its subsidiaries and affiliates located in the four continents (Europe, Africa, Asia and America).

Sales analysis

Please refer to the tables included in the Notes to the Accounts.

Management of financial, foreign exchange and credit risks

The Group makes use of financial instruments to manage exposure to foreign exchange risk deriving from the impact of exchange rate fluctuation on transactions related to the supply of goods expressed in a currency other than its domestic currency.

The above financial instruments are solely comprised of forward foreign exchange contracts; such transactions have the goal of obtaining generic risk coverage and are recognized in the Financial Statements based on the Euro/foreign currency exchange rate set for each transaction.

Raw materials and products that are normally invoiced in US Dollars are purchased under a forward exchange contract in order to set sales prices and prices lists with certainty.

Also, a partial coverage agreement stipulated with BNP/BNL for risks associated with interest rate fluctuation is currently in force. It relates to a finance lease for our Gaeta plant that will be reduced and eventually extinguished through the transfer of the same (as mentioned previously), with the consequent termination of the relative lease.

The Group companies stipulated various insurance policies to cover credit losses relative to third - party trade receivables. The Parent has a contract with Coface, a leading French insurance company that offers 90% coverage.

Net financial position

Below is a description of the Group's net financial position according to the most accredited policy (IRCDEC, doc. 22/10/2013):

LEGENDA:

NET FINANCIAL POSITION (€)	31/12/13	31/12/12	Changes
a) Cash and cash equivalents readily available (< 3 months)	**3.192**	**2.864**	**328**
b) Short - term financial assets (< 12 months)	**8.104**	**6.212**	**1.892**
Short term financial receivables	7.483	1.052	6.431
Short-term financial receivables due from subsidiaries/affiliates	621	5.160	(4.539)
c) Medium /long term financial assets (>12 months)	**11.515**	**2.715**	**8.799**
Medium/long term financial receivables	11.014	2.215	8.799
Medium/long term securities	501	500	1
TOTAL FINANCIAL ASSETS (a+b+c)	**22.811**	**11.791**	**11.019**
d) Short-term financial liabilities	**74.822**	**107.221**	**(32.399)**
Short-term debt owed to banks	74.165	106.589	(32.424)
Short-term debt owed to other financial institutions	657	632	25
e) Medium/long term financial liabilities	**12.565**	**14.651**	**2.086**
Medium/long-term debt owed to banks	4.904	6.333	(1.429)
Medium/long-term debt owed to other financial institutions	7.661	8.318	(657)
TOTAL FINANCIAL LIABILITIES (d+e)	**87.387**	**121.872**	**(34.485)**
SHORT TERM net financial position			
1st level net financial position (a-d) *2nd level net financial position (a+b)-d*	*(9.373)* *(1.269)*	*(11.787)* *(5.575)*	*2.414* *4.306*
LONG TERM net financial position			
1st level net financial position (a) –(d+e) *2nd level net financial position (a+b)-(d+e)* *Total net financial position (a+b+c)-(d+e)*	*(84.195)* *(76.091)* *(64.576)*	*(119.008)* *(112.796)* *(110.081)*	*(34.813)* *(36.705)* *45.504*

