



GCL HOLDINGS S.C.A. and Subsidiaries

**2013 Annual Report and
Consolidated financial statements for the
year ended December 31, 2013
(with the report of the Réviseur
d'Entreprises agréé thereon)**

Luxembourg, April 30, 2014

Registered and administrative office:
11-13 Boulevard de la Foire
L-1528 Luxembourg
Share capital € 141,217.50 fully paid-up
Register of Commerce & Companies of Luxembourg
section B, number 141 684

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Company officers

Managing shareholder:

GCL Holdings GP S.à.r.l., with the following board of directors:

- Gianni Ferrari
- Luciano Hassan
- Kunal Pandit
- Valentina Dadda
- Seiji Amino
- Francesco Molaro

Supervisory Board:

- Kenneth Lohsen
- Sandra De Garay
- Dominique Audia

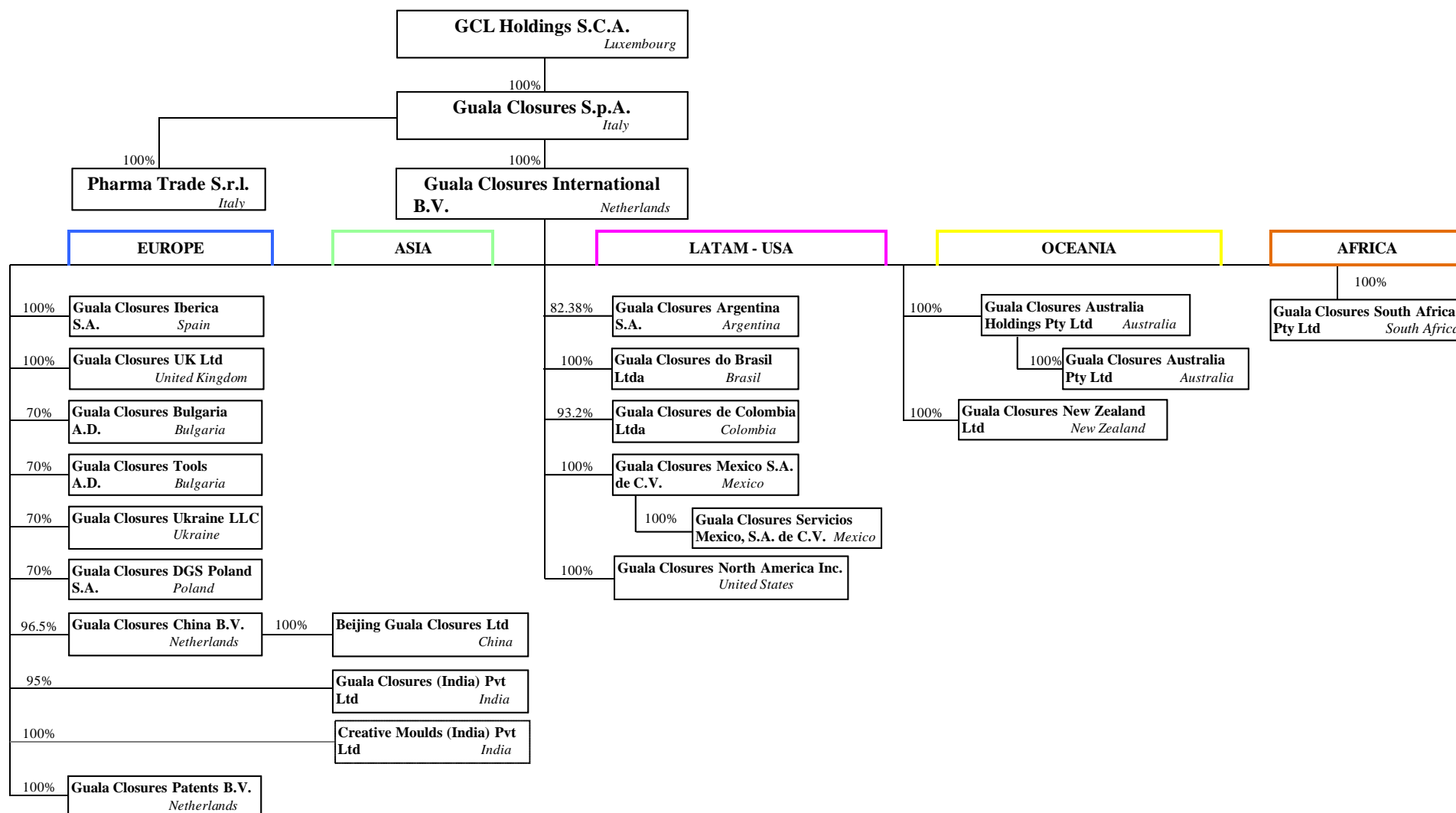
Auditors

KPMG Luxembourg S.à r.l.

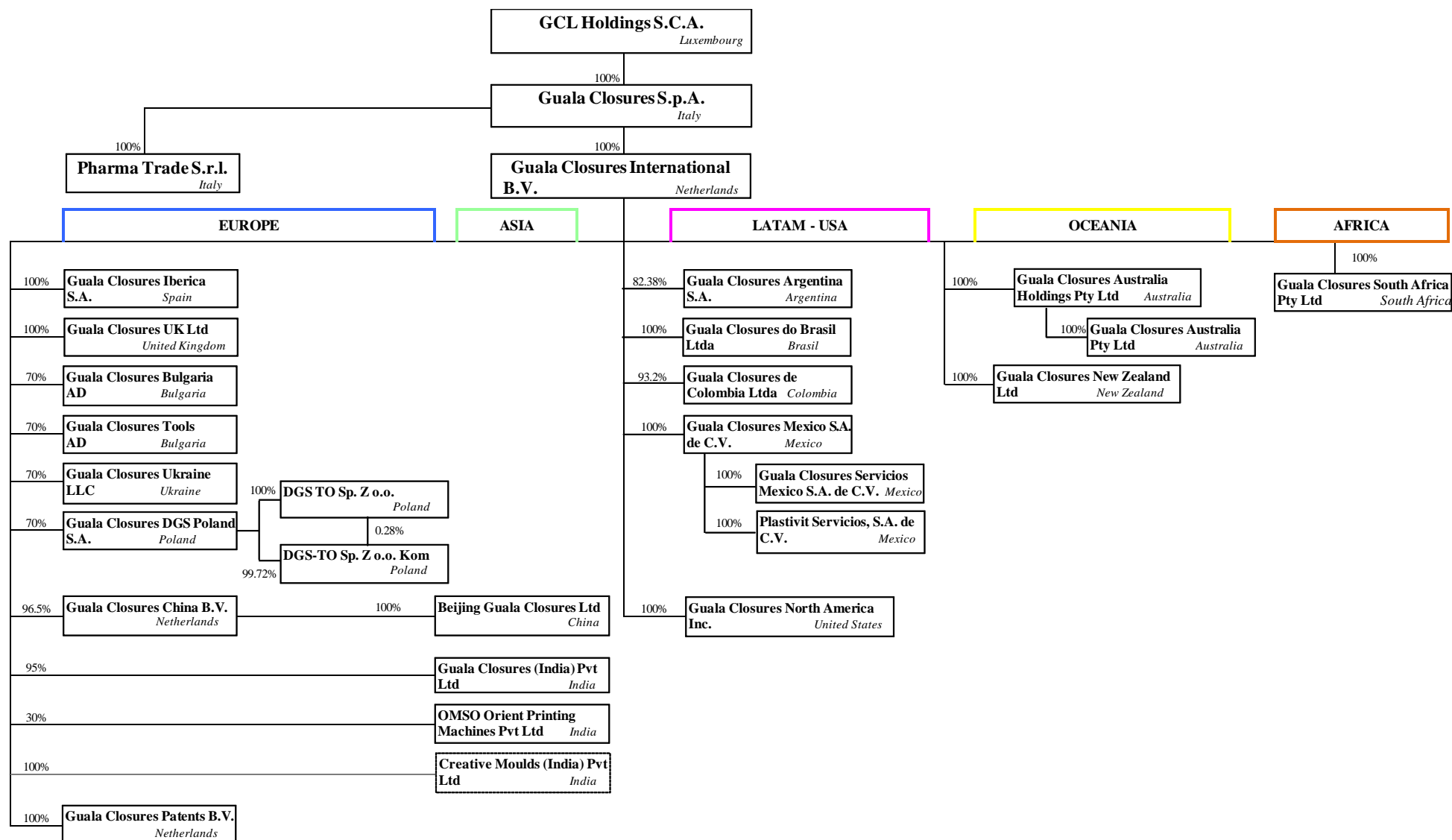
**The structure of GCL Holdings S.C.A.
and Subsidiaries
(GCL Holdings Group)**



December 31, 2013



December 31, 2012



Directors' report



GCL Holdings Group

Key figures

Consolidated figures	2012	2013
Revenue:	€ 497.1 ml	€ 494.3 ml (-0.6%)
Adjusted gross operating profit (adjusted EBITDA):	€ 103.0 ml	€ 102.0 ml (-1.0%)
Employees:	3,936	3,957
Plants:	25 plants and 4 sale offices in 17 countries on 5 continents	
Patents:	more than 80	

Note:

Reference should be made to the section "Performance indicators" in this Director's report on page 15 for information about the Group's performance indicators, such as Adjusted gross operating profit (Adjusted EBITDA)

GCL Holdings Group is composed by GCL Holdings S.C.A. and Subsidiaries as indicated in the Group structure on page 6.

GCL Holdings Group is a leading multinational company manufacturing closures for spirits, wine and non-alcoholic drinks such as water, olive oil and vinegar, as well as pharma. The Group is also active in the field of production of PET plastic preforms and bottles.

Thanks to the policy of continuous product development, the Group is the world leader in "non-refillable" closures which are an instrument against adulteration and counterfeiting of liquids; these closures protect the quality and the reputation of the most important international brands in the areas of alcoholic beverages, soft drinks, wine, oil, pharmaceuticals and cosmetics.

Events of the year and strategies

In 2013, the Group was strongly penalized by a negative translation impact due to the strengthening of Euro versus the main group currencies.

At constant foreign exchange rates, the Group continued to grow, delivering 4.5% sales growth and a 4.3% increase in adjusted gross operating profit (adjusted EBITDA - excluding one-off items).

These performances have been achieved thanks to the measures implemented to improve the operating efficiency and to contain costs, the investments made to improve technology, the ability to roll out new products onto the market and the capability to direct its investments to best meet customer requirements.

The following transactions took place in 2013:

 **Merger of Polish companies:**

In January 2013, the shareholders' meeting of DGS-TO Sp. Z o.o. adopted a resolution for the merger of Guala Closures DGS Poland S.A. and DGS-TO Sp. Z o.o..

In the same month, the shareholders' meeting of DGS-TO Sp. Z o.o. Kom adopted a resolution for the merger of Guala Closures DGS Poland S.A. and DGS-TO Sp. Z o.o. Kom.

On February 7, 2013, both mergers were registered in the Polish National Court Registry.

These mergers had no impact on the consolidated figures.

 **Company liquidation:**

In July 2013, the shareholders' meeting of Plastivit Servicios, S.A. de C.V. resolved on the liquidation of the company.

 **Payment of the final consideration for the acquisition of the Metal Closures division of the South African MCG Industries:**

On October 1, 2013, the Group paid the final consideration (40 million Rand, € 2.9 million) for the acquisition of the Metal Closures division of the South African MCG Industries, as provided for in the purchase agreement.

No additional Purchase Consideration based on the gross operating profit of the business for the twelve-month period ending April 30, 2013 was due.

 **Transfer of shares of Orient Printing Machines Pvt Ltd:**

On December 17, 2013, the Group sold all its shares representing 30% of the capital of the Indian company OMSO Orient Printing Machines Pvt Ltd for an amount of € 250 thousand: the Group collected € 50 thousand in 2013 and the remaining amount will be collected in 3 tranches in 2014.

 **2013 investments:**

During 2013, the Group invested about € 31 million (net capex, net of change in payable for capex) (about € 26 million in 2012), in order to support future growth.

Research and development

The Group has more than 80 active patents.

The Group's research and development activities in 2013 resulted in the study and development of new products in response to market needs and opportunities identified by the marketing department and in response to specific customer demands.

Projects on both individual brands and specific product areas have been developed for different market sectors with particular attention to medium and premium brands sector including spirits and wine. New projects for revamping existing products and the olive oil sector have been completed.

This has resulted in certain important production roll-outs and the completion of the related development activities for products that will enter production in 2014.

2013 projects included the launch of special products developed together with customers to give value to specific premium spirits brands with the use of the same aesthetic solution for all market needs and bottle sizes or repack solutions improving their presentation and functionality, as well as the development of new technologies to improve the aesthetic impact of the product.

Other key R&D activities carried out during the year and that will continue through 2014 include:

- extensive research to improve the security of our customer products against counterfeiting, using electronic devices and chemical components included in our products;
- material and processes research, aimed principally at reducing the environmental impact of the packaging to encourage sustainable growth with particular attention to the use of sustainable raw materials;
- development of new products and customizations of existing products for the spirits, premium mineral waters, beverages and the olive oil markets.

Research expenditure is expensed while development expenditure is capitalized, in accordance with the IFRS.

During 2013, research expenditure of roughly € 0.3 million was expensed; capitalized development expenditure approximated € 0.9 million.

Legal disputes

The Group continues its tireless defense of its patents against counterfeit products. Successful outcomes were achieved against competitors in many countries, where the legal disputes demonstrated the importance and validity of our patents.

The Group currently has ongoing lawsuits to protect its patents, mainly in Turkey and Germany.

Policies for financial and other business risk management

Reference should be made to note 24) Financial derivative liabilities to the consolidated financial statements for further information on derivatives in place at December 31, 2013 and the related accounting treatment and to note 40) Fair value of financial instruments and sensitivity analysis for other financial instruments and risk management policies.

Interest rate risk

Guala Closures S.p.A. has three interest rate swaps in place at December 31, 2013 to hedge floating interest rates on bank loans. Following the refinancing operations dated November 2012, these interest rate swaps entered into in 2011 for hedging purposes no longer meet the formal requirements of IAS 39 and, therefore, they have been recognized as trading instruments.

It also has two interest rate swaps in place at the same date to hedge the floating interest rates on the property finance lease. These derivatives meet the formal requirements of IAS 39 at the reporting date and have been recognized as hedging instruments.

Currency risk

The Group manages the currency risk using hedges that provide for the forward purchase or sale of foreign currency when significant differences are noted between cost and revenue in foreign currency. At the reporting date, no contracts are in place.

Risk of fluctuation in raw materials prices

The Group hedges the risk of fluctuations in the purchase price of raw materials, aluminum in particular, through forward purchases of aluminum on the London Metal Exchange.

At December 31, 2013, it has twenty-nine contracts for the forward purchase of aluminum, for a total of 8,100 tons, spread over various maturity dates based on forecast monthly requirements.

Pursuant to article 2428.1.6-*bis.b* of the Italian Civil Code, we note that potential price-related issues are a result of the aluminum price trend, which has fluctuated wildly and prevented the Group from offering customers consistent and stable sales prices.

Credit risk

With regard to credit risk, the customer type and their historical soundness and the types of contracts mean that the Group is not exposed to significant credit risks and the consequent impacts on the expected cash flows.

 **Business risk**

As concerns business risks (such as risks related to international trade and transactions in emerging markets and at-risk countries), the Group currently operates across numerous markets and plans to expand its activities to developing Eastern Europe, Asian and Latin American countries. Operating in emerging markets exposes the Group to international business risks, such as exposure to local political and economic situations, which can sometimes be unstable, exchange rate fluctuations and related hedging issues, and potential export and import limitations.

Results of operations, financial position and cash flows of GCL Holdings Group

Performance indicators

In addition to the financial performance indicators required by IFRS, this Director's report and the notes to the consolidated financial statements include some additional indicators (EBITDA, Adjusted EBITDA and Net financial indebtedness) which are not required by IFRS, but are based on IFRS values.

These indicators are shown in order to provide a better understanding of the Group's economic and financial performance and should not be considered as substitutes of IFRS indicators.

Gross operating profit (EBITDA) is calculated as profit before amortization/depreciation, and impairment losses of current and non-current assets, as reported in the table of reclassified statement of comprehensive income.

Adjusted EBITDA is calculated in order to sterilize the impact of non-recurring items on EBITDA.

In 2013, EBITDA was impacted by € 1.0 million of non-recurring costs, of which € 0.3 million of M&A activities and € 0.7 million costs for the rationalization of the production structure and other costs.

In 2012, EBITDA was impacted by € 6.5 million of non-recurring costs, of which € 1.4 million of M&A activities, € 4.6 million costs for the rationalization of the production structure and € 0.5 million of other costs.

Net financial indebtedness consists of financial liabilities minus cash and cash equivalents, as well as financial assets.

Results of operations

The table below shows the reclassified consolidated statement of comprehensive income:

Reclassified consolidated statement of comprehensive income

(Thousands of Euros)

	2012 (*)	% of total revenue	2013	% of total revenue
Net revenue	497,065		494,276	
Change in inventories of finished goods and semi-finished products	472		3,902	
Total revenue	497,537	100.0%	498,179	100.0%
Other operating income	8,777	1.8%	13,161	2.6%
Costs for raw materials	(212,446)	(42.7%)	(213,203)	(42.8%)
Costs for services	(92,949)	(18.7%)	(94,673)	(19.0%)
Personnel expense	(89,331)	(18.0%)	(92,154)	(18.5%)
Other operating expense	(15,080)	(3.0%)	(10,263)	(2.1%)
Gross operating profit (EBITDA)	96,507	19.4%	101,048	20.3%
Amortization, depreciation and impairment losses	(40,008)	(8.0%)	(39,309)	(7.9%)
Operating profit	56,500	11.4%	61,739	12.4%
Financial income	7,910	1.6%	4,227	0.8%
Financial expense	(62,588)	(12.6%)	(60,783)	(12.2%)
Profit before taxation	1,821	0.4%	5,183	1.0%
Income taxes	(22,025)	(4.4%)	(16,809)	(3.4%)
Loss for the year	(20,203)	(4.1%)	(11,626)	(2.3%)

Source: financial statements figures

Adjusted EBITDA	103,036	20.7%	102,015	20.5%
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Notes:

- (*) Following the retrospective application of the amendment to IAS 19 from January 1, 2013, the figures reported for 2012 have been restated for comparative purposes as required by IAS 1. Reference should be made to the section "Changes in accounting standards" for further details.
- Adjusted EBITDA has been calculated excluding one-off items incurred during the year as described above.
- 2013 figures include the impact of the acquisition of the South African company for 12 months in 2013 (3 months in 2012). The comparative analysis between 2013 and 2012 figures has therefore been made on the ratio of Total revenue instead of the absolute values.

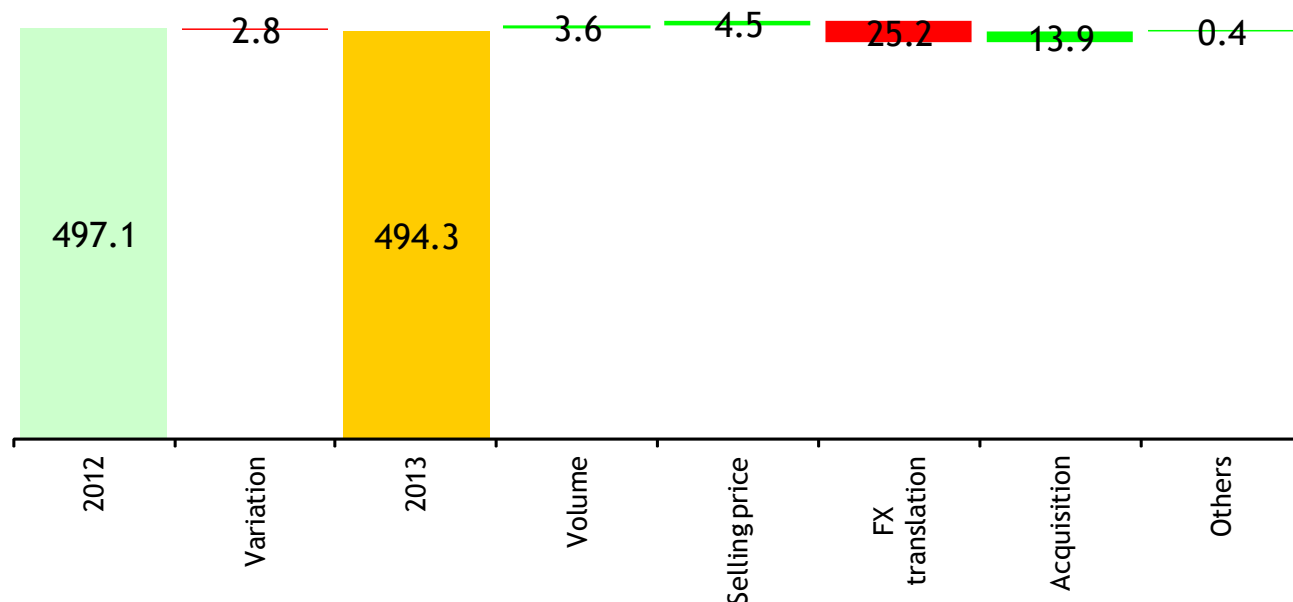
Net revenue

In 2013, consolidated net revenue was € 494.3 million, down € 2.8 million or (0.6%) on 2012 due to the significant negative translation impact (€ 25.2 million) following the Euro's revaluation versus the main currencies in which the Group operates.

At constant FX rates, net revenue was up € 22.5 million or 4.5% on 2012, of which 1.7% organic growth and 2.8% from the change in consolidation scope (consolidation of the South African business for 12 months in 2013 compared to 3 months in 2012).

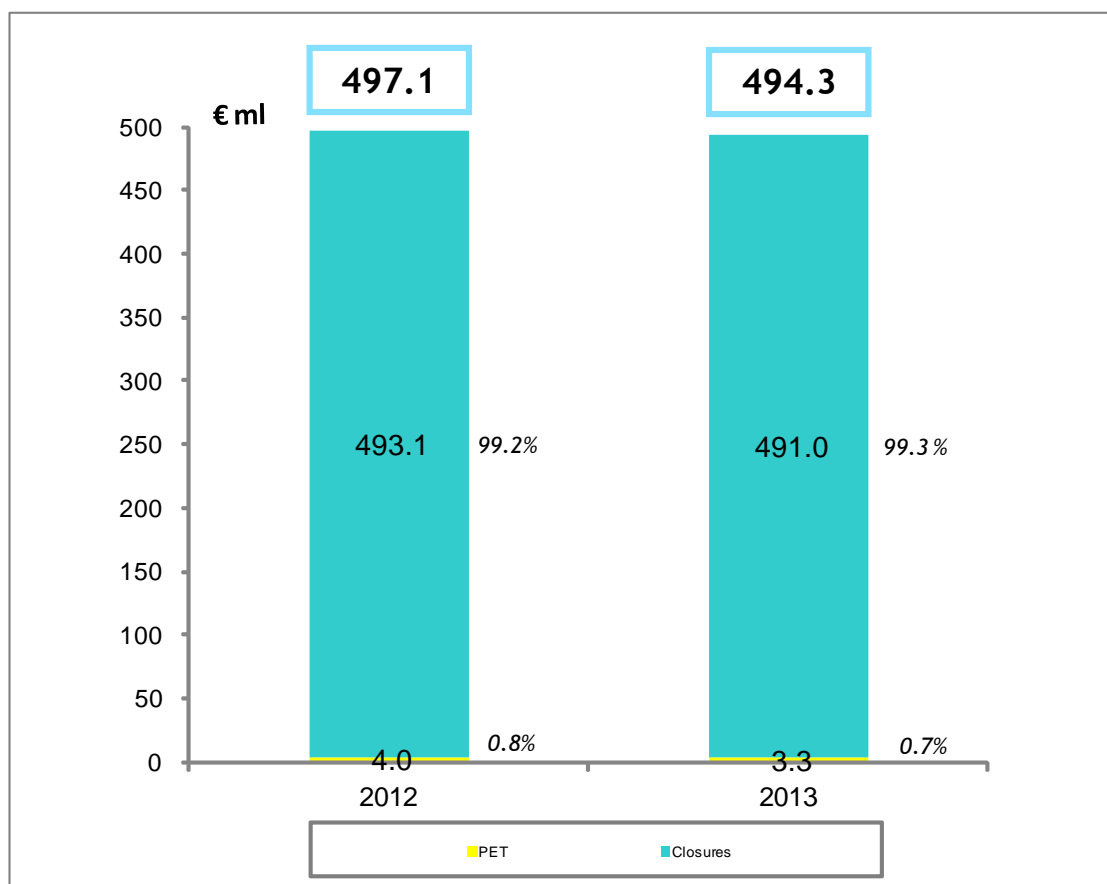
The organic growth (1.7%) was mainly due to higher sales volumes and/or increase in selling prices in Argentina, Poland, India, Mexico, United Kingdom and Bulgaria, due to the further penetration of safety closures and to the continuous changeover from cork to aluminum closures for wine bottles.

The graph below shows the difference between 2013 and 2012 net revenue:



Net revenue by division

The following graph gives a breakdown of revenue by division:



Source: sales statistics

The Closures division represents the Group's core business (99.3% of net revenue), specialized in the following product lines: safety closures, decorative closures, winecaps closures, standard closures, Pharma and other revenue.

The Closures division's revenue decreased from € 493.1 million in 2012 to € 491.0 million in 2013, representing a decrease of € 2.1 million, due to the significant negative translation impact (€ 25.2 million). At constant FX rate, net revenue was up € 23.2 million or 4.7% on 2012.

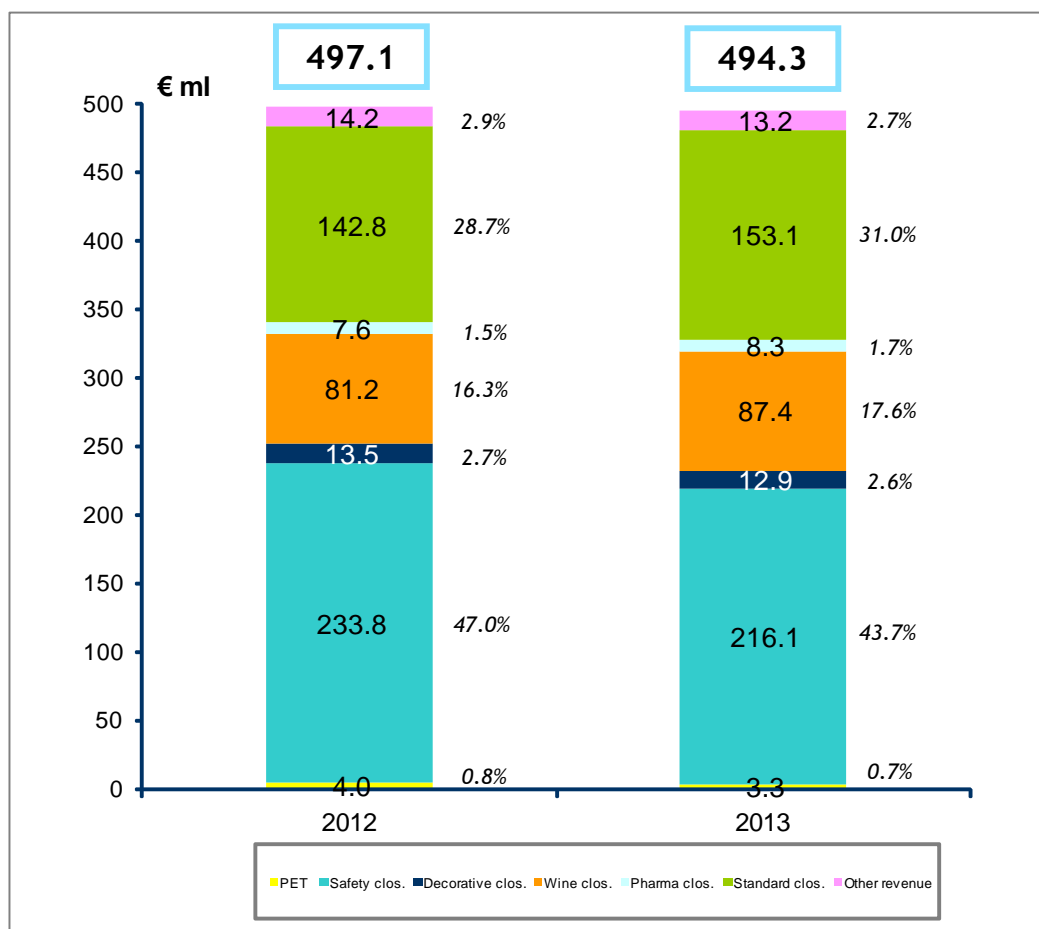
The PET division mainly produces standard and custom moulds, PET bottles and miniatures. This division is no longer considered a core business.

The PET division's revenue decreased from € 4.0 million in 2012 to € 3.3 million in 2013, representing a decrease of € 0.7 million (as a percentage, it remains stable at 0.7%). The PET division's revenue was solely generated by the PET operations in Spain.

As the PET division is not significant in size, it is not analyzed in this Director's report.

Net revenue by product

The following graph gives a breakdown of closures revenue by product:



Source: sales statistics

Safety closures revenue decreased from € 233.8 million in 2012, or 47.0% of net revenue, to € 216.1 million in 2013, or 43.7%, representing a decrease of € 17.7 million, mainly due to the significant negative translation impact (€ 13.9 million) and to the negative impact of lower exports to China due to the decline in alcohol consumption in the Chinese market mainly due to the Government public austerity measures.

Decorative closures revenue decreased from € 13.5 million in 2012 to € 12.9 million in 2013 (stable at 2.6% of net revenue), representing a decrease of € 0.6 million, due to the negative translation impact (€ 0.6 million) and have been mainly produced in the United Kingdom.

Wine closures revenue increased from € 81.2 million in 2012, or 16.3% of net revenue, to € 87.4 million in 2013, or 17.6%, representing an increase of € 6.2 million, despite the negative translation impact (€ 5.3 million).

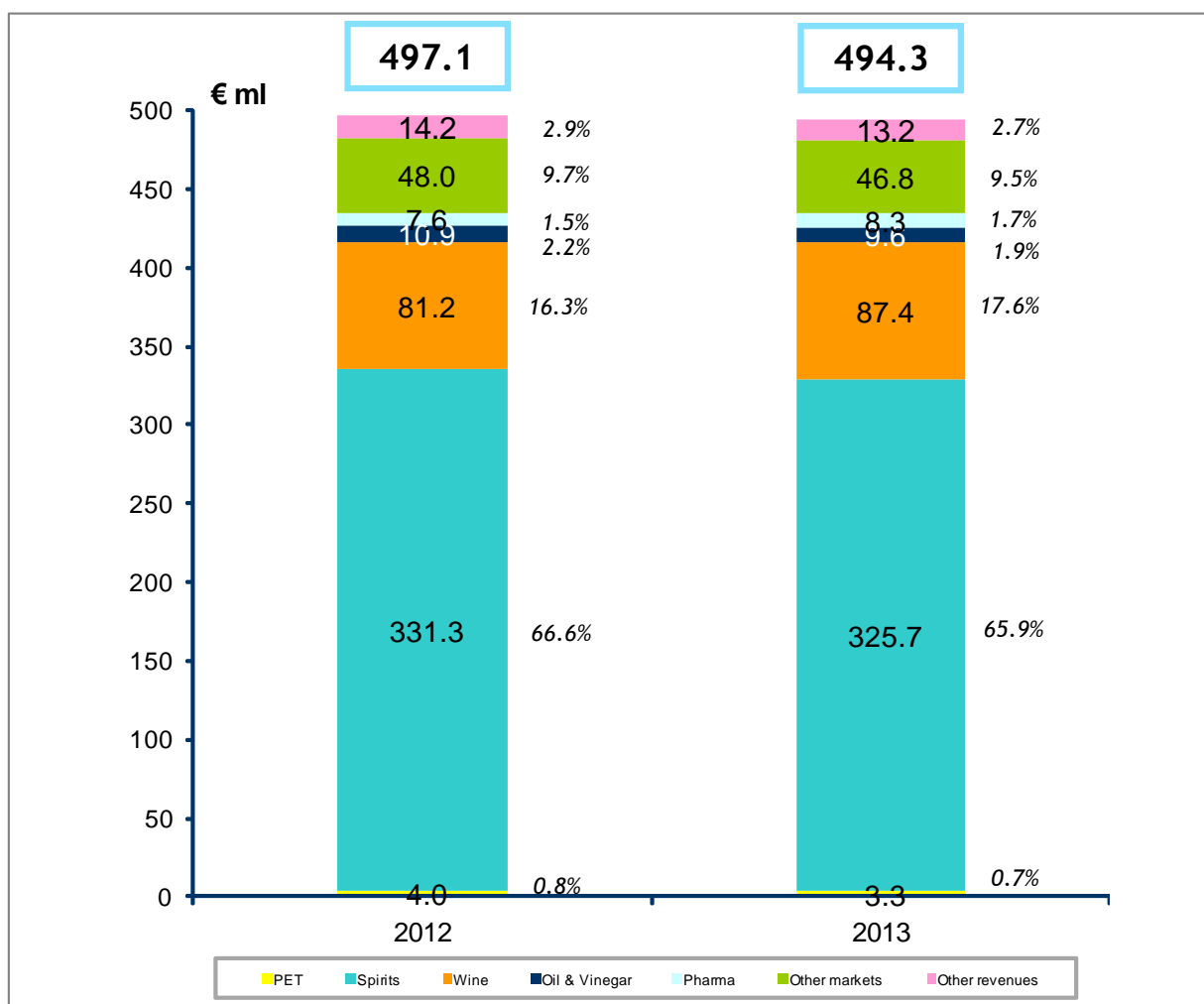
At constant FX rates, net revenue was up € 11.4 million or 14.1% on 2012, including € 6.3 million from the change in the consolidation scope following the consolidation of the South African business for 12 months in 2013 (3 months in 2012).

Pharma closures revenue increased from € 7.6 million in 2012, or 1.5% of net revenue, to € 8.3 million in 2013, or 1.7%, representing an increase of € 0.7 million. The increase was mainly due to the consolidation of the South African business for 12 months in 2013 (3 months in 2012).

Standard closures and other revenue increased from € 157.0 million in 2012, or 31.6% of net revenue, to € 166.3 million in 2013, or 33.6%, representing an increase of € 9.2 million, despite the negative translation impact (€ 5.4 million). At constant FX rates, net revenue was up € 14.7 million or 9.3% on 2012, including € 6.7 million from the change in the consolidation scope following the consolidation of the South African business for 12 months in 2013 (3 months in 2012).

Net revenue by destination market

The following graph gives a breakdown of closures revenue by destination market:



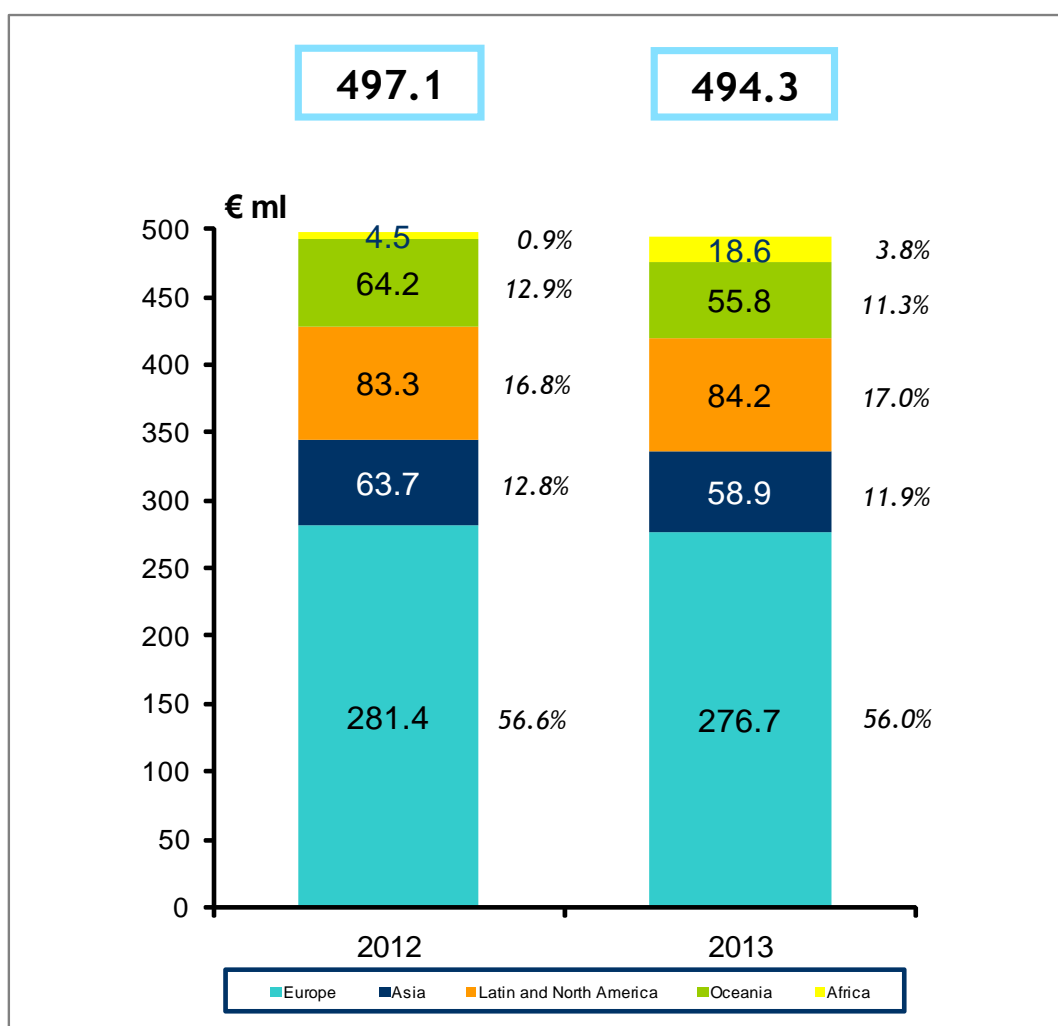
Source: sales statistics

The comparison of sale by destination market between 2013 and 2012 is impacted by the significant translation impact (€ 25.2 million) which penalized revenue in 2013.

The most important destination market for the group sales remains the spirits market, which has been penalized in 2013 by € 18 million of negative translation impact.

Net revenue by geographical segment

The graph below illustrates the geographic distribution of net revenue based on the geographical location from which the product is sold by the group companies:



Source: financial statements figures

Net revenue from operations in Europe decreased from € 281.4 million in 2012, or 56.6% of net revenue, to € 276.7 million in 2013, or 56.0%, representing a decrease of € 4.7 million, mainly due to the negative translation impact (€ 4.1 million) and to lower exports to China due to the decline in alcohol consumption in the Chinese market.

Net revenue from operations in Asia decreased from € 63.7 million in 2012, or 12.8% of net revenue, to € 58.9 million in 2013, or 11.9%, representing a decrease of € 4.8 million due to the negative translation impact (€ 6.9 million) and to the decline in alcohol consumption in China mainly due to the Government public austerity measures. At constant FX rates, net revenue was up € 2.1 million or 3.4% on 2012 mainly due to the increase in the demand for the Nip Cap in new areas and for new brands.

Net revenue from operations in Latin and North America increased from € 83.3 million in 2012, or 16.8% of net revenue, to € 84.2 million in 2013, or 17.0%, representing an increase of € 0.9 million. Net revenue in this area was negatively impacted by € 8.5 million of translation impact. Excluding the FX impact, the net revenue of this area increased by € 9.5 million.

Net revenue from operations in Oceania decreased from € 64.2 million in 2012, or 12.9% of net revenue, to € 55.8 million in 2013, or 11.3%, representing a decrease of € 8.4 million of which € 5.0 million due to the negative translation impact following the Euro's appreciation versus the Australian and New Zealand dollars.

Net revenue from operations in Africa increased from € 4.5 million in 2012, or 0.9% of net revenue, to € 18.6 million in 2013, or 3.8%, representing an increase of € 14.1 million as a consequence of the consolidation of the South African business for 12 months in 2013 (3 months in 2012).

The Group is not exposed to significant geographical risks other than normal business risks.

Other operating income

Other operating income increased from € 8.8 million in 2012, or 1.8% of total revenue, to € 13.2 million in 2013, or 2.6%, representing an increase of € 4.4 million.

Other operating income mainly comprises capitalized development expenditure and extraordinary maintenance and € 3.5 million of insurance compensation for the fire at the Magenta plant (Italy) in September 2012. The insurance compensation includes an amount for the replacement of damaged equipment and an amount to compensate for the business interruption and direct costs sustained by the Company.

Costs for raw materials

These costs increased from € 212.4 million in 2012 to € 213.2 million in 2013 (almost stable at 42.8% of total revenue).

In 2013, the raw material costs were impacted by a significant increase in plastic prices in India, while aluminium prices decreased.

Costs for services

Costs for services increased from € 92.9 million in 2012, or 18.7% of total revenue, to € 94.7 million in 2013, or 19.0%, representing an increase of € 1.7 million, mainly due to the rise in energy and transport costs and to the increase in external processing.

Personnel expense

Personnel expense increased by € 2.8 million in 2013, mainly due to the impact of the consolidation of the South Africa business for 12 months in 2013 (3 months in 2012).

As a percentage of total revenue, personnel expense was 18.5% in 2013 (18% in 2012).

Gross operating profit (EBITDA)

The Group's gross operating profit for 2013 came to € 101.0 million, 20.3% of total revenue, showing a €4.5 million (+4.7%) increase on 2012.

In 2013, EBITDA was impacted by € 1.0 million of non-recurring costs, of which € 0.3 million of M&A activities and € 0.7 million costs for the rationalization of the production structure and other costs.

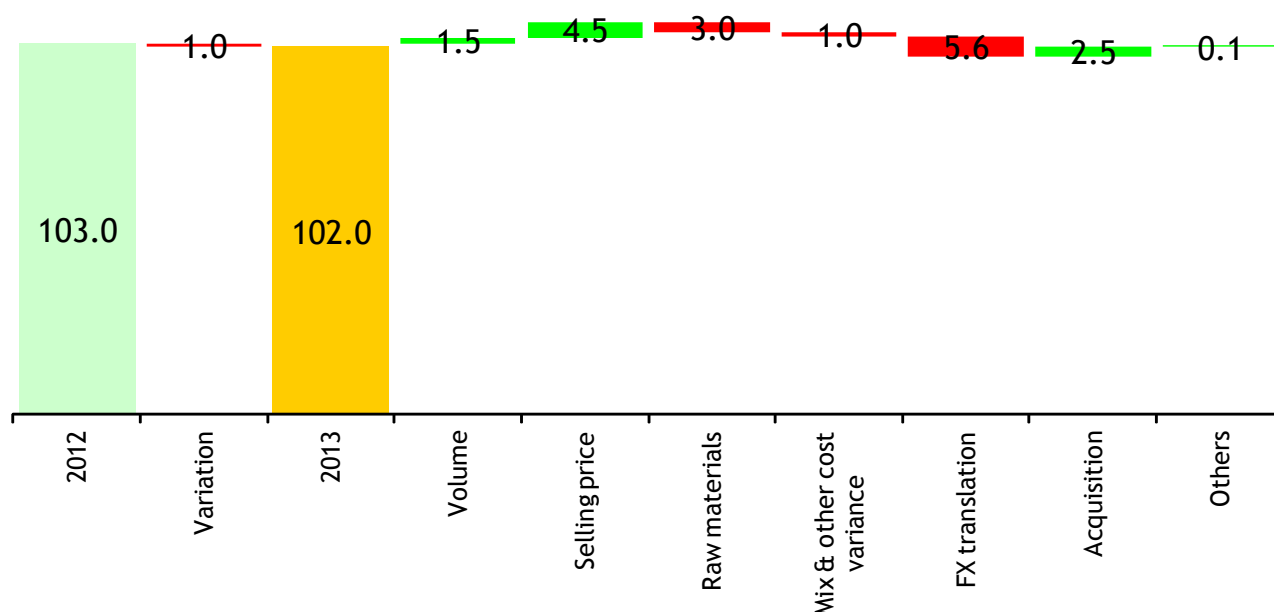
In 2012, EBITDA was impacted by € 6.5 million of non-recurring costs, of which € 1.4 million of M&A activities, € 4.6 million costs for the rationalization of the production structure and € 0.5 million of other costs.

Excluding the non-recurring items, the Group's gross operating profit (adjusted EBITDA) for 2013 would be € 102.0 million, showing a € 1.0 million decrease on 2012 due to the significant negative translation impact (€ 5.6 million) following the Euro's revaluation versus the main currencies in which the Group operates.

At constant FX rates, adjusted EBITDA was up € 4.5 million or 4.4% on 2012, of which 2.1% organic growth and 2.3% from the change in the consolidation scope (consolidation of the South African business for 12 months in 2013 compared to 3 months in 2012).

Adjusted EBITDA in 2013 is equal to 20.5% of total revenue (20.7% in 2012).

The graph below shows the difference between 2012 and 2013 adjusted EBITDA:



Amortization, depreciation and impairment losses

Amortization, depreciation and impairment losses are almost stable at 7.9% of total revenue.

Financial income and expense

Net financial expense increased from € 54.7 million for 2012 to € 56.6 million for 2013.

The following table breaks down financial income and expense by nature for the two years:

Thousands of Euros	2012 (*)	2013
Net exchange rate losses	(4,827)	(13,457)
Fair value gains/(losses) on derivatives	(5,333)	155
Fair value gains/(losses) on liability due to non-controlling investors	(1,100)	(800)
Net interest expense	(38,142)	(41,430)
Net interest expense for debt restructuring	(4,115)	-
Net other financial expense	(1,162)	(1,025)
Net financial expense	(54,678)	(56,556)

Source: financial statements figures

Note:

(*) Following the retrospective application of the amendment to IAS 19 from January 1, 2013, the figures reported for 2012 have been restated for comparative purposes as required by IAS 1. Reference should be made to the section "Changes in accounting standards" for further details.

The improvement in the fair value of derivatives is due to the fact that, in the previous year, the interest rate swaps entered into in 2011 to hedge floating interest rates on bank loans no longer met the formal requirements of IAS 39 following the Group's refinancing of the existing Senior Facilities Agreement. Therefore, they had been recognized as trading instruments in profit or loss with a negative fair value of € 5.2 million.

Fair value losses on the liability due to non-controlling investors relates to the non-controlling investors of the Ukrainian company (loss of € 0.8 million in 2013).

Net interest expense to third parties in 2013 is € 3.3 million higher than the previous year due to higher indebtedness and to higher interest rates.

Net interest expense for restructuring in the previous year refers to the write-off of transaction costs of the existing Senior Facilities Agreement following the Group's refinancing.

Income taxes

Income taxes decreased from € 22.0 million, or 4.4% of total revenue in 2012, to € 16.8 million, or 3.4% in 2013, down € 5.2 million.

The decrease is mainly due to the fact that, in 2012, income taxes were penalized by the negative impact of the release of deferred tax assets on unrealized exchange rate losses (realized in 2012 following the Group's refinancing).

Loss for the year

The loss for the year improved from € -20.2 million in 2012 to € -11.6 million in 2013, mainly due to higher EBITDA and lower income taxes.

Reclassified consolidated statement of financial position

The table below presents the key figures of the reclassified consolidated statement of financial position.