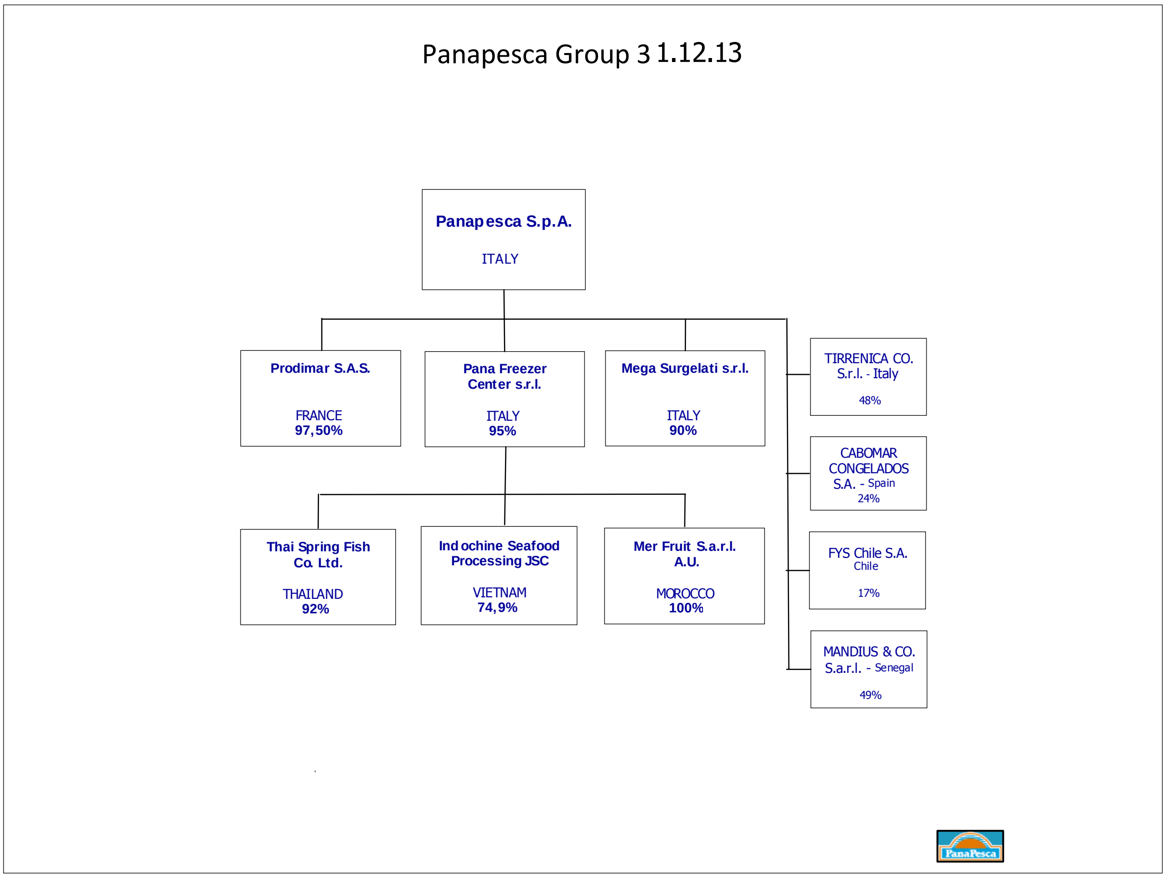
Subsidiaries

Below is a summary of the main figures recognised in the statement of financial position and income statement of Panapesca Spa and its subsidiaries as at 31/12/2013.

	PANAPESCA	MEGA SURG.	P.FREEZER	PRODIMAR	MER FRUIT	THAI SPRING
ASSETS						
Amounts due from shareholders						
Fixed assets	22.034	724	566	102	325	3.780
Other fixed assets	21.773			1.526	7	
Current assets	96.957	4.009	1.003	3.152	812	7.927
Other short-term assets	1.104	3	17	8	1	18
TOTAL ASSETS	**141.868**	**4.736**	**1.586**	**4.788**	**1.145**	**11.725**
LIABILITIES						
Net worth	28.759	554	491	3.059	710	5.858
Medium/long term debt	5.341		5			
Short-term debt	103.580	4.056	1.076	1.724	434	5.544
Other liabilities and provisions	4.188	126	14	5	1	323
TOTAL LIABILITIES	**141.868**	**4.736**	**1.586**	**4.788**	**1.145**	**11.725**
INCOME STATEMENT						
Value of production	170.312	10.673	3.646	7.417	3.006	14.972
Production costs	-151.198	-8.621	-3.466	-6.628	-2.830	-12.078
Labour costs	-8.673	-1.704	-146	-422	-100	-1.722
Gross operating margin	**10.441**	**348**	**34**	**347**	**76**	**1.172**
Depreciations and allocations	-2.748	-241	-134	-39	-53	-462
Net operating margin	**7.693**	**107**	**-100**	**308**	**23**	**710**
Financial operations	-4.722	-51		-32	1	257
Extraordinary items	2.585		-7	-14	-5	-1
Earnings before tax	**5.556**	**56**	**-107**	**262**	**19**	**966**

Relationships with subsidiaries, affiliates, controlling and related companies.