	December 31, 2012	December 31, 2013
Thousands of Euros		
Intangible assets	405,927	397,418
Property, plant and equipment	219,467	205,878
Net working capital	100,965	97,774
Net financial derivative liabilities	(6,393)	(4,982)
Employee benefits	(8,429)	(6,835)
Other assets/liabilities	(43,333)	(32,548)
Net invested capital	668,203	656,705
Financed by:		
Net financial liabilities	513,657	515,768
Financial liabilities to non-controlling investors	5,600	6,400
Cash and cash equivalents	(58,474)	(41,197)
Net financial indebtedness	460,784	480,972
Equity	207,420	175,734
Sources of financing	668,203	656,705

Source: reclassified financial statements figures

Note:

The above reclassified consolidated statement of financial position includes certain reclassifications compared to the consolidated financial statements format. A reconciliation schedule is attached as Annex A) to the consolidated financial statements.

Property, plant and equipment

Property, plant and equipment decreased from € 219.5 million at the end of 2012 to € 205.9 million at the end of 2013, representing a decrease of € 13.6 million. This reduction is due to negative exchange rate differences (€ 13.8 million), while net investments (mainly in Italy, Mexico, Ukraine, India and Colombia) (€ 31.1 million) are mostly compensated by amortization, depreciation and impairment losses.

Net working capital

The table below provides a breakdown of net working capital.

	December 31, 2012	December 31, 2013
Thousands of Euros		
Inventories	63,603	71,483
Trade receivables	99,634	93,079
Trade payables	(62,272)	(66,788)
Net working capital (*)	100,965	97,774

(*) The amounts set forth herein do not match the amounts used to calculate the change in working capital in the consolidated statement of cash flows for the applicable period as those amounts have been adjusted to reflect changes in exchange rates on the opening balance, impairment losses on receivables and changes in the number of consolidated companies.

Note:

The above net working capital includes certain reclassifications compared to the financial statements format. A reconciliation schedule is attached as Annex A) to the consolidated financial statements.

The table below analyses net working capital days, calculated on the fourth quarter revenue of the year.

	December 31, 2012	December 31, 2013
Days		
Inventories	41	48
Trade receivables	65	62
Trade payables	(40)	(45)
Net working capital days	65	65

Net working capital decreased from € 101.0 million at December 31, 2012 to € 97.8 million at December 31, 2013 (stable in net working capital days at 65 days).

Net financial indebtedness

The table below gives a breakdown of net financial indebtedness.

	December 31, 2012	December 31, 2013
Thousands of Euros		
Net financial liabilities - third parties	513,657	515,768
Financial liabilities vs non-controlling investors	5,600	6,400
Cash and cash equivalents	(58,474)	(41,197)
Net financial indebtedness	460,784	480,972

Note:

The above net financial indebtedness includes certain reclassifications compared to the consolidated financial statements format. A reconciliation schedule is attached as Annex A) to the consolidated financial statements.

Net financial indebtedness increased from € 460.8 million at December 31, 2012 to € 481.0 million at December 31, 2013, representing an increase of € 20.2 million. This increase is mainly due to the fact that the € 68 million cash flow generated by the operating activities was used as follows: about € 33 million for investments and acquisitions and about € 55 million for financial items.

The details of the above are provided in the statement of cash flows.

Equity

The table below shows a breakdown of equity:

	December 31, 2012	December 31, 2013
Thousands of Euros		
Equity attributable to the owners of the parent	177,895	148,299
Equity attributable to non-controlling interests	29,525	27,435
Equity	207,420	175,734

Equity attributable to the owners of the parent decreased by € 29.6 million, mainly due to € 11.8 million negative exchange rate trend and to € 18.3 million for the loss for the year.

Equity attributable to non-controlling interests decreased by € 2.1 million, mainly due to € 7.1 million dividend distribution and € 1.6 million negative exchange rate trend, partly compensated by the € 6.7 million profit for the year.

Reclassified consolidated statement of cash flows (change in net financial indebtedness)

The table below shows the reclassified consolidated statement of cash flows as change in the net financial indebtedness in the year:

Thousands of Euros	2012	2013
A) Opening net financial indebtedness	(439,367)	(460,784)
Gross operating profit (EBITDA)	96,507	101,048
Change in NWC	(3,255)	(6,724)
Other operating	(624)	(5,077)
Taxes	(19,673)	(20,882)
B) Cash flow generated by operating activities	72,955	68,364
Net capex	(27,189)	(33,096)
Change in payables for capex	1,032	2,555
Sell of Aerosol business	325	-
Acquisition of South Africa	(15,723)	(2,933)
C) Cash flow used in investing activities	(41,556)	(33,474)
Net interest expense	(39,301)	(42,465)
Exceptional financial costs for debt restructuring	(4,115)	-
Other fin. items	602	(4,127)
Capital increase	122	-
Dividends paid	(5,638)	(6,851)
Exchange rate impact	(4,487)	(1,635)
D) Cash flow used in financing activities	(52,816)	(55,078)
E) Total change in net financial indebtedness (B+C+D)	(21,417)	(20,188)
F) Closing net financial indebtedness (A+E)	(460,784)	(480,972)

Source: reclassified financial statements figures – internal data

Cash flow generated by operating activities (net of exchange rate impact)

The cash flow generated by operating activities decreased from € 73.0 million in 2012 to € 68.4 million in 2013.

The decrease of € 4.6 million was mainly due to the fact that the higher EBITDA generated in 2013 (€4.5 million) has been absorbed by the negative variation in net working capital (€ 3.5 million), the higher cash flow for taxes (€ 1.2 million) and by higher cash out for other operating items (€ 4.4 million).

Cash flow used in investing activities

The cash flow used in investing activities decreased from € 41.6 million in 2012 to € 33.5 million in 2013 mainly due to the lower cash out for acquisitions (€ 2.9 million in 2013 as the residual amount to be paid for the acquisition of the South African business versus € 15.7 million in 2012), partly compensated by higher level of investments (€ 30.5 million in 2013 versus € 26.2 million in 2012).

Cash flow used in financing activities

The cash flow used in financing activities increased from € 52.8 million in 2012 to € 55.1 million in 2013, due to: a) higher financial items (€ -4.1 million in 2013 versus € 0.6 million in 2012), mainly due to the payment of the transaction cost on 2012 refinancing; b) lower financial expense for debt restructuring (€4.1 million in the previous year); c) steeper net interest expense due to higher indebtedness and higher interest rates (€ 3.2 million); c) larger dividends paid to third parties (€ 1.2 million); e) better exchange rate impact (€ 2.9 million).

Total change in net financial indebtedness

The total change in Net financial indebtedness improved from € -21.4 million in 2012 to € -20.2 million in 2013, mainly as a result of lower cash flows used in investing activities, partly compensated by lower cash flows generated by operating activities and higher cash flows used in financing activities.

Key financial and other indicators**Financial indicators**

	2012	2013
Adjusted gross operating profit (adjusted EBITDA) (€ mln)	103.0	102.0
EBITDA margin (Adjusted EBITDA/Net revenue)	20.7%	20.6%
ROS (Adjusted operating profit/Net revenue)	12.7%	12.7%
ROE (Adjusted operating profit/Equity)	30.4%	35.7%
ROI (Adjusted operating profit/Net invested capital)	9.4%	9.5%
Gearing ratio (Net financial indebtedness/Equity)	2.22	2.74
NWC days (Net working capital/Turnover of last quarter annualised)	65	65

Source: financial statements figures – internal data

Notes:

In relation to the Adjusted EBITDA, reference should be made to the section “Performance indicators” in this Director’s report on page 15.

The above indicators have been calculated excluding non-recurring items (€ 6.5 million in 2012 and € 1.0 million in 2013).

The Group maintained the high profitability of its business in 2013 and NWC days were also stable.

Other indicators

Group personnel is analyzed in the following tables.

Breakdown

	December 31, 2012 (*)			December 31, 2013		
	Men	Women	TOTAL	Men	Women	TOTAL
Managers	138	24	162	151	26	177
White collars	584	231	815	607	227	834
Blue collars	2,359	600	2,959	2,340	606	2,946
Total	3,081	855	3,936	3,098	859	3,957

(*) 2012 total Group personnel restated to be consistent with the 2013 classification

In addition, the Group employed also agency workers, of which 390 as at December 31, 2013.

Turnover

Number	December 31, 2012 (*)				December 31, 2013
	TOTAL	Increases	Decreases	Reclassification	TOTAL
Managers	162	17	(5)	3	177
White collars	815	129	(103)	(7)	834
Blue collars	2,959	421	(438)	4	2,946
Total	3,936	567	(546)	-	3,957

(*) 2012 total Group personnel restated to be consistent with the 2013 classification

Average age

	2012	2013
	Average age	Average age
Managers	46	47
White collars	41	41
Blue collars	38	39
Total	39	40

Training

	2012	2012	2013	2013
	Training hours	Training costs Thousands of Euros	Training hours	Training costs Thousands of Euros
Managers	1,876		3,048	
White collars	17,222		22,529	
Blue collars	52,836		62,759	
Total	71,934	658	88,335	2,145

Hours of absence

	December 31, 2012	December 31, 2013
	Hours	Hours
Illness	190,597	210,737
Accidents	14,728	15,722
Maternity leave	56,907	59,335
Other	62,748	118,616
Total	324,979	404,409

Source: off-the-book data

With reference to the legislative requirements related to the protection of personal data (Italian Legislative decree no. 196/03), Guala Closures S.p.A. updated its Data protection document in 2013. This contains the minimum security measures for the protection and safeguarding of personal data in compliance with the rights of the interested party.

As concerns environmental issues, we do not believe the Group companies generate significant environmental impacts potentially entailing consequences for the Group's financial position and results.

Reconciliation of consolidated loss and equity and loss and equity of the parent

	December 31, 2013	12 months 2013
	Total equity	Loss for the year
Separate financial statements of the parent	287,004	
Loss for the period (*)	28	(28)
Financial statements of consolidated companies	473,443	52,393
- Elimination of carrying amount of investments and other consolidation adjustments	(559,800)	
- Elimination of intragroup gains and profits (losses) (including impact of deferred taxes)	(13,316)	(990)
- Elimination of intragroup dividends		(63,001)
- Equity and profit attributable to non-controlling interests	(20,758)	(6,676)
Consolidated financial statements	166,601	(18,303)
Loss of the Group	(18,303)	
Consolidated financial statements	148,299	









Source: financial statements figures

(*) These figures are IFRS compliant and, consequently, differ from the corresponding amounts in the Annual accounts of GCL Holdings S.C.A. prepared in accordance with the accounting principles in the Grand Duchy of Luxembourg.

Transactions between affiliates

During 2013 several transactions between affiliates occurred.
The effects of such transactions have been written-off for consolidation purposes.

The material transactions between affiliates relate to:

-  Sales of raw materials / semi-finished/finished products
-  Services
-  Technical assistance
-  R&D services
-  Personnel cost recharge
-  Royalties contracts
-  Distribution of dividends
-  Financing contracts

Events after the reporting period

Incorporation of Guala Closures Japan KK:

In order to accelerate the Group's development in the Far East and Pacific area, a commercial company has been created in Japan.

On February 26, 2014, registration of the incorporation of Guala Closures Japan KK was completed.

Ukraine's political and economic situation:

Ukraine's political and economic situation has deteriorated significantly since the end of November 2013 after the Government's decision not to sign the Association Agreement and the Deep and Comprehensive Free Trade Agreement with the European Union. Political and social unrest combined with rising regional tensions has worsened the ongoing economic crisis and has resulted in an increase in the state budget deficit and the depletion of the National Bank of Ukraine's foreign currency reserves and, as a result, further downgrading of the Ukrainian sovereign debt credit ratings. In February 2014, following the devaluation of the national currency, the National Bank of Ukraine has introduced certain administrative restrictions on currency conversion transactions and has announced a transition to floating foreign exchange rate regime. The final resolution and the effects of political crisis are difficult to predict but it may have further severe effects on the Ukrainian economy.

Whilst management believes it is taking appropriate measures to support the sustainability of the Company's business in the current circumstances, a further deterioration in the business environment could negatively affect the Company's results and financial position in a manner that is not currently determinable. Submitted financial information for consolidation purposes reflects management's current assessment of the impact of the Ukrainian business environment on the Company's operations and the financial position of the Company. The future business environment may differ from management's assessment.

Outlook

2013 confirmed, once again, the high resilience of our business both in volumes and prices growth in almost all the countries in which we operate.

In fact, notwithstanding the significant devaluation of most of the currencies versus the Euro, from the US dollar to the South African rand, the Indian rupee and the Australian dollar etc, our Company has been able to confirm the same 2012 performances in all the main indexes.

In the meanwhile, we finally addressed the operational issues in Italy and India and our manufacturing facilities are now fully operational, building a solid platform for good results in 2014.

Finally, our R&D unit has developed several new successful products, three of which will be on the market in 2014, generating important additional sales.

Despite the still unfavorable exchange rate of the Euro against the rest of the world, we have had a good start in 2014 and expect the year to continue positively.

Directors of GCL Holdings GP S.à r.l.
General Partner of GCL Holdings S.C.A.

Luxembourg, April 30, 2014

Corporate social responsibility



Corporate social responsibility

Operating in 17 countries through 25 production plants on five continents and with around 4,000 employees, the Group interprets its vocation as a multinational organization also by means of a policy of Corporate Social Responsibility considering this commitment to be an integral part of its mission.

To be accountable in relations with its stakeholders, since 2011, Guala Closures has published an annual Sustainability Report, that is available in its full version on the company website www.gualaclosures.com.

In particular, the Group stakeholders engagement is focused on:

Employees: guaranteeing full respect of social and ethical aspects in group organizations:

- promoting company values and continuous improvement at all levels of the company to encourage participation and a sense of belonging
- encouraging professional growth through continuous training
- developing stricter compliance with labour law, the respect of workers' rights and the adoption of rigorous policies for safety in the workplace, with a special commitment to developing countries in which the group operates, aiming, in particular, to completely eliminate the use of child labour.

Customers and suppliers: through the adoption of a code of conduct based on values of honesty, collaboration and correctness of relations, guaranteeing the highest levels of product and service quality.

In particular:

- by developing products able to meet the needs of customers and the market
- by innovating and continuously improving the efficiency and the quality of production processes
- by guaranteeing an accurate, effective and certain level of service
- by safeguarding brands and the confidentiality of customer relations
- by making available information regarding its responsible and ethical business practices, throughout Sedex organization

Final consumers: by developing a culture of product protection to counter the phenomenon of adulteration, of respect for the environment seen as a shared heritage, guaranteeing, in particular, the total safety of closures that come into contact with food products.

Environment: by adopting codes of conduct and by undertaking projects to promote environmental protection in terms of both production procedures and the areas in which our plants are located.

Local communities: by undertaking tangible projects to the benefit of the populations in the areas of the world in which the group operates, with particular regard to developing countries.

Investors: through governance based on values of transparency, honesty, reliability and the constant creation of added value to the benefit of small and large investors, by:

- developing growth strategies at international level
- continuously seeking to control costs and eliminate inefficiency and waste
- optimizing all stages of business processes

Label Top

The Group has put its efforts into a long-term eco-friendly strategy for wine aluminum screwcaps, developing a Label top, certified by an independent body, Ecocert Environment.

The Label top has been established on the basis of 11 criteria, that guarantee high environmental, quality and safety performances.

To be certified Label Top, the certifying body checks that the company respects all criteria (three dedicated to quality and safety and eight related to eco responsible behaviour), including the 100% offsetting of CO2 emissions generated during the production and the products delivery to the clients and the validation of carbon offsetting projects.

To establish the amount of CO2 emitted, the Group performed in 2008 and 2013 a Life Cycle Assessment (LCA) compliant with ISO 14040/44 requirements. The 2013 LCA has been carried out at all the GCG sites which produce wine screwcaps.

2012 offsetting project

In 2012, the Group financed the planting of 30,000 trees to offset the 6,000 tons of CO2 emissions generated by the production of 500 million wine screwcaps, Divinum®, Wak® and Roll On Te® produced in Italy, Australia and New Zealand.

This has been achieved through a reforestation project in Peru.

The project was based in the Natural Reserve of Yanayacu-Maquia, in the Loreto region, province of Requena, District of Sarayacu and Maquia, in north-west Peru.

Implemented and coordinated by two associations - Up2green and Biodiversité Amazonienne - and monitored by Ecocert Environnement, this Peruvian project encompasses the three dimensions of sustainability:

- 1) environmental: reforestation of a partially desertified terrain, with the aim of restoring the local ecosystem;
- 2) social: direct involvement in two local communities - over 100 people - to improve their living conditions: employment, involvement in the management of the projects, environmental education;
- 3) economic: payment for the work performed and income from the sale of the product obtained.

2013

In 2013, the Group financed the planting of 80,000 trees to offset the 20,000 tons of CO2 emissions (results of the recent LCA updating) generated by the production of 1 billion wine screwcaps.

This has been achieved through a reforestation project in India.

The project took place in India's poorest state, Bihar. This project brings benefits to all three sustainability dimensions:

- 1) environmental: reforestation, with the aim of recreating the ecosystem, increasing the surface area covered by trees and fighting climatic change. 17 different types of trees have been planted, the majority of which are fruit trees, such as mango, pomegranate, bael etc, which start to produce fruit after only one year.
- 2) social: improvement of living conditions of the local communities through work and education on how to better manage the area's natural resources, thus avoiding abandonment of the land. The planting took place in over 20 different areas and was carried out by the inhabitants of the villages close to the areas chosen or in areas made available by the families that will then take care of them. The project involves 1,600 families, a total of around 3,200 people. Each family has been assigned 50 trees to plant and take care of.

3) economic: by guaranteeing them a lasting source of income, given by the work to plant the trees and to look after them over time and by the sale of their produce, laying the foundations for the development of economic activity.

The program was implemented and coordinated by the NGO Up2green Reforestation with the logistic support of Green Energy Leaf Private Limited and audited by Ecocert Environment.



Save the spirits

”Save the Spirits” is a social responsibility campaign, conceived and launched by the Group, to fight against the counterfeiting of alcohol, a widespread phenomenon spread worldwide causing serious damage to health and the economies of many countries. The Group creates products that can counteract this phenomenon and help to save the Spirits.

The project's objective is to design and set up an international specialist channel with videos that show the scenario of counterfeiting beyond the usual boundaries of fashion and technology.

An advertising campaign has been planned to support communication to raise awareness not only of consumers, but also bartenders, companies and stakeholders in the beverage and drinks sector.

To help communication activity, a selected number of pubs, bars and trendy clubs will become testimonials of the campaign certifying to their customers the responsible choice of original tested and certified products.

GCL HOLDINGS GROUP



**Consolidated financial statements
as at and for the year ended December 31, 2013**

Consolidated statement of financial position

ASSETS

<i>(Thousands of Euros)</i>	December 31, 2012	December 31, 2013	Note
ASSETS			
Current assets			
Cash and cash equivalents	58,474	41,197	5
Current financial assets	43	64	6
Trade receivables	99,634	93,079	7
Inventories	63,603	71,483	8
Current direct tax assets	1,666	1,072	9
Current indirect tax assets	7,416	9,270	10
Financial derivative assets	322	-	11
Other current assets	2,936	3,598	12
Assets held for sale	10	8	13
Total current assets	234,104	219,771	
Non-current assets			
Non-current financial assets	585	219	14
Property, plant and equipment	219,467	205,878	15
Intangible assets	405,927	397,418	16
Deferred tax assets	8,805	8,227	17
Other non-current assets	1,050	499	18
Total non-current assets	635,835	612,243	
TOTAL ASSETS	869,939	832,014	

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated statement of financial position

LIABILITIES AND EQUITY

<i>(Thousands of Euros)</i>	December 31, 2012 (*)	December 31, 2013	Note
LIABILITIES AND EQUITY			
Current liabilities			
Current financial liabilities	10,438	10,129	19
Trade payables	62,272	66,788	20
Current direct tax liabilities	3,821	3,552	21
Current indirect tax liabilities	3,738	3,841	22
Current provisions	2,452	1,231	23
Financial derivative liabilities	6,715	4,982	24
Other current liabilities	27,357	24,638	25
Total current liabilities	116,794	115,162	
Non-current liabilities			
Non-current financial liabilities	509,448	512,322	19
Employee benefits	8,429	6,835	26
Deferred tax liabilities	26,966	21,109	17
Non-current provisions	157	684	23
Other non-current liabilities	725	168	27
Total non-current liabilities	545,725	541,118	
Total liabilities	662,519	656,280	
Share capital and reserves attributable to non-controlling interests	23,285	20,758	
Profit for the year attributable to non-controlling interests	6,240	6,676	
Equity attributable to non-controlling interests	29,525	27,435	29
Equity attributable to the owners of the parent			
Share capital	141	141	
Share premium reserve	295,228	295,228	
Translation reserve	(14,073)	(25,911)	
Hedging reserve	(1,555)	(1,226)	
Losses carried forward and other reserves	(75,403)	(101,630)	
Loss for the year	(26,443)	(18,303)	
Equity attributable to the owners of the parent	177,895	148,299	28
Total equity	207,420	175,734	
TOTAL LIABILITIES AND EQUITY	869,939	832,014	

Note:

(*) Following the retrospective application of the amendment to IAS 19 from January 1, 2013, the comparative figures at December 31, 2012 have been restated as required by IAS 1. Reference should be made to the section "Changes in accounting standards" for further details.

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated statement of comprehensive income and other comprehensive income

(Thousands of Euros)

	2012 (*)	2013	Note
Net revenue	497,065	494,276	30
Change in inventories of finished goods and semi-finished products	472	3,902	8
Other operating income	8,777	13,161	31
Costs for raw materials	(212,446)	(213,203)	32
Costs for services	(92,949)	(94,673)	33
Personnel expense	(89,331)	(92,154)	34
Other operating expense	(15,080)	(10,263)	35
Amortization, depreciation and impairment losses	(40,008)	(39,309)	15-16
Operating profit	56,500	61,739	
Financial income	7,910	4,227	36
Financial expense	(62,588)	(60,783)	37
Net finance costs	(54,678)	(56,556)	
Profit before taxation	1,821	5,183	
Income taxes	(22,025)	(16,809)	39
Loss for the year	(20,203)	(11,626)	

Other comprehensive income

Items that will never be reclassified to profit or loss:			
Actuarial gains/(losses) on the defined benefit liability (asset)	(1,183)	219	
	(1,183)	219	
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations	2,054	(13,486)	
Effective portion of fair value gains (losses) of cash flow hedges	(492)	52	
Net change in fair value of cash flows hedges reclassified to profit or loss	3,522	401	
Income taxes on other comprehensive income	(833)	(125)	
	4,251	(13,157)	
Total comprehensive income/(expense) for the year, net of tax	3,068	(12,939)	
Total comprehensive expense for the year	(17,135)	(24,565)	
Profit (loss) attributable to:			
owners of the parent	(26,443)	(18,303)	
non-controlling interests	6,240	6,676	
Total comprehensive income /expenses) attributable to:			
owners of the parent	(24,194)	(29,597)	
non-controlling interests	7,059	5,032	

Note:

(*) Following the retrospective application of the amendment to IAS 19 from January 1, 2013, the figures reported for 2012 have been restated for comparative purposes as required by IAS 1. Reference should be made to the section "Changes in accounting standards" for further details.

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated statement of cash flows

<i>(Thousands of Euros)</i>	2012 (*)	2013	Note
Opening cash and cash equivalents	65,479	58,474	5
A) Cash flows generated by operating activities			
Profit before taxation	1,821	5,183	
Amortization, depreciation and impairment losses	40,008	39,309	7-15-16
Net finance costs	54,678	56,556	36-37
Change in:			
Receivables, payables and inventory	(3,255)	(6,724)	7-8-20
Other	(624)	(5,077)	
VAT and indirect tax assets/liabilities	168	(1,970)	10-22
Income taxes paid	(19,841)	(18,912)	9-21-39
TOTAL	72,955	68,364	
B) Cash flows used in investing activities			
Acquisitions of property, plant and equipment and intangibles	(26,954)	(31,179)	15-16-25
Proceeds from sale of property, plant and equipment and intangibles	796	638	15-16
Disposal of Aerosol business	325	-	
Acquisition of South Africa business	(15,723)	(2,933)	4
TOTAL	(41,556)	(33,474)	
C) Cash flows used in financing activities			
Interests income	1,414	830	36
Interests expense	(39,831)	(40,964)	37
Payment of transaction cost on Bonds and Revolving Credit Facility	(6,090)	(3,210)	
Other financial items	(829)	(656)	11-24-36-37
Dividends paid to non-controlling interest	(5,638)	(6,851)	
Proceeds from issue of share capital	122	-	
Proceeds from new borrowings	333,526	10,411	
Repayment of borrowings	(321,300)	(9,955)	
Change in financial assets	86	146	
TOTAL	(38,540)	(50,248)	
D) Net cash flow for the period (A+B+C)	(7,142)	(15,358)	
Effect of exchange rate fluctuations on cash held	136	(1,918)	
Closing cash and cash equivalents	58,474	41,197	5

Note:

(*) Following the retrospective application of the amendment to IAS 19 from January 1, 2013, the figures reported for 2012 have been reclassified for comparative purposes as required by IAS 1. Reference should be made to the section "Changes in accounting standards" for further details.

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated statement of changes in equity											
	Attributable to the owners of the Company							Non-controlling interests			
<i>(Thousands of €)</i>	Share capital	Share premium reserve	Translation reserve	Hedging reserve	Losses carried forward and other reserves	Loss for the year	Equity attributable to the owners of the parent	Share capital and reserves attributable to non-controlling interests	Profit for the year attributable to non-controlling interests	Equity attributable to non-controlling interests	Total equity
Balance at January 1, 2012, as previously reported	141	295,228	(15,309)	(3,751)	(57,604)	(16,615)	202,089	24,253	3,654	27,907	229,996
Impact of changes in accounting policies					(97)	97	-			-	-
Restated balance at January 1, 2012	141	295,228	(15,309)	(3,751)	(57,701)	(16,519)	202,089	24,253	3,654	27,907	229,996
Allocation of 2011 profit (loss), as restated					(16,519)	16,519	-	3,654	(3,654)	-	-
Profit (loss) for the year ended December 31, 2012, as restated						(26,443)	(26,443)	6,240	6,240	6,240	(20,203)
Other comprehensive income, as restated			1,235	2,197	(1,183)		2,249	819		819	3,068
Total comprehensive expense of the year	-	-	1,235	2,197	(17,702)	(9,924)	(24,194)	4,473	2,586	7,059	(17,135)
Dividends to non-controlling interests							-	(5,562)		(5,562)	(5,562)
Share capital increase							-	122		122	122
Total contributions by and distributions to owners of the Company	-	-	-	-	-	-	-	(5,441)	-	(5,441)	(5,441)
Restated balance at December 31, 2012	141	295,228	(14,073)	(1,555)	(75,403)	(26,443)	177,895	23,285	6,240	29,525	207,420
Restated balance at January 1, 2013	141	295,228	(14,073)	(1,555)	(75,403)	(26,443)	177,895	23,285	6,240	29,525	207,420
Allocation of 2012 profit (loss), as restated					(26,443)	26,443	-	6,240	(6,240)	-	-
Profit (loss) for the year ended December 31, 2013						(18,303)	(18,303)	6,676	6,676	6,676	(11,626)
Other comprehensive expense			(11,838)	328	216		(11,294)	(1,645)		(1,645)	(12,939)
Total comprehensive expense of the year	-	-	(11,838)	328	(26,227)	8,141	(29,597)	4,595	436	5,032	(24,565)
Dividends to non-controlling interests							-	(7,122)		(7,122)	(7,122)
Total contributions by and distributions to owners of the Company	-	-	-	-	-	-	-	(7,122)	-	(7,122)	(7,122)
December 31, 2013	141	295,228	(25,911)	(1,226)	(101,630)	(18,303)	148,299	20,758	6,676	27,435	175,734

The accompanying notes are an integral part of the consolidated financial statements.

Notes to the consolidated financial statements at December 31, 2013

GENERAL INFORMATION

(1) The Group's activities and key changes in its structure during the year

The Group's main activities involve the design and manufacturing of closures for spirits, wine and non-alcoholic drinks such as water, olive oil and vinegar, as well as pharma to be sold on the domestic and international markets.

The Group is also active in the field of production of PET plastic preforms and bottles.

The Group's activities are separated into two divisions:

- the Closures division, representing the Group's core business, specialized in the production of safety closures (safety product line), standard aluminum closures, customized plastic and aluminum closures (decorative product line) and closures for other sectors and accessories; the division also produces aluminum, plastic and rubber closures for the pharmaceutical sector;
- the PET division, which produces preforms and bottles for carbonated soft drinks (CSD product line) and preforms, bottles, molds, jars, flasks and miniature drinks bottles and containers for cosmetics, beauty products and pharmaceuticals and foodstuffs (custom molding product line).

Currently, the Group is the European and international leader in the production of safety closures for spirits bottles, with over 40 years' experience in the sector.

It is also the leading European producer of aluminum closures for spirits bottles.

The following transactions took place in 2013:

Merger of Polish companies:

In January 2013, the shareholders' meeting of DGS-TO Sp. Z o.o. adopted a resolution for the merger of Guala Closures DGS Poland S.A. and DGS-TO Sp. Z o.o..

In the same month, the shareholders' meeting of DGS-TO Sp. Z o.o. Kom adopted a resolution for the merger of Guala Closures DGS Poland S.A. and DGS-TO Sp. Z o.o. Kom.

On February 7, 2013, both mergers were registered in the Polish National Court Registry.

These mergers had no impact on the consolidated figures.

Company liquidation:

In July 2013, the shareholders' meeting of Plastivit Servicios, S.A. de C.V. resolved on the liquidation of the company.

 **Payment of the final consideration for the acquisition of the Metal Closures division of the South African MCG Industries:**

On October 1, 2013, the Group paid the final consideration (40 million Rand, € 2.9 million) for the acquisition of the Metal Closures division of the South African MCG Industries, as provided for in the purchase agreement.

No additional Purchase Consideration based on the gross operating profit of the business for the twelve-month period ending April 30, 2013 was due.

 **Transfer of shares of Orient Printing Machines Pvt Ltd:**

On December 17, 2013, the Group sold the shares owned in the Indian company OMSO Orient Printing Machines Pvt Ltd for an amount of € 250 thousand: the Group collected € 50 thousand in 2013 and the remaining amount will be collected in 3 tranches in 2014.

(2) Accounting policies

The consolidated financial statements at December 31, 2013 have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and endorsed by the European Union (“EU”), and related interpretations. They include the separate financial statements of the parent and all subsidiaries shown in the Group structure at December 31, 2013. The consolidated financial statements have been prepared on a historical cost basis, except for derivatives which are measured at fair value, and on a going concern basis. Business risks and/or any identified uncertainties related to the Group’s reference markets are not significant and do not cast doubts on its ability to continue as a going concern.

The consolidated financial statements have been prepared using the following formats:

- captions of the statement of financial position are classified by current and non-current assets and liabilities;
- statement of comprehensive income and other comprehensive income (“OCI”) captions are classified by nature;
- the statement of cash flows has been prepared using the indirect method;
- the statement of changes in equity has been prepared in accordance with the structure of changes in equity.

The consolidated financial statements have been prepared in Euros, which is the Group’s functional currency, rounding the amounts to the nearest thousand. Any discrepancies between financial statements balances and those of the tables of the notes to the consolidated financial statements are due exclusively to rounding and do not alter their reliability or substance.

The Board of Directors of GCL Holdings GP S.à r.l., General Partner of GCL Holdings S.C.A., approved the publication of the consolidated financial statements on April 30, 2014.

The shareholders who will be called to approve the parent’s separate financial statements have the power to request changes to the consolidated financial statements.

The most important accounting policies used by the Group to draw up its consolidated financial statements are consistent with those used for the consolidated financial statements as at and for the year ended December 31, 2012 apart from that stated in paragraph (c) Changes in accounting standards. They are described below.

The accounting policies have been applied consistently across all group companies.

(a) Basis of consolidation

Accounting for business combinations

Business combinations are accounted for using the acquisition method at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

Acquisitions on or after January 1, 2010

For acquisitions on or after January 1, 2010, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognized amount of any non-controlling interests in the acquiree; plus if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss in the other income caption.

The consideration transferred does not include amounts related to the settlement of preexisting relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for in equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

Acquisitions between January 1, 2004 and January 1, 2010

For acquisitions between January 1, 2004 and January 1, 2010, goodwill represents the excess of the cost of the acquisition over the Group's interest in the recognised amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess was negative, a bargain purchase gain was recognised immediately in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations, were capitalised as part of the cost of the acquisition.

Acquisitions prior to January 1, 2004 (date of transition to IFRSs)

As part of its transition to IFRSs, the Group elected to restate only those business combinations that occurred on or after January 1, 2004. In respect of acquisitions prior to January 1, 2004, goodwill represents the amount recognised under the Group's previous accounting framework, Italian GAAP.

Accounting for acquisitions of non-controlling interests

Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. The adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary.

Previously, goodwill was recognised on the acquisition of non-controlling interests in a subsidiary, which represented the excess of the cost of the additional investment over the acquisition-date carrying amount of the net assets acquired.

Subsidiaries

The consolidation scope includes the parent, GCL Holdings S.C.A., and the entities over which it directly or indirectly has control, i.e., the power to govern, directly or indirectly, the financial and operating policies of an entity so as to obtain benefits from its activities, which in the case of the Guala Closures Group entities currently takes place through possession of the majority of the voting rights. The subsidiaries are consolidated from the date control is actually transferred to the Group. They cease to be consolidated from the date control is transferred outside the Group.

The entities included in the consolidation scope are listed in the following table:

List of investments in subsidiaries at December 31, 2013

<u>Company name</u>	<u>Registered office</u>	<u>Currency</u>	<u>Share/quota capital</u>	<u>Investment percentage</u>	<u>Type of investment</u>	<u>Method of consolidation</u>
EUROPE						
Guala Closures S.p.A.	Italy	EUR	74,624,491	100%	Direct	Line-by-line
Guala Closures International B.V.	The Netherlands	EUR	92,000	100%	Indirect (*)	Line-by-line
Pharma Trade S.r.l.	Italy	EUR	100,000	100%	Indirect (*)	Line-by-line
Guala Closures Patents B.V.	The Netherlands	EUR	18,400	100%	Indirect (*)	Line-by-line
Guala Closures China B.V.	The Netherlands	EUR	20,000	96.50%	Indirect (*)	Line-by-line
Guala Closures UK Ltd	Great Britain	GBP	134,000	100%	Indirect (*)	Line-by-line
Guala Closures Iberica, S.A.	Spain	EUR	2,479,966	100%	Indirect (*)	Line-by-line
Guala Closures Ukraine LLC	Ukraine	UAH	90,000,000	70%	Indirect (*)	Line-by-line
Guala Closures Bulgaria AD	Bulgaria	BGN	10,420,200	70%	Indirect (*)	Line-by-line
Guala Closures Tools AD	Bulgaria	BGN	2,375,700	70%	Indirect (*)	Line-by-line
Guala Closures DGS Poland S.A.	Polonia	PLN	595,000	70%	Indirect (*)	Line-by-line
ASIA						
Guala Closures India pvt Ltd	India	INR	170,000,000	95.0%	Indirect (*)	Line-by-line
Creative Moulds (India) Pvt Ltd	India	INR	36,100,000	100.0%	Indirect (*)	Line-by-line
Beijing Guala Closures Co. Ltd	Cina	CNY	20,278,800	96.50%	Indirect (*)	Line-by-line
LATIN AMERICA						
Guala Closures de Mexico, S.A. de C.V.	Mexico	MXN	94,630,010	100%	Indirect (*)	Line-by-line
Guala Closures Servicios Mexico, S.A. de C.V.	Mexico	MXN	50,000	100%	Indirect (*)	Line-by-line
Guala Closures Argentina S.A.	Argentina	ARS	17,702,910	82.38%	Indirect (*)	Line-by-line
Guala Closures do Brasil LTDA	Brazil	BRL	10,736,287	100.00%	Indirect (*)	Line-by-line
Guala Closures de Colombia LTDA	Colombia	COP	8,691,219,554	93.20%	Indirect (*)	Line-by-line
OCEANIA						
Guala Closures New Zealand Ltd	New Zealand	NZD	5,700,000	100%	Indirect (*)	Line-by-line
Guala Closures Australia Holdings Pty Ltd.	Australia	AUD	34,450,501	100%	Indirect (*)	Line-by-line
Guala Closures Australia Pty Ltd.	Australia	AUD	810	100%	Indirect (*)	Line-by-line
AFRICA						
Guala Closures South Africa Pty Ltd.	South Africa	ZAR	60,000,000	100%	Indirect (*)	Line-by-line
REST OF THE WORLD						
Guala Closures North America, Inc.	United States	USD	60,000	100%	Indirect (*)	Line-by-line

Note:

(*) Reference should be made to the chart illustrating the Group structure for further details on the indirect investments.

The table does not include the figures for Metal Closures Group Trustee Ltd. (the company that manages the Metal Closures pension schemes – see note 26) Employee benefits) as they are not consolidated due to their immaterial size.

Consolidation procedures

The financial statements of the subsidiaries are prepared for each reporting period using the same accounting policies as those of the parent. Consolidation adjustments are recognized to make those captions impacted by the application of different accounting policies consistent. All intragroup balances and transactions, including any unrealized profits on transactions within the Group, are completely eliminated. Unrealized losses, other than impairment losses, are eliminated. The related tax effects are measured on all consolidation adjustments.

(b) Use of estimates and judgments

Following the adoption of IFRS, management has to make judgments, estimates and assumptions that affect the application of accounting policies and the carrying amounts of assets, liabilities, costs and revenue. Estimates and the related assumptions are based on past experience and other factors considered to be reasonable in the circumstances. They are adopted to estimate the carrying amount of assets and liabilities that cannot easily be assumed from other sources. However, as they are estimates, the actual figure may not match the result of the estimate. Estimates are used to make allowances for impairment and inventory write-down (note 8), amortization and depreciation (notes 15-16), impairment of non-current assets (note 16), employee benefits (note 26), taxes (note 39)), provisions (note 23), and to measure financial derivatives and effects of business combinations (note 4).

Such estimates and assumptions are reviewed regularly. Any changes arising therefrom are recognized in the year in which the review takes place if this only affects that year. If the review relates to both current and future years, the change is recognized in the year in which the review takes place and in the related future year.

(c) Changes in accounting standards

The Group has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of January 1, 2013.

- Presentation of Items of Other Comprehensive Income (Amendments to IAS 1) (see (i))
- IAS 19 - *Employee Benefits* (2011) (see (ii))
- IFRS 13 – *Fair Value Measurement* (see (iii))
- *Disclosures—Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)* (see (iv))
- *Other* (see (v))

The nature of the effect of the changes is explained in more detail below.

(i) Presentation of items of other comprehensive income

As a result of the amendments to IAS 1, the Group has modified the presentation of items of other comprehensive income in its consolidated statement of comprehensive income and other comprehensive income, to present separately items that would be reclassified to profit or loss in the future from those that would never be. Comparative information has also been re-presented accordingly.

The adoption of the amendment to IAS 1 has no impact on the recognized assets, liabilities and comprehensive income of the Group.

(ii) Defined benefit plans

As a result of the amendment to IAS 19 (2011), the Group has changed its accounting policy with respect to the basis for determining the income or expense related to defined benefit plans.

Under IAS 19 (2011) revised, the Group determines the net interest expense (income) for the period on the net defined benefit liability (asset) by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset) at the beginning of the annual period, taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments.

Consequently, the net interest on the net defined benefit liability (asset) now comprises:

- interest cost on the defined benefit obligation;
- interest income on plan assets; and
- interest on the effect on the asset ceiling.

All actuarial gains and losses deriving from actuarial calculations at the reporting date are recognized immediately in other comprehensive income.

The following table summarises the impacts resulting from the above changes in accounting policies on the Group's statement of comprehensive income and other comprehensive income.

(Thousands of Euros)	2012		
	As previously reported	Defined benefit plans	As restated
Consolidated statement of comprehensive income and other comprehensive income			
Net revenue	497,065		497,065
Change in inventories of finished and semi-finished products	472		472
Other operating income	8,777		8,777
Costs for raw materials	(212,446)		(212,446)
Costs for services	(92,949)		(92,949)
Personnel expense	(89,331)		(89,331)
Other operating expense	(15,080)		(15,080)
Amortization, depreciation and impairment losses	(40,008)		(40,008)
Operating profit	56,500	-	56,500
Financial income	7,910		7,910
Financial expense	(63,771)	1,183	(62,588)
Net finance costs	(55,861)	1,183	(54,678)
Loss before taxation	639	1,183	1,821
Income taxes	(22,025)		(22,025)
Loss for the period	(21,386)	1,183	(20,203)
Other comprehensive income			
Items that will never be reclassified to profit or loss:			
Actuarial gains/(losses) on defined benefit liability (asset)		(1,183)	(1,183)
	-	(1,183)	(1,183)
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations	2,054		2,054
Effective portion of fair value gains (losses) of cash flow hedges	(492)		(492)
Net change in fair value of cash flow hedges reclassified to profit or loss	3,522		3,522
Tax on items that are or may be reclassified subsequently to profit or loss	(833)		(833)
	4,251	-	4,251
Other comprehensive income/(expense) for the period, net of tax	4,251	(1,183)	3,068
Total comprehensive income/(expense) for the period	(17,135)	-	(17,135)
Profit (loss) attributable to:			
owners of the parent	(27,626)	1,183	(26,443)
non-controlling interests	6,240	-	6,240
Total comprehensive income (expense) attributable to:			
owners of the parent	(24,194)	-	(24,194)
non-controlling interests	7,059	-	7,059

The impact on 2013 Consolidated financial statements following the adoption of IAS 19 (2011) is summarized below:

(Thousands of Euros)	2013		
	As reported	Defined benefit plans	Proforma
Financial income	4,227	219	4,446
Profit (loss) for the year	(11,598)	219	(11,380)
Other comprehensive income			
Items that will never be reclassified to profit or loss:			
Actuarial gains/(losses) on defined benefit liability (asset)	219	(219)	-
	219	(219)	-
Total comprehensive income/(expense) for the year	(24,565)	-	(24,565)

The third column showing the statement of financial position as of January 1, 2012 is not presented in the consolidated statement of financial position due to the insignificant effect of the reclassification between retained earning and loss for the year (€ 97 thousand), as provided by IAS 1.

(iii) Fair value measurement

IFRS 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other IFRSs. In particular, it unifies the definition of fair value as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date. It also replaces and expands the disclosure requirements about fair value measurements in other IFRSs, including IFRS 7 *Financial Instruments: Disclosures*.

As a result, the Group has included additional disclosures in this regard (see note 40) Fair value of financial instruments and sensitivity analysis).

In accordance with the transitional provisions of IFRS 13, the Group has applied the new fair value measurement guidance prospectively, and has not provided any comparative information for new disclosures. Notwithstanding the above, the change had no significant impact on the measurements of the Group's assets and liabilities.

(iv) Disclosures - Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)

The amendments require information about the effect or potential effect of netting arrangements for financial assets and liabilities on an entity's financial position. The Group has applied the amendments since January 1, 2013. The application of these amendments had no effect on the disclosures presented in these consolidated financial statements.

(v) Other

On May 17, 2012, the IASB issued a set of amendments to IFRSs ("Annual Improvements to IFRS's – 2009 - 2011 Cycle"); set out below are those that are applicable to the Guala Closures Group, excluding those that only regard changes in terminology and have a limited accounting effect:

- IAS 1 – Presentation of Financial Statements: the amendment clarifies the way in which comparative information should be presented when an entity changes accounting policies or retrospectively restates or reclassifies items in its financial statements and when an entity provides comparative information in addition to the minimum comparative financial statements. The amendment was applied for the restatement of the statement of financial position figures as a result of applying the amendment to IAS 19; the effects of this are shown in the above table.
- IAS 16 – Property, plant and equipment: the amendment clarifies that items such as spare parts, stand-by equipment and servicing equipment, shall be recognised in accordance with IAS 16 when they meet the definition of Property, plant and equipment, otherwise such items shall be classified as Inventories.
- IAS 32 – Financial instruments: Presentation: the amendment eliminates an inconsistency between IAS 12 – Income Taxes and IAS 32 concerning the recognition of taxation arising from distributions to shareholders, establishing that these shall be recognised in profit or loss to the extent the distribution refers to income generated by transactions originally recognised in profit or loss.

The Group applied these improvements retrospectively since January 1, 2013 and no effect arose in the consolidated financial statements from the adoption of these improvements.

Additional improvements were issued by the IASB that did not impact the 2013 consolidated financial statements like:

- Amendments to IAS 12 - Income Taxes: Deferred Tax - Recovery of Underlying Assets;
- IFRIC Interpretation 20 - Stripping Costs in the Production Phase of a Surface Mine;
- Amendments to IFRS 1 - First-time Adoption of International Financial Reporting Standards - Government Loans;
- Amendments to IFRS 1 - First-time Adoption of International Financial Reporting Standards: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters.

(d) Foreign currency

Functional currency and presentation currency

The figures stated in the financial statements of each group company are measured using their functional currency, being the currency of the primary economic environment in which the company operates. The consolidated financial statements are drawn up in Euros, the parent's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions, including the effects of fair value adjustments arising from business combinations and goodwill from acquisitions of entities whose functional currency is not the Euro, are translated into the functional currency applying the exchange rate ruling on the date of the transaction. Monetary items in foreign currency existing at the reporting date are translated into Euros using the closing rate. Exchange rate gains and losses are taken to profit or loss. Non-monetary items measured at their historical cost in foreign currency are translated using the exchange rate ruling on the transaction date. Non-monetary items measured at fair value in foreign currency are translated into Euros using the exchange rates ruling on the date their fair value was determined.

Financial statements of the foreign companies

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Euros at the closing rates. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated into Euros at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

The following exchange rates are applied to translate those financial statements presented in currencies that are not legal tender in Luxembourg:

Statement of financial position

1 Euro = x foreign currency	December 31, 2012	December 31, 2013
Pound sterling	0.81610	0.83370
US dollar	1.31940	1.37910
Indian rupee	72.56000	85.36600
Mexican peso	17.18450	18.07310
Colombian peso	2,331.23000	2,664.42120
Brazilian real	2.70360	3.25760
Chinese renmimbi	8.22070	8.34910
Argentinean peso	6.48641	8.98914
Polish zloty	4.07400	4.15430
New Zealand dollar	1.60450	1.67620
Australian dollar	1.27120	1.54230
Ukrainian hryvnia	10.58360	11.32917
Bulgarian lev	1.95580	1.95580
South African Rand	11.1727	14.56600

Statement of comprehensive income and other comprehensive income

1 Euro = x foreign currency	2012	2013
Pound sterling	0.81110	0.84925
US dollar	1.28560	1.32814
Indian rupee	68.62948	77.87526
Mexican peso	16.90867	16.96444
Colombian peso	2,310.51670	2,483.20443
Brazilian real	2.50970	2.86694
Chinese renmimbi	8.10942	8.16549
Argentinean peso	5.84546	7.27680
Polish zloty	4.18433	4.19708
New Zealand dollar	1.58705	1.62025
Australian dollar	1.24134	1.37702
Ukrainian hryvnia	10.35792	10.78839
Bulgarian lev	1.95580	1.95580
South African Rand	11.27933	12.83078

(e) Cash and cash equivalents

Cash and cash equivalents include cash balances and on-demand deposits as well as all highly-liquid investments with an original expiry date equal to or of less than three months.

Cash and cash equivalents are calculated in the same way for both the statement of financial position and statement of cash flows.