For the sake of clarity, the Group's organization chart is provided below.



It should be noted that:

- Reciprocal credit and debit relationships, of both commercial and financial nature, exist between the various Group companies.
- Relationships of financial nature relate to loans granted by Panapesca S.p.a. to Prodimar and Cabomar (affiliate). All transactions are made at fair market value.
- No cross - holdings are reported;

- The Group companies, including the Parent, do not hold treasury shares, stock or shares in controlling companies acquired, for example, through a trust company or a third person.

As regards relationships with related companies as at 31/12/2013, leasing contracts stipulated between Panapesca S.p.a. (leaseholder) and Mapredil Centro Ovest S.p.a. (lessor) are currently in existence. These contracts relate to the lease of stores in Trieste and Ostia Lido, as well as two warehouses located in Massa e Cozzile in Via Mazzini n. 28/c and n. 30/B, an apartment in Gaeta and the Massarosa plant. Such relationships fall within the scope of ordinary business and are governed by normal market conditions.

Furthermore, reciprocal debit/credit relationships are currently in force between Panapesca S.p.a. and its former Argentinean subsidiaries. Such relationships are of commercial nature and relate to advances for supplies, as outlined more in detail in the Notes to the Accounts.

Research and development activities – environmental impact

Pursuant to art. 2428 of the Civil Code, 2nd paragraph, No. 1, we hereby specify that no particular research and development activities were carried out by the company in 2013, apart from those foreseen by the current regulations regarding enhancement of operativeness in the various workplaces, as well as the upgrade of the production facilities. In this respect, new machines were installed in various plants

A hygiene self – control system based on HACCP principles was implemented in the production facilities, with the aim of complying with food health and hygiene standards.

All facilities implemented a quality management system, thanks to which they obtained the UNI EN ISO 9001/2008 certification by Certiquality.

All our manufacturing processes are EC certified.

The business carried out by the company does not involve any particular environmental risk, except for the obligation, for each facility, to properly dispose of production waste and scrap. Such activities are entrusted to external specialised companies.

Staff

The total number of employees working in the Group companies amounts to 684, as detailed in the Notes to the Accounts. Such number saw a significant decline compared to the previous period.

No workplace fatalities or accidents resulting in serious or extremely severe injuries to staff members registered in the company's employee register occurred during the period under consideration.

Also, no costs associated with work-related occupational disease or mobbing incidents were reported.

During the period under consideration, the companies duly implemented the mandatory first-aid training programmes, along with Fire Fighting updating training for staff concerned.

Additional information

It should be noted that, pursuant to art. 2428 of the Civil Code, Panapesca SpA carries out its business at the Massa e Cozzile (PT) headquarters and at the warehouses situated in Origgio (VA), Ciampino (Rome), Teramo, Milan, Massarosa (LU), Naples, Caserta, Leghorn, Sassari and Sestu (CA), some of which are managed directly and others via managed services.

The Italian subsidiary Mega Surgelati carries out business at its own headquarters in Ciampino (Rome).

Pana Freezer Center headquarters are situated in Massa and Cozzile (PT), in the same facility where the Parent company also operates.

The Group's overseas subsidiaries conduct business at their own headquarters in their countries of origin.

Significant events after fiscal year end and business outlook

The corporate reorganization process referenced herein extended into 2014 with the implementation of the outsourcing project related to the Group's warehouse/logistics services at the Massa and Cozzile plant (besides the completion of the production process reorganization), entrusted to an external specialised firm.

Moreover, in the past few days, the Group finalised the agreements related to the transfer of the first tranche (about 60%) of the Gaeta plant premises.

Ongoing contacts with various banks are underway in view of finalising, as soon as possible, the final agreement which will allow the Group to maintain its current line of credit and continue with its business operations.

Both Panapesca and the Group's income statement reported a positive result, as well as an improvement with respect to the same period last year.

Thanks to the measures already adopted (currently being formalised) and the recently approved business plan, we are confident, also in view of a slight economic improvement, that the company and the Group, on the basis of their 40+ years of experience, will jointly succeed in consolidating and expanding business within their specific sector of reference.