(f) Derivatives

The Group uses derivatives solely to hedge interest rate risks, the risk of fluctuations in the purchase price of aluminum and currency risk related to purchase and sales transactions.

In line with its treasury policy, the Group does not hold or issue derivatives for speculative or trading purposes. Nevertheless, those derivatives that do not qualify for hedge accounting are recognized as trading instruments.

Derivative financial assets and liabilities are initially measured at fair value which is then remeasured at each reporting date.

The fair value of interest rate swaps is the present value of the difference between the rate to pay/receive and the interest rate based on market trends at the same date as the swap.

The fair value of currency swaps, currency options and derivatives related to the price of raw materials is calculated by leading financial institutions on the basis of market conditions.

To reduce the risk of default, the counterparties in the derivative contracts are usually leading banks and financial institutions.

Cash flow hedges

The effective part of changes in the fair value of those derivatives that qualify as cash flow hedges and which are highly effective is recognized in other comprehensive income and presented in the hedging reserve in equity. The amounts included in this reserve and subsequent changes in the fair value of the derivatives are reclassified to profit or loss in the year in which the flows generated by the hedged captions affect profit and loss.

Changes in the fair value of those derivatives that do not qualify as cash flow hedges and the ineffective portion of those which do qualify are recognized in profit or loss.

(g) Trade and other receivables

Trade and other receivables with due dates in line with generally accepted current trade terms are initially recognized at fair value, which generally equals their nominal amount. They are subsequently measured at amortized cost, net of identified impairment losses. The estimate of the amounts considered unrecoverable is based on the present value of estimated future cash flows.

Impairment losses are recognized in profit and loss under amortization, depreciation and impairment losses.

(h) Inventories

Inventories are measured at the lower of purchase or production cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

The production cost of finished goods includes the portions of the costs of raw materials and external materials and processing, as well as all other direct and indirect production costs reasonably attributable to the products, excluding financial expense.

Purchase or production cost is calculated on a weighted average cost basis.

Obsolete and/or slow-moving inventories are written down on the basis of their estimated possibility of use or future realizable value, through an accrual to the specific allowance adjusting the value of inventories. The amount is reinstated if, in subsequent years, the reasons for the write-down no longer exist.

(i) Assets held for sale and discontinued operations

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on remeasurement are recognized in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

(j) Property, plant and equipment

Property, plant and equipment are recognized at historical cost, including directly related ancillary costs necessary for the use of the asset. Borrowing costs related to loans taken out specifically for investments in property, plant and equipment are considered part of the carrying amount of the related assets and, as such, capitalized.

Subsequent expenditure is included in an asset's carrying amount when it is probable that the future economic benefits exceeding those determined originally will flow to the Group. This expenditure is depreciated over the related asset's residual useful life. All other expenditure is expensed in the year in which it is incurred.

Where significant components of the asset have different useful lives, they are recognized separately.

Property, plant and equipment are shown net of accumulated depreciation and any impairment losses determined as set out later on.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Land is not depreciated.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. The depreciation periods are as follows:

	Depreciation period (years)
Buildings	30 – 35
Light constructions	8 – 10
Specific plant, machinery, presses and molds	4 – 12
Generic plant	10 – 13
Laboratory equipment	2 – 3
Canteen equipment, office furniture and equipment and fittings for exhibitions and trade fairs	8 – 10
Vehicles, canteen facilities	4 – 6
Internal means of transport, electronic equipment and mobile phones	5 – 8

The carrying amount of property, plant and equipment is tested for impairment if events or changed circumstances suggest that the carrying amount may not be recovered. If there is an indication of this type and in the event the carrying amount exceeds the estimated realizable value, the assets are adjusted to their realizable value. The realizable value of property, plant and equipment is the higher of an asset's net selling price and its value in use. Value in use is defined by discounting expected future cash flows using a pre-tax discount rate that reflects the current market estimate of the time value of money and specific risks of the item of property, plant and equipment. Impairment losses are recognized in profit or loss under amortization, depreciation and impairment losses. Such impairment losses are reversed if the reasons for impairment are no longer valid.

Subsequent expenditure is included in an asset's carrying amount when it is probable that the future economic benefits exceeding those determined originally will flow to the Group. This expenditure is depreciated over the related asset's residual useful life. All other expenditure is expensed in the year in which it is incurred.

At the time of disposal or when there are no expected future economic benefits from an asset's use, the caption is derecognized. Any gain or loss (calculated as the difference between the sales amount and carrying amount) is taken to profit or loss in the year of derecognition.

(k) Leases

Finance leases

Leases for property, plant and equipment where the Group substantially takes on all risks and rewards incidental to ownership are classified as finance leases. Plant and machinery acquired under finance leases are recognized at the lower of fair value and the present value of the minimum lease payments due at the inception of the lease, net of accumulated depreciation and any impairment losses. The related assets, liabilities, revenue and expense deriving from the lease are recognized under the financial method at the inception of the lease, i.e., when the lessee is authorized to exercise its right to use the leased asset.

Property, plant and equipment acquired under finance leases are depreciated over the related asset's useful life.

Interest expense on finance lease payments is recognized in profit or loss using the effective interest method.

Operating leases

Those leases where the Group does not substantially take on all risks and rewards incidental to ownership are recognized as operating leases. Operating lease payments are taken to profit or loss on a straight-line basis over the lease term.

(l) Intangible assets

Goodwill

Goodwill arising from the acquisition of subsidiaries is initially recognized at cost. After initial recognition, goodwill is adjusted for any accumulated impairment losses, determined using the criteria described later on.

Goodwill is tested for impairment on an annual basis at least, or more frequently if events or changes of circumstances take place that could give rise to impairment losses. At the date of acquisition, any goodwill is allocated to each of the cash-generating units that are expected to benefit from the synergic effects of the acquisition. Any impairment losses are identified through assessment of each unit's ability to generate cash flows such to recover the part of goodwill allocated to it, using the method described in the section on Property, plant and equipment. An impairment loss is recognized in the event the amount recoverable by the cash-generating unit is less than its carrying amount.

These impairment losses are not reversed if the reasons for impairment are no longer valid.

Research expenditure

Expenditure on research undertaken to gain scientific and technical knowledge and information is recognized as an expense when incurred.

Development expenditure

Development expenditure, which also relates to the application of research findings to a plan or design for the production of new or substantially improved products or processes, is capitalized when the product or process is feasible in technical and commercial terms and the Group has adequate resources to complete the development stage.

Capitalized development expenditure is measured at cost, net of accumulated amortization and impairment losses.

Other intangible assets

These assets are measured at cost, determined in the same way as described for property, plant and equipment.

Other intangible assets, which all have a finite useful life, are subsequently shown net of accumulated amortization and any impairment losses, determined in the same way as described for property, plant and equipment.

Useful life is checked annually and, where necessary, any changes are reflected on a prospective basis.

Amortization periods for other intangible assets are as follows:

	Amortization period (years)
Development expenditure	5
Patents and trademarks	5 - 10
Software	5
Licenses	5
Other capitalized expenditure	5 or in line with the contract term

Subsequent expenditure is included in an asset's carrying amount when it is probable that the future economic benefits exceeding those determined originally will flow to the Group. This expenditure is amortized over the related asset's residual useful life. All other expenditure is expensed in the year in which it is incurred.

The gain or loss arising from the disposal of an intangible asset is determined as the difference between the net disposal proceeds and carrying amount. It is recognized in profit or loss at the time of disposal.

(m) Income taxes

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in the consolidated statement of changes in equity or in OCI.

Current tax comprises the expected tax payable or receivable on the taxable profit or loss for the year and any adjustment to tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantially enacted at the reporting date. Current tax also includes any tax arising from dividends.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The income tax consequences of dividends are recognized when the dividend is approved.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

(n) Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets in the following categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets.

Held-to-maturity investments

If the Group has the positive intent and ability to hold debt instruments to maturity, then such financial assets are classified as held to maturity. Held-to-maturity investments are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method, less any impairment losses. Any sale or reclassification of a more than insignificant amount of held-to-maturity investments not close to their maturity would result in the reclassification of all held-to-maturity investments as available for sale, and prevent the Group from classifying investment securities as held to maturity for the current and following two years.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Loans and receivables comprise cash and cash equivalents and trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified in any of the above categories of financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale debt instruments, are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognized, the gain or loss accumulated in equity is reclassified to profit or loss.

Available-for-sale financial assets comprise equity securities and debt instruments.

(o) Non-derivative financial liabilities

The Group initially recognises debt instruments issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. The Group classifies non-derivative financial liabilities in the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise loans and borrowings, bank overdrafts, and trade and other payables.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purposes of the statement of cash flows.

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a decrease in equity, net of any tax effects.

Business combinations

When as a result of a takeover/acquisition of control not involving the entire stake in the acquiree, the Group has the potential obligation to acquire the residual investment in the acquiree should the non-controlling investors exercise a put option and the non-controlling investor still has present access to the economic benefit associated with the underlying ownership interests, it recognizes a liability calculated by discounting the estimated value at the exercise date using the present access method whereby a liability is recognized decreasing the equity caption "Retained earnings (losses carried forward)" in the first year, with subsequent remeasurement recognized in profit or loss as financial expense.

(p) Trade payables

Trade payables with due dates in line with generally accepted trade terms are initially recognized at fair value and subsequently measured at amortized cost.

(q) Employee benefits

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefits that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

IFRIC 14 clarifies the provisions of IAS 19 "Employee benefits" with respect to the measurement of defined benefit plan assets when there is a minimum funding requirement. A defined benefit plan is in surplus when the fair value of the plan assets exceeds the present value of the defined benefit obligation. IFRIC 14/IAS 19 only permit the recognition of this surplus at the present value of the financial benefits available through refunds or reductions in future contributions. Moreover, disclosure is required when the plan requires a minimum contribution that could give rise to a liability.

(r) Provisions

Provisions include certain or probable costs and charges, the amount or due date of which is unknown at year end. A provision is recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow from the Group of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the obligation. The provisions are stated as the best estimate of the expenditure required to settle the obligation at the reporting date or to transfer it to a third party at that date. If the impact of discounting the time value of money is significant, the provision is determined by discounting expected future cash flows using a pre-tax discount rate that reflects the current market assessment of the time value of money. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

(s) Revenue

Revenue is recognized to the extent that it is possible to reliably determine its amount and it is probable that the related economic benefits will flow to the Group. Revenue is recognized using the following criteria depending on the type of transaction:

- revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have been transferred to the buyer;
- recovery of the consideration is probable and the associated costs and possible return of goods can be estimated reliably;
- there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.
- revenue for services is recognized in relation to the stage of completion of the transaction at the reporting date.

Revenue is measured net of returns, trade discounts and volume rebates.

No revenue is recognized if significant uncertainties exist in relation to the collection of the related receivables net of any returns.

(t) Grants

Grants relating to assets and income are recognized when there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Grants related to assets are recognized as deferred revenue under Other liabilities in the statement of financial position and are taken to profit or loss on a systematic basis to offset them against the depreciation of the relevant assets. Grants relating to income are recognized under Other operating income.

(u) Financial income and expense

Financial income and expense are recognized on an accruals basis and calculated on the carrying amount of the related financial assets and liabilities using the effective interest method.

Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established.

Borrowing costs related to loans taken out specifically for investments in property, plant and equipment are considered part of the carrying amount of the related assets and, as such, capitalized.

(v) New standards and interpretations not adopted early

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after January 1, 2013 and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

- IFRS 10 - Consolidated Financial Statements (subsequently amended in June and October 2012), IFRS 11 - Joint Arrangements (subsequently amended on June 28, 2012), IFRS 12 - Disclosure of Interests in Other Entities (2011) (subsequently amended in June and October 2012) and the subsequent modification to IAS 27 (2011 as amended in October 2012) and IAS 28 (2011).

IFRS 10 introduces a single control model to determine whether an investee should be consolidated. Under IFRS 11, the structure of the joint arrangement, although still an important consideration, is no longer the main factor in determining the type of joint arrangement and therefore the subsequent accounting.

- The Group's interest in a joint operation, which is an arrangement in which the parties have rights to the assets and obligations for the liabilities, will be accounted for on the basis of the Group's interest in those assets and liabilities.
- The Group's interest in a joint venture, which is an arrangement in which the parties have rights to the net assets, will be equity-accounted.

IFRS 12 brings together into a single standard all the disclosure requirements about an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The Group is currently assessing the new requirements in relation of IFRS 10, 11 and 12 for interests in subsidiaries with the existing requirements and disclosures. IFRS 12 requires the disclosure of information about the nature, risks and financial effects of the interests on the Group's financial position, financial performance and cash flows. These standards are effective for annual periods beginning on or after January 1, 2014 with early adoption permitted. At the date of this Annual Report, the Group is assessing any effects which may result from the adoption of the standards.

- On December 16, 2011, the IASB issued certain amendments to IAS 32 – Financial Instruments: Presentation to clarify the application of certain offsetting criteria for financial assets and financial liabilities in IAS 32. The amendments are effective for annual periods beginning on or after January 1, 2014 and are required to be applied retrospectively. At the date of this Annual Report, the Group is assessing any effects which may result from the adoption of the standards.
- On May 29, 2013, the IASB issued an amendment to IAS 36 - Recoverable Amount Disclosures for Non-Financial Assets addressing the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs to sell. The amendments are effective retrospectively for annual periods beginning on or after January 1, 2014. Earlier application is permitted for periods when the entity has already applied IFRS 13. At the date of this Annual Report, the Group is assessing any effects which may result from the adoption of the standards.
- On June 27, 2013, the IASB issued narrow scope amendments to IAS 39 - Financial Instruments: Recognition and Measurement entitled "Novation of Derivatives and Continuation of Hedge Accounting". The amendments will allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met. Similar relief will be included in IFRS 9 - Financial Instruments. The amendments are effective retrospectively for annual periods beginning on or after January 1, 2014. At the date of this Annual Report, the Group is assessing any effects which may result from the adoption of the standards.

(w) Standards, amendments and interpretations not yet applicable

The European Union had not yet completed its endorsement process for these standards and amendments at the date of this Consolidated financial statements:

- On November 12, 2009, the IASB issued a new standard IFRS 9 – Financial Instruments that was subsequently amended. The standard, having an effective date for mandatory adoption of January 1, 2015 retrospectively, represents the completion of the first part of a project to replace IAS 39 and introduces new requirements for the classification and measurement of financial assets and financial liabilities. The new standard uses a single approach to determine whether a financial asset is to be measured at amortised cost or fair value, replacing the many different rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments and the contractual cash flow characteristics of the financial assets. The most significant effect of the standard regarding the classification and measurement of financial liabilities relates to the accounting for changes in fair value attributable to changes in the credit risk of financial liabilities designated as at fair value through profit or loss. Under the new standard, these changes are recognised in Other comprehensive income and are not subsequently reclassifiable to the income statement.

Further amendments will have to be endorsed by the EU in 2014, such as:

- Defined Benefit Plans: Employee Contributions (Amendments to IAS 19);
- Annual Improvements to IFRSs (2010-2012 Cycle);
- Annual Improvements to IFRSs (2011-2013 Cycle);
- IFRIC Interpretation 21 Levies.

(x) Determination of fair value

Several standards and disclosure requirements require the determination of fair value of financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are classified into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability are categorised into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the level of the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Property, plant and equipment

The fair value of property, plant and equipment recognised as a result of a business combination is the estimated amount for which a property could be exchanged on the date of acquisition between a willing buyer and a willing seller in an arm's length transaction after suitable negotiation wherein the parties had each acted knowledgeably. The fair value of items of plant, equipment, fixtures and fittings is based on the market approach and cost approaches using quoted market prices for similar items when available and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.

Intangible assets

The fair value of patents and trademarks acquired as part of a business combination is based on an estimate of the discounted amount of royalties that the Group expects to receive from ownership of such patents or trademarks (ideal royalty method), or replacement cost, if appropriate.

The fair value of customer relationships acquired in a business combination is determined using the multi-period excess earnings method, whereby the subject asset is valued after deducting a fair return on all other assets that are part of creating the related cash flows.

The fair value of other intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

Inventories

The fair value of inventories acquired as part of a business combination is calculated using the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale and a suitable profit margin based on the efforts required to complete or sell the inventories.

Trade and other receivables

The fair value of trade and other receivables, excluding construction work in progress, is estimated at the present value of future cash flows, discounted at the market rate of interest at the reporting date. Current receivables with no stated interest rate are measured at the original invoice amount if the effect of discounting is immaterial. Fair value is determined at initial recognition and, for disclosure purposes, at each annual reporting date.

Derivatives

The fair values of commodities purchase forwards and interest rate swaps are based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the group entity and counterparty when appropriate.

Other non-derivative financial liabilities

Other non-derivative financial liabilities are measured at fair value, at initial recognition and for disclosure purposes, at each annual reporting date. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date. For finance leases, the market rate of interest is determined with reference to similar lease agreements.

(3) Operating segments

Reportable segments are the Group's strategic divisions as determined in accordance with the quantitative and qualitative requirements of IFRS 8.

The Group has only one reportable segment, the Closures division. The Group's CEO (the chief operating decision maker) reviews internal management reports on the reportable segment, the closures division, on at least a quarterly basis. The following summary describes the operations in this reportable segment.

The Closures division represents the Group's core business. Other operations include the PET division that does not meet any of the quantitative thresholds for determining reportable segments in 2013 or 2012 under IFRS 8.

Information regarding the results of the Group's reportable segment is included below. Performance is measured based on segment revenue and gross operating profit, depreciation and amortization, trade receivables, inventories, property, plant and equipment, trade payables and capital expenditure as included in the internal management reports that are reviewed by the CEO and by the board of directors. Management considers the above information as the most suitable to evaluate the results of the segment compared to other entities that operate in these industries.

All other asset and liability figures are non reportable by segment as the management believes that the availability of such information by segment is not relevant.

Reporting by geographical segment is not given as it does not meet the materiality requirements of IFRS 8.

Thousands of Euros	Closures		Other Operations		Total	
	2012	2013	2012	2013	2012	2013
External revenue	493,070	491,003	3,995	3,274	497,065	494,276
Reportable Gross operating profit	96,463	100,990	44	58	96,507	101,048
Depreciation and Amortization	(39,786)	(39,125)	(222)	(184)	(40,008)	(39,309)

Thousands of Euros	Closures		Other Operations		Total	
	December 31, 2012	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012	December 31, 2013
Reportable Trade receivables	98,852	92,343	782	736	99,634	93,079
Reportable Inventories	63,061	71,015	542	469	63,603	71,483
Reportable Trade payables	(61,545)	(66,261)	(727)	(527)	(62,272)	(66,788)
Property, plant and equipment	218,590	205,088	877	790	219,467	205,878

Thousands of Euros	Closures		Other Operations		Total	
	2012	2013	2012	2013	2012	2013
Capital expenditure	27,124	33,005	66	91	27,190	33,096

Geographical information

The Closures segment is managed on a worldwide basis from the central headquarter in Italy, but it operates from manufacturing facilities primarily in Poland, India, the United Kingdom, Australia, Ukraine, Spain, Mexico, Argentina and South Africa.

In presenting information on the basis of geographical segments, segment revenue and segment assets are based on the geographical location of the assets/subsidiaries.

Thousands of Euros	Net revenue	
	2012	2013
Italy	78,943	74,491
Poland	54,685	61,171
India	52,946	50,856
UK	46,403	47,990
Australia	51,608	43,486
Ukraine	48,904	40,424
Spain	41,169	39,709
Mexico	27,882	31,956
Argentina	19,011	23,002
South Africa	4,524	18,633
Other countries and consolidation adjustments	70,991	62,558
Consolidated Net revenue	497,065	494,276

Thousands of Euros	Non-current assets other than financial instruments and deferred tax assets: Property, plant and equipment and Intangible assets	
	December 31, 2012	December 31, 2013
Italy	356,475	347,372
Australia	87,265	70,049
Poland	35,456	33,045
India	24,908	21,010
Spain	19,084	18,694
Mexico	14,911	17,131
Ukraine	14,936	15,910
South Africa	16,686	12,135
Brasil	11,895	10,746
Other countries and consolidation adjustments	43,778	57,204
Consolidated of: Property, plant and equipment and Intangible assets	625,394	603,296

Thousands of Euros	Deferred Tax Assets	
	December 31, 2012	December 31, 2013
Italy	3,814	3,369
Australia	1,760	1,371
Spain	878	1,018
Argentina	285	373
New Zealand	75	130
UK	160	97
Mexico	478	33
Other countries and consolidation adjustments	1,356	1,837
Consolidated Deferred Tax Assets	8,805	8,227

The Group is not exposed to significant geographical risks other than normal business risks.

Information about major customers

In the Closures segment, there is only one customer with a percentage of revenue (of total revenue) over 10%. The breadth and diversity of the Group's customer base results means that no one brand makes up more than 3% of net revenue over the last three years.

(4) Acquisition of subsidiaries and business units

During 2013, no business combinations occurred.

On October 1, 2012, Guala Closures South Africa Pty Ltd. (financed by Guala Closures International B.V.) acquired the Metal Closures Division of MCG Industries, the leading producer of aluminium closures in South Africa. The accounting treatment for this transaction, which was provisional in 2012, was finalized during 2013, with no effects on the provisional amounts recognized at acquisition since no restatement of provisional adjustments for fair value measurement have been identified.

In May 2013, Guala Closures DGS Poland S.A. received 7.6 million Polish zloty (approximately € 1.8 million) as reimbursement of income tax originated as a result of the DGS-TO sale transaction.

Based on the share purchase agreement of 2011 between Guala Closures International B.V. and Central European Closures S.à r.l., the Group had an obligation to pay 5.1 million Polish zloty (approximately € 1.2 million) to the previous owner of DGS S.A. if the tax is reimbursed, that corresponds to 80% of the total income tax paid as a result of the DGS-TO sale transaction.

In August 2013, the Group paid the previous owner of DGS S.A. the tax reimbursement received in relation to the tax paid as a result of the the DGS-TO sale transaction.

Based on IFRS 3, any subsequent adjustment after the measurement period of the Purchase Price Allocation has to be accounted in profit and loss. At December 31, 2013, both the reimbursement of income tax originated as a result of the DGS-TO sale transaction and the amount paid to the previous owners of DGS S.A. are recognized in the income tax caption of the Consolidated Statement of comprehensive income and other comprehensive income for the year ended December 31, 2013.

STATEMENT OF FINANCIAL POSITION

(5) Cash and cash equivalents

This caption represents the balance of the bank and postal accounts considering the nominal amount of the current accounts held with banks.

Thousands of Euros	December 31, 2012	December 31, 2013
Bank and postal accounts	50,275	30,100
Cash and cash equivalents	8,199	11,097
Total	58,474	41,197

(6) Current financial assets

This caption may be analyzed as follows:

Thousands of Euros	December 31, 2012	December 31, 2013
Current financial assets	43	64
Total	43	64

The carrying amount of Current financial assets matches their fair value at the reporting date.

(7) Trade receivables

This caption may be analyzed as follows:

Thousands of Euros	December 31, 2012	December 31, 2013
Trade receivables	107,088	100,724
Allowance for impairment	(7,454)	(7,645)
Total	99,634	93,079

The allowance for impairment varied as follows:

Thousands of Euros	December 31, 2013
Opening allowance for impairment	7,454
Exchange rate gain	(63)
Accrual	626
Utilization	(371)
Closing allowance for impairment	7,645

The allowance at December 31, 2013 includes about € 4.7 million (mostly more than 90 days overdue) for a few foreign customers and the residual part to other customers that have indicated that they do not expect to be able to pay their outstanding balances, mainly due to their financial difficulties.

At December 31, 2012 and 2013, trade receivables may be analyzed by geographical segment as follows:

Thousands of Euros	December 31, 2012	December 31, 2013
Europe	44,749	46,550
Asia	17,761	12,437
Latin America	19,828	20,352
Oceania	7,736	5,753
Rest of the world	9,559	7,987
Total	99,634	93,079

At December 31, 2013, trade receivables may be analyzed by due date as follows:

Thousands of Euros	Gross amount December 31, 2013	Impairment losses December 31, 2013	Net amount December 31, 2013
Not yet due	71,080	-	71,080
0-30 days overdue	14,662	(53)	14,610
31-90 days overdue	4,462	(154)	4,308
More than 90 days overdue	10,519	(7,437)	3,082
Total	100,724	(7,645)	93,079

The Group believes that the unimpaired amounts that are overdue by more than 30 days are still collectible, based on historical payment behavior and extensive analyses of the underlying customers' credit ratings. Based on historical default rates, the Group believes that, apart from the above, no impairment allowance is necessary in respect of trade receivables not yet due or overdue by up to 30 days.

At December 31, 2013, trade receivables may be analyzed by original currency as follows:

Thousands of Euros	EUR	USD	GBP	Other currencies	Total
Trade receivables	34,157	9,903	3,724	45,295	93,079

Other currencies includes trade receivables in following local currencies:

Thousands of Euros	December 31, 2013
Indian rupees	8,908
Polish zloty	5,562
Ukrainian hryvnies	5,039
Columbian pesos	4,928
Russian rubles	4,912
Australian dollars	4,191
Mexican pesos	3,132
South African rand	2,013
Chinese renminbi	1,816
Argentinean pesos	1,581
New Zealand dollars	1,287
Brazilian reals	1,228
Other	696
Total	45,295

(8) Inventories

This caption may be analyzed as follows:

Thousands of Euros	December 31, 2012	December 31, 2013
Raw materials, consumables and supplies	35,767	40,313
(Allowance for inventory write-down)	(1,265)	(1,513)
Work in progress and semi-finished products	12,534	15,609
(Allowance for inventory write-down)	(113)	(497)
Finished products and goods	17,098	18,630
(Allowance for inventory write-down)	(802)	(1,400)
Payments on account	384	341
Total	63,603	71,483

The changes in the caption are as follows:

Thousands of Euros	
Balance at January 1, 2013	63,603
Exchange rate loss	(5,593)
Change in raw materials, consumables and supplies	9,614
Change in finished goods and semi-finished products	3,902
Change in payments on account	(43)
Balance at December 31, 2013	71,483

The allowance for inventory write-down varied as follows:

Thousands of Euros	December 31, 2013
Opening allowance for inventory write-down	2,180
Exchange rate gain	(65)
Accrual	1,737
Utilization	(443)
Closing allowance for inventory write-down	3,410

(9) Current direct tax assets

This caption may be analyzed as follows:

Thousands of Euros	December 31, 2012	December 31, 2013
Current direct tax assets	1,666	1,072
Total	1,666	1,072

(10) Current indirect tax assets

This caption may be analyzed as follows:

Thousands of Euros	December 31, 2012	December 31, 2013
VAT and other indirect taxes	7,416	9,270
Total	7,416	9,270

(11) Financial derivative assets

This caption may be analyzed as follows:

Thousands of Euros	December 31, 2012	December 31, 2013
Fair value of forward aluminum purchases	322	-
Total	322	-

(12) Other current assets

This caption is made up as follows:

Thousands of Euros	December 31, 2012	December 31, 2013
Other receivables	2,936	3,598
Total	2,936	3,598

Other receivables at December 31, 2013 include, inter alia, advances to suppliers of € 1.9 million and receivables of € 0.3 million due to Guala Closures Argentina S.A. from the Argentinean government for repayments in respect of exports.

(13) Assets held for sale

These assets relate to the following companies:

Thousands of Euros	December 31, 2012	December 31, 2013
Guala Closures India (Pvt) Ltd.	10	8
Total	10	8

(14) Non-current financial assets

This caption is made up as follows:

Thousands of Euros	December 31, 2012	December 31, 2013
Guarantee deposits - Guala Closures S.p.A.	75	71
Investments in other companies	313	28
Other financial assets	197	120
Total	585	219

The carrying amount of Non-current financial assets is consistent with their fair value at the reporting date.

The decrease in “Investments in other companies” is due to the sale of the shares in the Indian company OMSO Orient Printing Machines Pvt Ltd.

(15) Property, plant and equipment

The following tables show the changes in the years 2012 and 2013:

Thousands of Euros	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under construction and payments on account	Total
Historical cost at December 31, 2011	73,598	302,053	51,745	7,537	12,325	447,259
Accumulated depreciation and impairment at December 31, 2011	(9,723)	(181,022)	(38,428)	(5,901)	-	(235,074)
Carrying amount at December 31, 2011	63,875	121,032	13,317	1,636	12,325	212,185
Carrying amount at January 1, 2012	63,875	121,032	13,317	1,636	12,325	212,185
Exchange rate gain/(loss)	(1,025)	1,044	192	16	(15)	212
Business combinations	3,941	7,745	449	38	264	12,437
Additions	180	3,961	572	166	21,241	26,121
Disposal	(102)	(389)	(88)	(27)	(190)	(796)
Impairment losses	(11)	(407)	-	-	(39)	(457)
Reclassifications	3,826	19,985	1,052	143	(25,016)	(9)
Depreciation	(2,034)	(24,206)	(3,500)	(487)	-	(30,227)
Historical cost at December 31, 2012	80,408	333,992	53,922	7,874	8,572	484,766
Accumulated depreciation and impairment at December 31, 2012	(11,757)	(205,227)	(41,928)	(6,388)	-	(265,299)
Carrying amount at December 31, 2012	68,651	128,765	11,994	1,486	8,572	219,467

	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under construction and payments on account	Total
Thousands of Euros						
Historical cost at December 31, 2012	80,408	333,992	53,922	7,874	8,572	484,766
Accumulated depreciation and impairment at December 31, 2012	(11,757)	(205,227)	(41,928)	(6,388)	-	(265,299)
Carrying amount at December 31, 2012	68,651	128,765	11,994	1,486	8,572	219,467
Carrying amount at January 1, 2013	68,651	128,765	11,994	1,486	8,572	219,467
Exchange rate losses	(4,469)	(8,548)	(242)	(82)	(438)	(13,779)
Additions	107	6,200	475	54	24,892	31,728
Disposals	(2)	(176)	(11)	(34)	(305)	(527)
Impairment losses	(11)	(536)	-	-	(6)	(553)
Reclassifications	778	22,403	3,794	115	(27,151)	(62)
Depreciation	(2,058)	(24,478)	(3,402)	(458)	-	(30,396)
Historical cost at December 31, 2013	76,810	353,331	57,938	7,927	5,564	501,570
Accumulated depreciation and impairment at December 31, 2013	(13,815)	(229,702)	(45,330)	(6,845)	-	(295,692)
Carrying amount at December 31, 2013	62,995	123,629	12,608	1,082	5,564	205,878

Property, plant and equipment include the amounts arising from internal work capitalized (reference should be made to note 31) Other operating income to these consolidated financial statements for further information).

The caption includes the carrying amount of leased assets (€ 20,696 thousand) against which the Group has recognized current financial liabilities (€ 1,960 thousand) and non-current financial liabilities (€13,810 thousand).

None of the Group's property, plant and equipment has been pledged as collateral at year end, except for the items indicated in note 44) Commitments and guarantees to these consolidated financial statements.

The main investments of 2013 took place in Italy, Mexico, Ukraine, India, UK and Colombia. In particular, during 2013, the main investments were made for the building expansion in Mexico, the sputtering technology in Italy, UK and Ukraine, the construction of the third production line in Ukraine and for the bi-injection technology in Colombia.

(16) Intangible assets

The following tables show the changes in the years 2012 and 2013:

Thousands of Euros	Development expenditure	Licences and patents	Goodwill	Other	Assets under construction and payments on account	Total
Historical cost at December 31, 2011	5,389	63,838	407,531	1,572	512	478,842
Accumulated depreciation and impairment at December 31, 2011	(4,788)	(29,723)	(40,640)	(1,427)	-	(76,578)
Carrying amount at December 31, 2011	600	34,114	366,891	145	512	402,263
Impact of DGS PPA re-statement of provisional adjustment for FV measurement			(4,553)	7,743		3,190
Carrying amount at January 1, 2012	600	34,114	362,338	7,889	512	405,453
Exchange rate gains/(loss)	9	5	1,759	609	(554)	1,828
Business combinations	-	-	2,576	2,416	-	4,992
Additions	24	104	-	42	1,679	1,849
Impairment losses	-	-	-	-	(484)	(484)
Reclassifications	416	417	-	-	(824)	9
Amortisation	(345)	(6,018)	-	(1,356)	-	(7,719)
Historical cost at December 31, 2012	5,838	64,364	407,312	12,382	329	490,226
Accumulated depreciation and impairment at December 31, 2012	(5,134)	(35,742)	(40,640)	(2,783)	-	(84,298)
Carrying amount at December 31, 2012	705	28,622	366,672	9,599	329	405,927

	Development expenditure	Licences and patents	Goodwill	Other	Assets under development and payments on account	Total
Thousands of Euros						
Historical cost at December 31, 2012	5,838	64,364	407,312	12,382	329	490,226
Accumulated amortisation and impairment at December 31, 2012	(5,134)	(35,742)	(40,640)	(2,783)	-	(84,298)
Carrying amount at December 31, 2012	705	28,622	366,672	9,599	329	405,927
Carrying amount at January 1, 2013	705	28,622	366,672	9,599	329	405,927
Exchange rate losses	(122)	(53)	(2,002)	(761)	(33)	(2,971)
Additions	153	351	-	53	1,449	2,006
Disposals	-	(1)	-	(56)	(54)	(111)
Impairment losses	-	-	-	-	(42)	(42)
Reclassifications	33	(112)	-	-	141	62
Amortisation	(419)	(5,595)	-	(1,440)	-	(7,453)
Historical cost at December 31, 2013	5,902	64,549	405,310	11,619	1,789	489,170
Accumulated amortisation and impairment at December 31, 2013	(5,552)	(41,336)	(40,640)	(4,223)	-	(91,752)
Carrying amount at December 31, 2013	350	23,213	364,670	7,397	1,789	397,418

Goodwill may be analysed as follows:

Thousands of Euros	December 31, 2012	December 31, 2013
Goodwill - Guala Closures Group	317,227	317,227
Acquisition of Guala Closures DGS Poland S.A.	25,971	25,491
Goodwill - Guala Closures Ukraine LLC	14,365	13,420
Acquisition of GC Bulgaria AD	3,203	3,203
Acquisition of Pharma Trade	2,512	2,512
Acquisition of MCL division in Guala Closures South Africa	2,490	1,914
Acquisition of GC Tools AD	722	722
Acquisition of Metalprint assets in Guala Closures S.p.A.	182	182
Total	366,672	364,670

Goodwill is tested for impairment annually.

For impairment testing purposes, goodwill generated on the Group's acquisitions relates to the Closures division.

The recoverable amount of cash-generating units is based on a calculation of their value in use.

This calculation uses projected cash flows based on the actual operating profit and the five-year business plan which management believed was consistent with the assumption that a market participant would make. This business plan is put together considering the Group's approved budget figures for the first year and projecting the revenue and costs for the following four years using the historic trend adjusted for any new elements (average EBITDA growth rate of the next five years 8.6%; 2012 8.0%).

The cash flows for the periods after the forecast period are extrapolated using a 1.5% growth rate, unchanged from 2012, which takes into account both the Group's historical growth rate and forecast future market developments.

The projected cash flows are discounted using a WACC (weighted average cost of capital) rate of 10.0% unchanged from 2012. The discount rate and the growth rate, aligned with last year, take into consideration the Group's significant growth in the developing countries that impact the rise in turnover and margins that are partially offset by the overall risk of the above-mentioned developing countries.

The resulting recoverable amount is greater than the carrying amount of goodwill. The recoverable amount continues to be greater than the carrying amount despite changes made to the underlying assumptions of the sensitivity analysis carried out (growth rate +/-1%; WACC +/-1%).

Goodwill has never been impaired.

(17) Deferred tax assets and liabilities

The following table gives a breakdown of the captions at December 31, 2012 and 2013:

Thousands of Euros	Assets		Liabilities		Net balance	
	December 31, 2012	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012	December 31, 2013
Allowance for inventory write-down	514	762	(84)	(18)	430	744
Taxed allowance for impairment	1,926	1,939	-	-	1,926	1,939
Provision for damages and penalties	423	197	-	-	423	197
Other	791	417	(135)	(49)	656	368
Losses carried forward	1,132	657	-	-	1,132	657
Derecognition of intragroup profit on inventories	171	171	-	-	171	171
Intragroup gains	1,011	1,508	-	-	1,011	1,508
Leases	133	133	-	-	133	133
Property, plant and equipment and intangible assets	1,431	1,380	(22,048)	(17,984)	(20,617)	(16,604)
Employee benefits	669	583	(98)	(78)	572	505
Derivatives	594	470	-	-	594	470
Exchange rate gains (losses)	10	10	(4,601)	(2,980)	(4,591)	(2,970)
TOTAL	8,805	8,227	(26,966)	(21,109)	(18,161)	(12,881)

Some reclassifications have been made in 2012 categories to be consistent with the 2013 classification.

Changes in net deferred tax assets/liabilities may be analyzed as follows:

Thousands of Euros	December 31, 2012	Changes in profit or loss	Changes in equity	Exchange rate gain/loss	December 31, 2013
Allowance for inventory write-down	430	313		2	744
Taxed allowance for impairment	1,926	93		(79)	1,939
Provision for damages and penalties	423	(226)		-	197
Other	656	(699)		411	368
Losses carried forward	1,132	(474)		-	659
Derecognition of intragroup profit on inventories	171	0		-	171
Intragroup gains	1,011	498		-	1,508
Leases	133	-		-	133
Property, plan and equipment and intangible assets	(20,617)	2,701		1,312	(16,605)
Employee benefits	572	15		(82)	504
Derivatives	594	-	(125)	-	470
Exchange rate gains (losses)	(4,591)	1,621		(1)	(2,971)
TOTAL	(18,161)	3,842	(125)	1,562	(12,881)

Tax losses that can be carried forward at year end but that the Group has not considered in its calculation of the deferred tax assets in the statement of financial position total € 149,096 thousand. They may be used in accordance with the legislation of the different countries in which the companies to which they relate are based.

Tax losses that can be carried forward indefinitely amount to € 132,795 thousand and refer to Guala Closures S.p.A.. If recognized, potential deferred tax assets on total tax losses that can be carried forward would amount to € 40,591 thousand at December 31, 2013 (including € 36,519 thousand related to losses that can be carried forward indefinitely).

(18) Other non-current assets

This caption is made up as follows:

Thousands of Euros	December 31, 2012	December 31, 2013
Tax assets	462	90
Other	588	409
Total	1,050	499

(19) Financial liabilities

This section provides information on the contractual terms governing the Group's bank overdrafts, loans and bonds.

Reference should be made to note 24) Financial derivative liabilities to these consolidated financial statements for further information on the Group's exposure to the risks of fluctuations in interest and exchange rates.

Reference should be made to note 44) Commitments and guarantees to these consolidated financial statements for information on the relevant guarantees given.

Financial liabilities at December 31, 2012 and 2013 are shown below:

Thousands of Euros	December 31, 2012	December 31, 2013
Current financial liabilities		
Bonds	5,097	4,917
Bank loans and borrowings	3,239	3,215
Other financial liabilities	2,102	1,997
	<u>10,438</u>	<u>10,129</u>
Non-current financial liabilities		
Bonds	463,753	465,045
Bank loans and borrowings	23,854	26,632
Other financial liabilities	21,841	20,645
	<u>509,448</u>	<u>512,322</u>
Total	519,886	522,452

The terms and expiry dates of the financial liabilities at December 31, 2012 and 2013 are shown below:

Thousands of Euros	Nominal amount					
	Total December 31, 2012	Within one year	From one to five years	After five years	Current	Non- current
BONDS:						
HY Bonds issued by GCL Holdings SCA - 20/04/2011	200,000	-	-	200,000	-	200,000
Accrued interest - GCL Holdings S.C.A.	3,904	3,904	-	-	3,904	-
Transaction costs	(6,190)	-	-	(6,190)	-	(6,190)
TOTAL HY Bonds 2018 GCL Holdings S.C.A.	197,714	3,904	-	193,810	3,904	193,810
Floating Rate Senior Secured Notes due in 2019 issued by Guala Closures S.p.A. - 13/11/2012	275,000	-	-	275,000	-	275,000
Accrued interest - Guala Closures S.p.A.	2,042	2,042	-	-	2,042	-
Transaction costs	(5,906)	(849)	(3,416)	(1,641)	(849)	(5,057)
TOTAL FRSN 2019 Guala Closures S.p.A.	271,135	1,192	(3,416)	273,359	1,192	269,943
TOTAL BONDS	468,850	5,097	(3,416)	467,169	5,097	463,753
BANK LOANS AND BORROWINGS:						
Senior Revolving Facility	20,000	-	20,000	-	-	20,000
Transaction costs	(2,509)	(515)	(1,995)	-	(515)	(1,995)
Total Senior Revolving Facility	17,491	(515)	18,005	-	(515)	18,005
Loan Cassa di Risparmio di Alessandria	1,551	608	944	-	608	944
Accrued interest and expense - Guala Closures S.p.A.	673	673	-	-	673	-
Loan Banco Sabadell (Spain)	1,270	520	750	-	520	750
Advances on receivables and loans (Argentina)	750	536	214	-	536	214
Loan Scotiabank (Mexico)	5,357	1,416	3,941	-	1,416	3,941
Other bank loans	-	-	-	-	-	-
TOTAL BANK LOANS AND BORROWINGS	27,093	3,239	23,854	-	3,239	23,854
OTHER FINANCIAL LIABILITIES:						
Financing as per Italian Law no. 46/82	136	136	-	-	136	-
Guala Closures S.p.A. finance leases	17,725	1,860	8,077	7,787	1,860	15,864
Bulgarian companies' finance leases	74	74	-	-	74	-
Liability to the Ukrainian non-controlling investors	5,600	-	-	5,600	-	5,600
Other liabilities	410	32	377	-	32	377
TOTAL OTHER FINANCIAL LIABILITIES	23,944	2,102	8,454	13,387	2,102	21,841
TOTAL	519,886	10,438	28,892	480,556	10,438	509,448

	Nominal amount					
Thousands of Euros	Total December 31, 2013	Within one year	From one to five years	After five years	Current	Non- current
BONDS:						
HY Bonds issued by GCL Holdings SCA - 20/04/2011	200,000	-	-	200,000	-	200,000
Accrued interest - GCL Holdings S.C.A.	3,902	3,902	-	-	3,902	-
Transaction costs	(5,254)	-	-	(5,254)	-	(5,254)
TOTAL HY Bonds 2018 GCL Holdings S.C.A.	198,649	3,902	-	194,746	3,902	194,746
Floating Rate Senior Secured Notes due in 2019 issued by Guala Closures S.p.A. - 13/11/2012	275,000	-	-	275,000	-	275,000
Accrued interest - Guala Closures S.p.A.	1,965	1,965	-	-	1,965	-
Transaction costs	(5,652)	(950)	(3,820)	(881)	(950)	(4,701)
TOTAL FRSN 2019 Guala Closures S.p.A.	271,314	1,015	(3,820)	274,119	1,015	270,299
TOTAL BONDS	469,962	4,917	(3,820)	468,866	4,917	465,045
BANK LOANS AND BORROWINGS:						
Senior Revolving Facility	24,000	-	24,000	-	-	24,000
Transaction costs	(1,995)	(515)	(1,480)	-	(515)	(1,480)
Total Senior Revolving Facility	22,005	(515)	22,520	-	(515)	22,520
Cassa di Risparmio di Alessandria loan	944	625	319	-	625	319
Accrued interest and expense - Guala Closures S.p.A.	649	649	-	-	649	-
Banco Sabadell loan (Spain)	760	510	250	-	510	250
Bancolombia loan (Colombia)	1,204	263	941	-	263	941
Advances on receivables and loans (Argentina)	537	336	201	-	336	201
Scotiabank loan (Mexico)	3,747	1,346	2,401	-	1,346	2,401
TOTAL BANK LOANS AND BORROWINGS	29,847	3,215	26,632	-	3,215	26,632
OTHER FINANCIAL LIABILITIES:						
Guala Closures S.p.A. finance leases	15,770	1,960	8,261	5,549	1,960	13,810
Liability to the Ukrainian non-controlling investors	6,400	-	-	6,400	-	6,400
Other liabilities	472	37	435	-	37	435
TOTAL OTHER FINANCIAL LIABILITIES	22,643	1,997	8,697	11,949	1,997	20,645
TOTAL	522,452	10,129	31,508	480,814	10,129	512,322

The liability to the Ukrainian non-controlling investors relates to recognition of these investors' right to exercise a put option if certain conditions are met. It represents the discounted estimated value of the put option at its estimated time of exercise.

Pursuant to IAS 27, this caption has been recognized using the present access method since 2008, whereby the financial liability was recognized as a reduction in equity, Retained earnings, in the first year. The fluctuation in each year, if any, is recognized under financial income (expense) in profit or loss and the non-controlling interests continue to be presented separately as, to all effects, the non-controlling investors have the right to access the profit or loss pertaining to their investment.

Reference should be made to note 40) Fair value of financial instruments and sensitivity analysis for further detail.

The interest rates and expiry dates of the financial liabilities at December 31, 2012 and December 31, 2013 are shown below:

Thousands of Euros	Currency	Nominal interest rate	Expiry date	Total December 31, 2012
BONDS:				
HY Bonds issued by GCL Holdings S.C.A. - 20/04/2011	EUR	9.375%	2018	200,000
Accrued interest - GCL Holdings S.C.A.	EUR	n.a.	2013	3,904
Transaction costs	EUR	n.a.	2018	(6,190)
TOTAL HY BOND GCL Holdings S.C.A.				197,714
Floating Rate Senior Secured Notes due 2019 issued by Guala Closures S.p.A. - 13/11/2012	EUR	euribor 3m + 5.375%	2019	275,000
Accrued interest - Guala Closures S.p.A.	EUR	n.a.	2013	2,042
Transaction costs	EUR	n.a.	2019	(5,906)
TOTAL FRSN 2019 Guala Closures S.p.A.				271,135
TOTAL BONDS				468,850
Bank loans and borrowings:				
Senior Revolving Facility	EUR	euribor 3m + 3.75%	2017	20,000
Transaction costs	EUR	n.a.	2017	(2,509)
Total Senior Revolving Facility				17,491
Loan Cassa di Risparmio di Alessandria	EUR	euribor 3m + 2.75%	2015	1,551
Accrued interest and expense - Guala Closures S.p.A.	EUR	n.a.	2013	673
Loan Banco Sabadell - (Spain)	EUR	0.052	2015	1,270
Advances on receivables and loans - (Argentina)	AR\$	n.a.	n.a.	750
Loan Scotiabank - (Mexico)	MXP	TIIE30 + 4.0% (*)	2016	5,357
Total bank loans and borrowings				27,093
Other financial liabilities:				
Financing as per Italian Law no. 46/82	EUR	2.00%	2013	136
Guala Closures S.p.A. finance leases	EUR	euribor + 1.5% (**)	2020	17,725
Bulgarian companies' finance leases	BGN	n.a.	2013	74
Liability to the Ukrainian non-controlling investors	EUR	n.a.	n.a.	5,600
Other liabilities	EUR	n.a.	n.a.	410
Total other financial liabilities				23,944
TOTAL				519,886

(*) TIIE30 stands for “Tasa de Interés Interbancaria de Equilibrio a 30 días”.

(**) Nominal interest rate on the property finance lease.

Thousands of Euros	Currency	Nominal interest rate	Expiry date	Total December 31, 2013
BONDS:				
HY Bonds issued by GCL Holdings S.C.A. - 20/04/2011	EUR	9.375%	2018	200,000
Accrued interest - GCL Holdings S.C.A.	EUR	n.a.	2014	3,902
Transaction costs	EUR	n.a.	2018	(5,254)
TOTAL HY BONDS GCL Holdings S.C.A.				198,649
Floating Rate Senior Secured Notes due 2019 issued by Guala Closures S.p.A. - 13/11/2012	EUR	euribor 3m + 5.375%	2019	275,000
Accrued interest - Guala Closures S.p.A.	EUR	n.a.	2014	1,965
Transaction costs	EUR	n.a.	2019	(5,652)
TOTAL FRSN 2019 Guala Closures S.p.A.				271,314
TOTAL BONDS				469,962
Bank loans and borrowings:				
Senior Revolving Facility	EUR	euribor 3m + 3.75%	2017	24,000
Transaction costs	EUR	n.a.	2017	(1,995)
Total Senior Revolving Facility				22,005
Loan Cassa di Risparmio di Alessandria	EUR	euribor 3m + 2.75%	2015	944
Accrued interest and expense - Guala Closures S.p.A.	EUR	n.a.	2014	649
Loan Banco Sabadell - (Spain)	EUR	5.20%	2015	760
Loan Bancolombia - (Colombia)	COP	I.B.R. + 3.25% (*)	2018	1,204
Advances on receivables and loans - (Argentina)	AR\$	n.a.	n.a.	537
Loan Scotiabank - (Mexico)	MXP	THIE30 + 4.0% (**)	2016	3,747
Total bank loans and borrowings				29,847
Other financial liabilities:				
Guala Closures S.p.A. finance leases	EUR	euribor + 1.5% (***)	2020	15,770
Liability to the Ukrainian non-controlling investors	EUR	n.a.	n.a.	6,400
Other liabilities	EUR	n.a.	n.a.	472
Total other financial liabilities				22,643
TOTAL				522,452

(*) I.B.R. stands for “Indicador Bancario de Referencia”

(**) THIE30 stands for “Tasa de Interés Interbancaria de Equilibrio a 30 días”.

(***) Nominal interest rate on the property finance lease.

The Senior Revolving Facility availability is shown in the table below:

Credit facility	Available amount (thousands of Euros)	Amount used at December 31, 2013	Residual available amount at December 31, 2013
Senior Revolving Facility	75,000	24,000	51,000

(20) Trade payables

This caption is made up as follows:

Thousands of Euros	December 31, 2012	December 31, 2013
Suppliers	61,569	65,224
Payments on account	703	1,564
Total	62,272	66,788

At December 31, 2013, trade payables may be analyzed by original currency as follows:

Thousands of Euros	EUR	USD	GBP	Other currencies	Total
Trade payables	42,718	4,455	2,103	17,512	66,788

Other currencies include trade payables in the following local currencies:

Thousands of Euros	December 31, 2013
Australian dollars	4,892
Polish zloty	3,190
Argentinean pesos	2,265
Ukrainian hryvnies	1,635
Indian rupees	1,522
Mexican pesos	1,040
Columbian pesos	604
New Zealand dollars	585
South African rand	486
Chinese renmimbi	332
Brazilian reals	165
Other	796
Total	17,512

(21) Current direct tax liabilities

This caption is made up as follows:

Thousands of Euros	December 31, 2012	December 31, 2013
Current direct tax liabilities	3,821	3,552
Total	3,821	3,552

(22) Current indirect tax liabilities

This caption is made up as follows:

Thousands of Euros	December 31, 2012	December 31, 2013
VAT and other indirect taxes	3,738	3,841
Total	3,738	3,841

(23) Provisions

This caption may be analyzed as follows:

Thousands of Euros	December 31, 2012	December 31, 2013
Provision for returns	1,338	625
Provision for restructuring	1,097	578
Other current provisions	17	28
Total current provisions	2,452	1,231

The provision for returns reflects the calculation for customer claims received.

The provision for restructuring mainly refers to Guala Closures S.p.A..

Thousands of Euros	December 31, 2012	December 31, 2013
Provision for contingency	17	540
Provision for agents' leaving indemnity	102	109
Provision for legal disputes	38	35
Total non-current provisions	157	684

Changes in the provisions are as follows:

Thousands of Euros	December 31, 2013
Opening current provisions	2,452
Exchange rate gains	(8)
Accrual	705
Utilization	(1,918)
Closing current provisions	1,231

Thousands of Euros	December 31, 2013
Opening non-current provisions	157
Exchange rate gains	(3)
Accrual	554
Utilization	(24)
Closing non-current provisions	684

(24) Financial derivative liabilities

This caption may be analyzed as follows:

Thousands of Euros	December 31, 2012	December 31, 2013
Fair value of IRSs	6,708	4,408
Fair value of aluminum derivatives	-	574
Fair value of currency swaps	6	-
Total	6,715	4,982

The main features of the contracts in place at December 31, 2013 are summarized below:

- *interest rate swaps*

Guala Closures S.p.A. has three interest rate swaps in place at December 31, 2013 to hedge floating interest rates on bank loans.

In addition, at year end, the parent has two interest rate swaps in place to hedge floating interest rates on the property finance lease.

The interest rate swaps taken on to hedge the floating interest rates on bank loans are listed below:

1. Euro interest rate swap agreed with Intesa Sanpaolo S.p.A. on August 2, 2011, expiring September 30, 2015. It has a fixed swap rate of 2.34% against the floating six-month Euribor for a notional amount of € 57,300 thousand at December 31, 2013.
2. Pound sterling interest rate swap agreed with Intesa Sanpaolo S.p.A. on August 2, 2011, expiring September 30, 2015. It has a fixed swap rate of 1.94% against the floating six-month GB£ Libor, for a notional amount of £ 19,600 thousand at December 31, 2013.
3. US dollar interest rate swap agreed with Intesa Sanpaolo S.p.A. on August 2, 2011, expiring September 30, 2015. It has a fixed swap rate of 1.39% against the floating six-month US\$ Libor, for a notional amount of US\$ 67,100 thousand at December 31, 2013.

Although these interest rate swaps, agreed in 2011, have been entered into for hedging purposes, after the refinancing operations of November 2012, they no longer meet the formal requirements of IAS 39. Therefore, they have been recognized as trading instruments.

Interest rate swaps hedging floating interest rates on property finance leases are listed below:

1. Euro interest rate swap agreed with Intesa Sanpaolo S.p.A. on March 7, 2006, expiring July 1, 2019. It has a fixed swap rate of 3.945% against the floating one-month Euribor for a notional amount of € 4,992 thousand at December 31, 2013.
2. Euro interest rate swap agreed with Unicredit Banca d'Impresa S.p.A. on March 7, 2006, expiring July 1, 2019. It has a fixed swap rate of 3.960% against the floating one-month Euribor for a notional amount of € 4,992 thousand at December 31, 2013.

These derivatives meet the formal requirements of IAS 39 at the reporting date and have been recognized as hedging instruments.

- Forward purchase of aluminum

At December 31, 2013, the Group has twenty nine contracts for the forward purchase of aluminum, for a total of 8,100 tons, spread over various expiry dates based on forecast monthly requirements.

The hedge accounting requirements of IAS 39 were not met and these derivatives have been, therefore, recognized as trading instruments.

The following tables show the forward aluminum purchase contracts in place at December 31, 2013:

Expiry date	Hedged amount (tons)	Strike price (US\$/ton)	December 31, 2013
			Positive/(negative) fair value (Thousands of Euros)
January 2014	300	1,738.78	(29)
February 2014	300	1,772.75	(21)
March 2014	300	1,786.98	(18)
April 2014	300	1,801.00	(11)
Total	1,200		(78)

Expiry date	Hedged amount (tons)	Strike price (€/ton)	December 31, 2013
			Positive/(negative) fair value (Thousands of Euros)
January 2014	300	1,269	(48)
January 2014	300	1,269	(36)
January 2014	100	1,269	(11)
February 2014	300	1,287	(44)
February 2014	300	1,287	(34)
February 2014	100	1,287	(9)
March 2014	300	1,297	(36)
March 2014	300	1,297	(34)
March 2014	100	1,297	(9)
April 2014	300	1,307	(27)
April 2014	300	1,307	(22)
April 2014	200	1,307	(13)
April 2014	300	1,307	(4)
May 2014	300	1,317	(22)
May 2014	300	1,317	(22)
May 2014	300	1,317	(23)
June 2014	400	1,327	(25)
June 2014	300	1,327	(20)
June 2014	300	1,327	(14)
July 2014	300	1,334	(14)
July 2014	300	1,334	(11)
August 2014	300	1,342	(8)
August 2014	300	1,342	(2)
September 2014	300	1,348	(10)
November 2014	300	1,360	3
Total	6,900		(496)

- *Currency swaps*

The Group did not have any currency swaps at the reporting date.

The following table shows the fair value of the derivatives held at the reporting date:

(Thousands of Euros)

Contract	Recognition at December 31, 2013	December 31, 2012	December 31, 2013
		Positive/(negative) fair value	Positive/(negative) fair value
Interest rate swaps on leases	Hedge accounting	(1,478)	(1,025)
Interest rate swap on loans	Recognized at fair value through profit or loss	(5,230)	(3,383)
Forward aluminum purchases	Recognized at fair value through profit or loss	322	(574)

(25) Other current liabilities

This caption may be analyzed as follows:

Thousands of Euros	December 31, 2012	December 31, 2013
Payables for capex	5,974	8,492
Payables to employees	7,678	8,067
Social security charges payable	3,328	3,179
Payables for dividends	-	271
Payables for deferred payment of Guala Closures South Africa acquisition	3,379	-
Payable for Transaction Costs on Guala Closures SpA Bond issue	2,510	-
Other payables	4,488	4,629
Total	27,357	24,638

(26) Employee benefits

This caption is made up as follows:

Thousands of Euros	December 31, 2012	December 31, 2013
Post-employment benefits - Guala Closures S.p.A.	6,121	5,572
Other	2,308	1,263
Total	8,429	6,835

Changes in Employee benefits are as follows:

Thousands of Euros	December 31, 2012 (*)	December 31, 2013
Balance at January 1	6,965	8,429
Exchange rate (gains) losses	52	(146)
Business combinations	453	-
Change recognized in profit or loss	880	(126)
Change recognized in OCI	1,183	(219)
Transfer in (out)	-	(539)
Benefits paid	(1,104)	(564)
Balance at December 31	8,429	6,835

Note:

(*) Following the retrospective application of the amendment to IAS 19 from January 1, 2013, the figures reported for 2012 have been restated for comparative purposes as required by IAS 1. Reference should be made to the section "Changes in accounting standards" for further details.

The change recognized in profit or loss is detailed below:

Thousands of Euros

Post-employment benefits - Guala Closures S.p.A.	(151)
Other	(194)
Change recognized in profit or loss	(345)

Changes in Guala Closures S.p.A.'s post-employment benefits and the main assumptions used in their measurement are detailed below:

Thousands of Euros	December 31, 2012	December 31, 2013
Balance at January 1	4,942	6,121
Actuarial (gains) losses	1,122	(319)
Interest expense	221	168
Transfer in	176	-
Benefits paid	(340)	(398)
Balance at December 31	6,121	5,572

Actuarial parameter baseline:

	December 31, 2012	December 31, 2013
Average inflation rate	2.00% p.a.	2.00% p.a.
Discount rate	2.70% p.a.	3.17% p.a.
Annual rate of increase in post-employment benefits	3.00% p.a.	3.00% p.a.

For valuations at December 31, 2013, an annual fixed discount rate of 3.17% was utilized based on the value of Iboxx indexes AA corporate bonds observed at December 31, 2013, as per the requirements of IAS 19.

The Group expects to pay around € 0.4 million of benefits to its defined benefit plan in 2014 described above.

Sensitivity analysis:

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected Guala Closures S.p.A.'s post-employment benefits at December 31, 2013 by the amounts shown below:

Thousands of Euros	Defined benefit obligation	
	Increase	Decrease
Turnover rate (1% movement)	21	(21)
Average inflation rate (0.25% movement)	89	(87)
Discount rate (0.25% movement)	(128)	133

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Guala Closures UK has a defined benefit pension plan under which the employees of the former Metalclosures Ltd. have the right to a pension. This plan has a surplus at both December 31, 2012 and 2013 (i.e., the fair value of the plan assets is higher than the present value of the defined benefit obligation). As required by IAS 19 and IFRIC 14, the surplus that can be recognized must be less than the benefits available in the form of reimbursements or the contribution holiday: following completion of the West Bromwich site restructuring plan in 2008, the amount of the contribution holiday is zero and, therefore, the English company has not recognized the fund surplus. In addition, the Group did not have contingent liabilities at the reporting date as the fund covers the present value of its future obligations with its plan assets.

For disclosure purposes, the amounts of the fund obligations and plan assets, as well as the baseline actuarial parameters used for their calculation, are shown below:

Thousands of Euros	December 31, 2012	December 31, 2013
Present value of the obligations	(60,559)	(60,985)
Fair value of plan assets	76,918	77,594
Total	16,360	16,609

Changes in the net amount of the fund:

Thousands of Euros	December 31, 2012	December 31, 2013
Balance at January 1	16,887	16,360
Exchange rate (gains) losses	403	(335)
Service cost	(39)	(33)
Interest on defined benefit obligation	(2,643)	(2,379)
Interest on plan assets	3,494	3,038
Scheme administration expenses	(402)	(301)
Actuarial (gains) losses	(1,340)	259
Balance at December 31	16,360	16,609

Changes in the present value of the obligations:

Thousands of Euros	December 31, 2012	December 31, 2013
Balance at January 1	(53,858)	(60,559)
Exchange rate (gains) losses	(1,214)	1,187
Service cost	(39)	(33)
Interest on defined benefit obligation	(2,643)	(2,379)
Contribution by plan participants	(9)	(7)
Benefits paid	3,118	3,277
Actuarial gains	(5,913)	(2,472)
Balance at December 31	(60,559)	(60,985)

Changes in the fair value of plan assets:

Thousands of Euros	December 31, 2012	December 31, 2013
Balance at January 1	70,746	76,918
Exchange rate (gains) losses	1,617	(1,522)
Interest on plan assets	3,494	3,038
Scheme administration expenses	(402)	(301)
Contribution by plan participants	9	7
Benefits paid	(3,118)	(3,277)
Actuarial losses	4,573	2,731
Balance at December 31	76,918	77,594

Plan asset comprises (major categories of plan assets as a percentage of the total plan assets):

	December 31, 2012	December 31, 2013
Equities	31%	39%
Bonds	35%	31%
Gilts	34%	30%
Cash	0%	0%

All equity securities and government bonds have quoted prices in active markets.

Actuarial parameter baseline:

	December 31, 2012	December 31, 2013
Salary growth rate	4.00% p.a.	4.00% p.a.
Rate of increase in pensions provided (average)	3.00% p.a.	3.00% p.a.
Average inflation rate	2.80% p.a.	3.20% p.a.
Discount rate	4.20% p.a.	4.30% p.a.

The company does not expect to pay any further contribution in the next year in relation to these defined benefit obligations.

Sensitivity analysis:

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected Guala Closures UK's defined benefit pension plan at December 31, 2013 by the amounts shown below:

Thousands of Euros	Impact on present value of the obligations	Impact on fair value of plan assets
Life expectancy (+ 1 year)	(1,832)	-
Average inflation rate (+0.1% p.a.)	(240)	-
Discount rate (-0.1% p.a.)	(840)	-

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

(27) Other non-current liabilities

This caption is made up as follows:

Thousands of Euros	December 31, 2012	December 31, 2013
Other non-current liabilities	725	168
Total	725	168

(28) Equity attributable to the owners of the parent

As of December 31, 2013, the share capital amounts to EUR 141,217.50 represented by 112,974 units with a nominal value of EUR 1.25 each.

Neither the parent nor its subsidiaries hold treasury shares either directly or indirectly through trustees or nominees.

Reference should be made to the statement of changes in equity for changes in, and details of, the components of equity.

As per the Senior Revolving Facility Agreement, for the Floating Rate Senior Secured Notes and for the High Yield Bonds, there are certain restrictions to the transfer of funds between Guala Closures subsidiaries and Guala Closures S.p.A. and between Guala Closures S.p.A. and the parent GCL Holdings S.C.A..

The Group's objectives in capital management are to create value for shareholders, safeguard the Group's future and to support its development.

The Group thus seeks to maintain a sufficient level of capitalization, while giving shareholders satisfactory returns and ensuring the Group has access to external sources of financing at acceptable terms, including via maintaining an adequate rating.

The Group monitors the debt/equity ratio on an ongoing basis, particularly in terms of net indebtedness and cash flows generated by operating activities.

The General Partner carefully monitors the balance between greater returns through the right level of indebtedness and the advantages of a sound financial position.

To achieve these objectives, the Group strives to continuously make its operations more profitable.

The General Partner monitors the return on share capital, being total equity pertaining to owners of the parent, excluding non-controlling interests, and the amount of dividends to be distributed to holders of ordinary shares.

The Group's capital management policies have not changed during the year.

(29) Equity attributable to non-controlling interests

Equity attributable to non-controlling interests relates to the following consolidated companies:

	Non-controlling interests % December 31, 2012	Non-controlling interests % December 31, 2013	Balance at December 31, 2012	Balance at December 31, 2013
Guala Closures Ukraine LLC	30.00%	30.00%	7,381	7,760
Guala Closures India Pvt Ltd.	5.00%	5.00%	1,871	1,601
Guala Closures Argentina S.A.	17.62%	17.62%	807	650
Guala Closures de Colombia LTDA	6.80%	6.80%	863	636
Guala Closures China B.V.	3.50%	3.50%	166	133
Guala Closures Bulgaria A.D.	30.00%	30.00%	2,122	2,186
Guala Closures Tools A.D.	30.00%	30.00%	367	349
Guala Closures DGS Poland S.A.	30.00%	30.00%	15,948	14,120
Total			29,525	27,435

Reference should be made to the statement of changes in equity for changes in, and details of, equity attributable to the non-controlling interests.

STATEMENT OF COMPREHENSIVE INCOME AND OTHER COMPREHENSIVE INCOME

2013 figures include Guala Closures South Africa Pty Ltd for 12 months in 2013 (3 months in 2012)

(30) Net revenue

The table below illustrates the geographic distribution of net revenue based on the geographical location from which the product is sold by the Group's companies:

Thousands of Euros	2012	2013
Europe	281,393	276,696
Asia	63,654	58,881
Latin and North America	83,278	84,247
Oceania	64,216	55,820
Africa	4,524	18,632
Total	497,065	494,276

(31) Other operating income

This caption includes:

Thousands of Euros	2012	2013
Internal production	4,649	5,091
Sundry recoveries/repayments	3,132	3,921
Insurance compensation	368	3,500
Gains	290	262
Other	339	387
Total	8,777	13,161

Internal production includes € 918 thousand of capitalized development expenditure related to new closures and € 4,173 thousand of extraordinary maintenance carried out on property, plant and equipment, of which extraordinary maintenance and upgrading of the production capacity of Guala Closures S.p.A. amounting to € 1,008 thousand and foreign companies amounting to € 3,165 thousand.

Insurance compensation in 2013 relates to the fire which occurred in the Magenta plant (Italy) in September 2012. It includes an amount for the replacement of damaged equipment and an amount to compensate for the business interruption and direct costs sustained by the Company.

(32) Costs for raw materials

This caption includes:

Thousands of Euros	2012	2013
Raw materials and supplies	191,858	200,703
Consumables and maintenance	8,554	9,520
Packaging	8,880	9,297
Fuels	485	515
Other purchases	3,127	2,782
Change in inventories	(458)	(9,614)
Total	212,446	213,203

(33) Costs for services

This caption includes:

Thousands of Euros	2012	2013
Electricity / Heating	22,229	23,271
Transport	18,953	19,917
External processing	11,366	12,364
Maintenance	6,033	5,934
Travel	4,360	4,556
Sundry industrial services	4,281	4,520
External labor / portorage	5,800	4,478
Legal and consulting fees	3,679	3,474
Insurance	2,966	2,892
Administrative services	2,170	2,387
Directors' fees	2,009	1,741
Cleaning service	1,390	1,460
Technical assistance	1,004	1,063
Telephone costs	1,122	968
Commissions	904	901
Entertainment expenses	824	840
Security	420	444
Advertising services	267	366
Commercial services	341	284
Expos and trade fairs	150	186
Other	2,681	2,627
Total	92,949	94,673

(34) Personnel expense

This caption includes:

Thousands of Euros	2012	2013
Wages and salaries	72,503	74,946
Social security contributions	13,334	13,674
Expense/(Income) from defined benefit plans	2,063	(345)
Other costs	1,431	3,879
Total	89,331	92,154

Reference should be made to note 26) Employee benefits to these consolidated financial statements for details on Expense/(income) for defined benefit plans.

At December 31, 2012 and 2013, the Group had the following number of employees:

Number	December 31, 2012 (*)	December 31, 2013
Blue collars	2,959	2,946
White collars	815	834
Managers	162	177
Total	3,936	3,957

(*) 2012 total Group personnel restated to be consistent with the 2013 classification

(35) Other operating expense

This caption includes:

Thousands of Euros	2012	2013
Rent and leases	4,934	4,845
Taxes and duties	2,130	1,893
Other costs for the use of third party assets	1,474	1,625
Provisions	4,988	720
Other charges	1,554	1,180
Total	15,080	10,263

The decrease in “Provisions” is due to the fact that the Group booked € 3.1 million of non-recurring costs in 2012 mainly related to the closure of the Hospitalet plant in Iberica

(36) Financial income

This caption includes:

Thousands of Euros	2012	2013
Change in fair value of IRS	61	1,779
Exchange rate gains	5,842	1,587
Interest income	1,147	660
Fair value gains on aluminium derivatives	594	21
Other financial income	265	180
Total	7,910	4,227

(37) Financial expense

This caption includes:

Thousands of Euros	2012 (*)	2013
Interest expense	43,403	42,090
Exchange rate losses	10,669	15,044
Fair value losses on aluminum derivatives	756	1,645
Financial expense - non-controlling investors in the Ukrainian company	1,100	800
Fair value losses on IRSs	5,233	-
Other financial expense	1,427	1,204
Total	62,588	60,783

Note:

(*) Following the retrospective application of the amendment to IAS 19 from January 1, 2013, the reported 2012 figures have been restated for comparative purposes as required by IAS 1. Reference should be made to the section "Changes in accounting standards" for further details.

Interest expense in the previous year included the write-off of transaction costs for the existing Senior Facilities Agreement following the Group's refinancing of € 4.1 million. Excluding that non-recurring amount, interest expense increased compared to 2012 as a consequence of higher indebtedness and higher interest rates.

In the previous year, the Group booked a fair value loss on IRS of € 5.2 million following the refinancing of the existing Senior Facilities Agreement as the interest rate swap contracts entered into in 2011 to hedge floating interest rates on bank loans no longer met the formal requirements of IAS 39.

Financial expenses - non-controlling investors in the Ukrainian company relates to recognition of the increase in the financial liability for these investors' right to exercise a put option if certain conditions are met. The liability was determined by discounting the estimated value of the put option at its estimated time of exercise.

(38) Income and expense on financial assets/liabilities

The following table shows income and expense on financial assets/liabilities, specifying which are recognized in profit or loss and which directly in equity:

Thousands of Euros	2012 (*)	2013
Recognized in profit or loss		
Bank interest income	1,147	660
Fair value gains on derivatives	656	1,800
Exchange rate gains	5,842	1,587
Other financial income	265	180
Total financial income	7,910	4,227
Interest expense on financial liabilities measured at amortized cost	43,403	42,090
Exchange rate losses	10,669	15,044
Fair value losses on derivatives	5,989	1,645
Other financial expense	2,527	2,004
Total financial expense	62,588	60,783
Net financial expense	(54,678)	(56,556)
Recognized directly in equity to the Hedging reserve		
Effective portion of fair value losses on cash flow hedges	(492)	52
Net change in fair value of cash flow hedges reclassified to profit or loss	3,522	401
Total	3,030	453

Note:

(*) Following the retrospective application of the amendment to IAS 19 from January 1, 2013, the reported 2012 figures have been restated for comparative purposes as required by IAS 1. Reference should be made to the section "Changes in accounting standards" for further details.

(39) Income taxes

This caption includes:

Thousands of Euros	2012	2013
Current taxes	(21,780)	(20,651)
Deferred tax income/(expense)	(244)	3,842
Total	(22,025)	(16,809)

Deferred tax income and expense in profit or loss do not reflect the change in the corresponding captions of the statement of financial position due to the effect of transactions recognized directly in equity (€ -125 thousand), as described in the following table.

Deferred tax liabilities recognized directly in equity

Thousands of Euros	December 31, 2012	December 31, 2013
Change in deferred tax liabilities on fair value adjustments on cash flow hedges	(833)	(125)
Total	(833)	(125)

Reconciliation between the theoretical and effective tax charge

The difference between the theoretical and effective tax charge is mainly related to the impact of the different tax rates in foreign countries, non-taxable revenue and non-deductible costs.

Thousands of Euros	2012 (*)	2013
Profit before taxation	1,821	5,183
Income tax using luxembourg tax rate (2012: 28.8%; 2013: 29.2%)	525	1,513
Effect of tax rates in foreign jurisdictions (2012: (64.5%); 2013: (29.5%))	(1,174)	(1,530)
Tax exempt revenue and other decreases	(5,720)	(1,642)
Non-deductible expense and other increases	18,379	13,585
Unaccrued deferred tax assets on loss for the year	7,146	176
Other changes	1,268	4,816
Total increase / (decrease)	19,898	15,405
Effective tax	20,423	16,918
Other taxes (2012: 74.5%; 2013: 72.0%)	1,358	3,733
Total taxes for the year	21,780	20,651

Note:

(*) Following the retrospective application of the amendment to IAS 19 from January 1, 2013, the reported 2012 figures have been restated for comparative purposes as required by IAS 1. Reference should be made to the section "Changes in accounting standards" for further details.

OTHER INFORMATION

(40) Fair value of financial instruments and sensitivity analysis

(a) Accounting classifications and fair values

The following tables show the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, as at December 31, 2012 and 2013. They do not include fair value information for financial assets and financial liabilities not measured at fair value as their carrying amount is a reasonable approximation of fair value. There were no movements from one level to another in 2013.

Notes to the consolidated financial statements

December 31, 2012		Carrying amount								Fair value			
	Note	Fair value - Held-for-trading	Designated at fair value	Fair value - hedging instruments	Held-to-maturity	Loans and receivables	Available-for-sale	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Thousands of Euros													
Financial assets measured at fair value													
Forward raw material contracts used for trading	11	322							322		322		322
		322	-	-	-	-	-	-	322	-	322	-	322
Financial assets not measured at fair value ^(*)													
Trade receivables	7					99,634			99,634				-
Cash and cash equivalents	5					58,474			58,474				-
		-	-	-	-	158,107	-	-	158,107	-	-	-	-
Financial liabilities measured at fair value													
Interest rate swaps used for hedging	24			(1,478)					(1,478)		(1,478)		(1,478)
Interest rate swaps used for trading	24	(5,230)							(5,230)		(5,230)		(5,230)
Contingent consideration	19		(5,600)						(5,600)			(5,600)	(5,600)
		(5,230)	(5,600)	(1,478)	-	-	-	-	(12,309)	-	(6,709)	(5,600)	(12,309)
Financial liabilities not measured at fair value ^(*)													
Secured bank loans	19							(24,271)	(24,271)		(22,974)		(22,974)
Unsecured bank loans	19							(2,821)	(2,821)		(2,821)		(2,821)
Secured bonds issues	19							(271,135)	(271,135)		(278,181)		(278,181)
Unsecured bonds issues	19							(197,714)	(197,714)		(212,586)		(212,586)
Finance lease liabilities	19							(17,799)	(17,799)		(15,980)		(15,980)
Trade payables	20							(62,272)	(62,272)				-
Other payables	19							(546)	(546)		(546)		(546)
		-	-	-	-	-	-	(576,558)	(576,558)	-	(533,088)	-	(533,088)

(*) The Group has not disclosed the fair values for financial instruments such as short-term trade receivables and payables, because their carrying amounts are a reasonable approximation of fair values.

Notes to the consolidated financial statements

December 31, 2013		Carrying amount								Fair value			
	Note	Fair value - Held-for- trading	Designated at fair value	Fair value - hedging instruments	Held-to- maturity	Loans and receivables	Available- for-sale	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Thousands of Euros													
Financial assets not measured at fair value ^(*)													
Trade receivables	7					93,079			93,079				-
Cash and cash equivalents	5					41,197			41,197				-
		-	-	-	-	134,276	-	-	134,276	-	-	-	-
Financial liabilities measured at fair value													
Interest rate swaps used for hedging	24			(1,025)					(1,025)		(1,025)		(1,025)
Interest rate swaps used for trading	24	(3,957)							(3,957)		(3,957)		(3,957)
Contingent consideration	19		(6,400)						(6,400)			(6,400)	(6,400)
		(3,957)	(6,400)	(1,025)	-	-	-	-	(11,382)	-	(4,982)	(6,400)	(11,382)
Financial liabilities not measured at fair value ^(*)													
Secured bank loans	19							(26,939)	(26,939)		(23,878)		(23,878)
Unsecured bank loans	19							(2,908)	(2,908)		(2,908)		(2,908)
Secured bonds issues	19							(271,314)	(271,314)		(275,976)		(275,976)
Unsecured bonds issues	19							(198,649)	(198,649)		(215,550)		(215,550)
Finance lease liabilities	19							(15,770)	(15,770)		(14,390)		(14,390)
Trade payables	20							(66,788)	(66,788)				-
Other payables	19							(472)	(472)		(472)		(472)
		-	-	-	-	-	-	(582,839)	(582,839)	-	(533,173)	-	(533,173)

(*) The Group has not disclosed the fair values for financial instruments such as short-term trade receivables and payables, because their carrying amounts are a reasonable approximation of fair values.

(b) Measurement of fair values

(i) Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Contingent consideration	<i>Discounted cash flows:</i> The fair value is determined considering the expected payment, discounted to present value using a risk-adjusted discount rate. The expected payment is determined by considering the possible scenarios of forecast EBITDA of the Ukrainian subsidiary.	<ul style="list-style-type: none"> • Forecast EBITDA (average of last 2 years - 2012 and 2013 - and 2014 budget figures) • Net financial position of the Ukrainian subsidiary as at December 31, 2013 • Risk-adjusted discount rate (9.8%) • Expected date of put option exercise 	<p>The estimated fair value would increase if:</p> <ul style="list-style-type: none"> • the EBITDA was higher • the Net financial position was higher • the risk-adjusted discount rate was lower • the expected date of put option was exercised early
Forward exchange contracts and interest rate swaps	<i>Market comparison technique:</i> The fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.	Not applicable.	Not applicable.

Financial instruments not measured at fair value

Type	Valuation technique	Significant unobservable inputs
Secured bonds issues Intragroup loans Finance lease liabilities	Discounted cash flows	Not applicable.

(ii) Level 3 fair values

Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

Thousands of Euros	December 31, 2012	December 31, 2013
Balance at January 1	4,500	5,600
Loss included in "financial expense"		
- Net change in fair value (unrealised)	1,100	800
Balance at December 31	5,600	6,400

Sensitivity analysis

For the fair value of the contingent consideration, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects:

Thousands of Euros	Increase/ (decrease) in unobservable inputs	Favourable/ (unfavourable) impact on profit or loss
Forecast EBITDA	10%	(600)
	(10%)	600
Net financial position	+ 1 million €	(100)
	- 1 million €	100
Risk-adjusted discount rate	1%	800
	(1%)	(900)
Expected date of put option exercise	+ 1 year	600
	- 1 year	(600)

(c) Financial risk management

The Group is exposed to the following risks as a result of its operations:

- credit risk;
- liquidity risk;
- interest rate risk;
- currency risk;
- other price risk,

Guala Closures S.p.A.'s board of directors has overall responsibility for establishing and monitoring a risk management system for the Group.

The proxy system ensures the risk management guidelines are implemented and regularly monitored.

The finance department is responsible for the monitoring and, in carrying out such activities, it uses information generated by the internal control system.

Credit risk

This is the risk that a customer or the counterparty to a financial instrument is unable to meet an obligation, leading to a financial loss. These risks arise mainly in relation to trade receivables and financial investments.

The Group's exposure to credit risk depends largely on each customer's specific characteristics. The demographics of the Group's customer portfolio, including the segment insolvency risk and the country risk, have an impact on the credit risk.

The Group accrues an allowance for impairment equal to the estimated losses on trade and other loans and receivables. It comprises both the recognition of impairment losses for material individual amounts and the recognition of collective impairment for similar groups of assets to cover losses already incurred but not yet identified. The collective impairment losses are calculated on the basis of historical payment statistics.

Most of the Group's trade receivables are due from leading operators of the alcoholic and non-alcoholic beverage segment. Most of its trading relationships are with longstanding customers. The Group's historical figures indicate a modest amount of bad debts. The risk is fully covered by the corresponding allowance for impairment recognized in the consolidated financial statements.

There are no cases of very concentrated credit risk in geographical terms.

Liquidity risk

This risk regards the Group's ability to meet its obligations arising from financial liabilities.

The Group's approach to liquidity management is to ensure adequate funds are always available to cover its obligations at the expiry dates, both in normal conditions and at times of financial difficulty, without incurring borrowing expense at terms higher than market conditions.

The Group generally ensures there is sufficient cash and cash equivalents to cover forecast short-term operating expenses, including those related to financial liabilities. Contingent effects arising from extreme situations that cannot reasonably be forecast, such as natural disasters, are excluded from the above.

Historically, the Group has always met its obligations on time.

Reference should be made to the tables in note 19) Financial liabilities – third parties to these consolidated financial statements for information on the Group's loans, credit lines and facilities at the reporting date.

Interest rate risk

This risk relates to volatility of the market rates which determine the interest expense paid on outstanding loans.

The Group is exposed to interest rate risk as almost the full amount of its financial liabilities provide for the payment of interest at floating rates subject to short-term repricing.

The Group's policy is to hedge a significant portion of the payable amount subject to interest rate risk. Interest rate swaps are used to hedge the risk which enable the interest rate to be set at fixed amounts.

Effective interest rate and repricing analysis

The following table shows the effective interest rate at the reporting date and for the period in which the related rate may be reviewed for interest-bearing financial assets and liabilities:

Thousands of Euros	Effective interest rate - December 2013	Repricing date					
		Total 31/12/13	Up to 6 months	6 - 12 months	1 - 2 years	2 - 5 years	After 5 years
BONDS:							
HY Bond issued by GCL Holdings S.C.A. - 20/04/2011	9.375%	200,000	-	-	-	-	200,000
Accrued interest - GCL Holdings S.C.A.	n.a.	3,902	3,902	-	-	-	-
Transaction costs	n.a.	(5,254)	-	-	-	-	(5,254)
TOT. HY BONDS issued by GCL Holdings S.C.A. - 20/04/2011		198,649	3,902	-	-	-	194,746
Bond Floating Rate Senior Secured Notes due 2019 issued by Guala Closures S.p.A. - 13/11/2012	5.593%	275,000	275,000	-	-	-	-
Accrued interest - Guala Closures S.p.A.	n.a.	1,965	1,965	-	-	-	-
Transaction costs	n.a.	(5,652)	(5,652)	-	-	-	-
TOT. BONDS FRSN 2019 issued by Guala Closures S.p.A. - 13/11/2012		271,314	271,314	-	-	-	-
TOTAL BONDS		469,962	275,216	-	-	-	194,746
Bank loans and borrowings:							
Senior Revolving Facility	3.980%	24,000	24,000	-	-	-	-
Transaction costs	n.a.	(1,995)	(1,995)	-	-	-	-
Tot. Senior Revolving Facility		22,005	22,005	-	-	-	-
Cassa di Risparmio di Alessandria loan	2.98%	944	944	-	-	-	-
Accrued interest and expense - Guala Closures S.p.A.	n.a.	649	649	-	-	-	-
Banco Sabadell loan (Spain)	5.20%	760	760	-	-	-	-
Bancolombia loan (Colombia)	6.35%	1,204	1,204	-	-	-	-
Advances on receivables and loans (Argentina)	n.a.	537	537	-	-	-	-
Scotiabank loan (Mexico)	7.58%	3,747	3,747	-	-	-	-
Total bank loans and borrowings		29,847	29,847	-	-	-	-
Other financial liabilities:							
Guala Closures S.p.A. finance leases	n.a.	15,770	15,770	-	-	-	-
Liability to the Ukrainian non-controlling investors	n.a.	6,400	-	-	-	-	6,400
Other liabilities	n.a.	472	472	-	-	-	-
Total other financial liabilities		22,643	16,243	-	-	-	6,400
TOTAL		522,452	321,305	-	-	-	201,146

Sensitivity analysis

Financial liabilities' fair values were calculated by an external actuary using the following methodology:

- the cash flows generated by the outstanding payables are identified both in terms of interest and principal. These cash flows are calculated with reference to the interest rates and the repayment plan;
- the individual cash flows are discounted using risk-free rates ruling on the measurement date. The bootstrap method is applied to the swap rates for each expiry date of the corresponding cash flow based on the resulting time curve;
- furthermore the individual cash flows are discounted using an additional rate, based on the Group's credit standing, calculated as the weighted average of the spreads applied to the different financing agreements. The spreads applied to the financing agreements are deemed to objectively represent the Group's credit standing and subsequent significant changes should not arise given its current financial position.

The following table shows the sensitivity analysis for the cash flows from these financial liabilities and the related hedging derivatives at December 31, 2013:

Thousands of Euros	Increase of 100bp	Decrease of 100bp
Floating Rate Senior Secured Notes due in 2019 issued by Guala Closures S.p.A.	(13,306)	13,306
Senior Revolving Facility Agreement - gross of transaction costs	(839)	825
Sensitivity of cash flows (net)	(14,145)	14,131
Finance leases	(424)	371
Related interest rate swaps	332	(273)
Sensitivity of cash flows (net)	(92)	98

The following methodology is used to perform the sensitivity analyses: a change is assumed in the interest rate used to calculate the interest (+/- 100 basis points), which indicates the change in the overall liability. Accordingly, negative amounts indicate an increase in the fair value of the liability and vice versa for positive amounts.

Currency risk

This risk relates to the effect of fluctuations in exchange rates on sales and purchases in currencies other than the functional currencies of the various group entities.

The Group is exposed to currency risk, particularly in relation to fluctuations of the pound sterling and US dollar.

Interest on loans is denominated in the currency of the cash flows generated by the Group's underlying transactions.

The risk of exchange rate fluctuations is managed using exchange rate hedges when significant differences are noted between cost and revenue in foreign currency.

If that is the case, such differences are hedged through currency swaps. These provide for the purchase/sale of agreed amounts in foreign currency at a set exchange rate against the Euro.

Sensitivity analysis

A strengthening of the Euro, as indicated below, against the USD, GBP, AUD, INR, UAH and PLN at December 31, would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis is based on exchange rate fluctuations that the Group considered to be reasonably possible at the reporting date. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasted sales and purchases. The analysis is performed on the same basis, although the changes in exchange rates differed to those expected, as indicated below.

2012	Strengthening		Weakening	
	Assets	Profit or loss	Liabilities	Profit or loss
USD (10% change)	506	506	(414)	(414)
GBP (10% change)	667	667	(546)	(546)
AUD (10% change)	1,037	1,037	(848)	(848)
INR (10% change)	1,562	1,562	(1,278)	(1,278)
UAH (10% change)	475	475	(389)	(389)
PLN (10% change)	1,309	1,309	(1,071)	(1,071)

2013	Strengthening		Weakening	
	Assets	Profit or loss	Liabilities	Profit or loss
USD (10% change)	600	600	(491)	(491)
GBP (10% change)	655	655	(536)	(536)
AUD (10% change)	328	328	(268)	(268)
INR (10% change)	1,350	1,350	(1,104)	(1,104)
UAH (10% change)	535	535	(438)	(438)
PLN (10% change)	631	631	(516)	(516)

Other price risk

As a result of the nature of its activities, the Group is exposed to the risk of fluctuations in the purchase price of raw materials, particularly plastics and aluminum.

The risk of fluctuations in the purchase price of plastics has not been hedged as these raw materials were not listed on international markets (the London Metal Exchange). However, this risk will be able to be hedged in the near future given current developments in the listing of plastics on the international market and corresponding hedging instruments.

The risk of fluctuations in the purchase price of aluminum is partly hedged through derivatives which set the forward purchase price.

(41) Related party transactions

Intragroup transactions and balances between consolidated group companies are eliminated on consolidation and, therefore, do not appear in the consolidated financial statements figures and are not disclosed in this report.

Intesa Sanpaolo S.p.A. is considered a related party of GCL Holdings Group.

The transactions and relationships between Intesa Sanpaolo S.p.A. and the Group at December 31, 2013 are summarized below:

- Banca IMI (a wholly owned subsidiary of Intesa Sanpaolo S.p.A.) is, together with Unicredit Bank AG (subsidiary of one of the shareholders and also Agent and Security Agent of the Senior Facilities Agreement), Credit Suisse AG and Natixis S.A., the Original Lender and Mandated Lead Arrangers of the Senior Facilities Agreement dated October 10, 2008 and amended and restated from time to time and on October 31, 2012;
- at December 31, 2013, Intesa Sanpaolo S.p.A. has a representative on the board of directors and a representative on the board of statutory auditors of Guala Closures S.p.A.;
- at December 31, 2013, Intesa Sanpaolo S.p.A. has a representative on the board of directors of GCL Holdings GP S.à r.l. (General Partner of GCL Holdings S.C.A.);
- at December 31, 2013, Intesa Sanpaolo S.p.A. has a representative on the board of directors of GCL Holdings LP S.à r.l. (General Partner of GCL Holdings GP S.à r.l.);
- at December 31, 2013, Intesa Sanpaolo S.p.A. controls an ultimate beneficial voting interest of 19.6%, via an investment in GCL Holdings L.P. S.à r.l.;
- Intesa Sanpaolo S.p.A., also through its subsidiaries Banca IMI, Leasint S.p.A. and Mediocredito Italiano S.p.A., has granted significant financing to the Group and is one of its main financial lenders;
- Guala Closures S.p.A. entered into interest rate swap agreements with Intesa Sanpaolo S.p.A. to hedge the interest rate exposure of the Senior Credit Facilities;
- transactions with Intesa Sanpaolo S.p.A. take place on an arm's length basis.

In addition, DLJ Merchant Banking Funds is considered to be a related party of the Group.

The transactions and relationships between DLJ Merchant Banking Funds and the Group at December 31, 2013 are summarized below:

- at December 31, 2013, DLJ Merchant Banking LLC has four representatives on the board of directors of GCL Holdings GP S. à r. l. (General Partner of GCL Holdings S.C.A.);
- at December 31, 2013, DLJ Merchant Banking LLC has two representatives on the board of directors of GCL Holdings LP S. à r. l.;
- at December 31, 2013, DLJ Merchant Banking LLC has five representatives on the board of directors of Guala Closures S.p.A.;
- DLJ Merchant Banking LLC is currently the beneficial owner of 58% of GCL Holdings S.C.A. via its indirect ownership of 35.4% of GCL Holdings L.P. S. à r.l.;
- transactions with DLJ Merchant Banking LLC take place on an arm's length basis.

Related parties also include a pension fund for employees of the former Metal Closures Ltd. (now Guala Closures UK Ltd.) managed by Metal Closures Group Trustees Ltd.. Considering the performance of the pension fund, the company was not required to transfer funds thereto. Employees have paid their contributions. Reference should be made to note 26) Employee benefits to the consolidated financial statements for additional information.

(42) Contingent liabilities

The large taxpayers office of the Piedmont regional tax office carried out a general tax inspection of Guala Closures S.p.A. on the 2010 tax year. The inspectors assessed adjustments to the transfer price policy which would lead to assessed taxes of € 0.4 million plus penalties. In March 2014, the company met the tax authorities to discuss the adjustment. Management is confident that it can refute the allegations made by the inspectors in their assessment report.

At the date of publication of these consolidated financial statements, there were no additional significant contingent liabilities in relation to which the Group can currently foresee future expenditure.

(43) Operating leases

The Group leases a number of warehouse and factory facilities under operating leases. The leases typically run for a period of 4-6 years, with an option to renew the lease after that date. Some leases provide for additional rent payments that are based on changes in local price indices.

Future minimum lease payments

At December 31, the future minimum lease payments under non-cancellable leases were receivable as follows:

Thousands of Euros	2012	2013
Less than one year	4,063	4,209
Between one and five years	10,015	9,647
More than five years	4,617	3,307
Total	18,695	17,163

Amounts recognized in profit or loss

Thousands of Euros	2012	2013
Lease expense	5,780	5,979
Contingent rent expense	22	26
Sublease income	(10)	(19)

(44) Commitments and guarantees

The Group's commitments and guarantees given at December 31, 2013 can be grouped into those guarantees given in relation to the Senior Facilities Agreement and Senior Secured Notes due in 2019 and other guarantees given by other group companies, detailed as follows:

GCL Holdings S.C.A.

- Receivables Pledge of GCL Holdings S.C.A.'s receivables under the Proceeds Loan, dated April 20, 2011 (also securing the Senior Notes due in 2018).
- Pledge of the shares of Guala Closures S.p.A. held by GCL Holdings S.C.A.

Guala Closures S.p.A.

- Pledge of the shares held by Guala Closures S.p.A. in Guala Closures International B.V.
- Special lien on the following assets of Guala Closures S.p.A.: (securing the Senior Facilities Agreement only)
 - existing and future chattels not listed in public registers which Guala Closures S.p.A. uses in its operations or as plant and machinery;
 - raw materials, work in progress, stock, finished goods held at any time at Guala Closures S.p.A.'s warehouses (or with third parties or holders of any kind);
 - goods that Guala Closures S.p.A. purchases with income from the financing secured by the special lien;
 - receivables arising after the special lien was signed following the sale of some of the above assets;
 - any revenues and related assets in connection therewith.
- Pledge of Guala Closures S.p.A.'s intellectual property rights

Guala Closures UK Ltd.

- A bond and floating charge on all the assets of Guala Closures UK Ltd..

Guala Closures International B.V.

- Pledge of the shares of Guala Closures Patents B.V. held by Guala Closures International B.V.
- Pledge of the shares of Guala Closures China B.V. held by Guala Closures International B.V.
- Specific security deed of the shares of Guala Closures Australia Holdings Pty Ltd. held by Guala Closures International B.V.
- Pledge of the participatory interests and shares of Guala Closures Ukraine LLC held by Guala Closures International B.V.
- Pledge of the shares of Guala Closures Mexico S.A. de C.V. held by Guala Closures International B.V.
- Pledge of the shares of Guala Closures Iberica S.A. held by Guala Closures International B.V.
- Specific security deed of the shares of Guala Closures New Zealand Ltd. held by Guala Closures International B.V.
- Pledge of the shares of Guala Closures do Brasil Ltda held by Guala Closures International B.V.
- Charge on the shares of Guala Closures UK Ltd. held by Guala Closures International B.V.
- Pledge of the shares of Guala Closures DGS Poland [Spółka Akcyjna] held by Guala Closures International B.V.

Guala Closures Patents B.V.

- Pledge of the material intellectual property of Guala Closures Patents B.V.

Guala Closures Australia Holdings Pty Ltd

- Specific security on Guala Closures Australia Pty Ltd. shares held by Guala Closures Australia Holdings Pty Ltd.

Guala Closures Australia Pty Ltd.

- Specific security and general security deed granted on the assets of Guala Closures Australia Pty Ltd.

Guala Closures do Brasil Ltda.

- Mortgage on certain real estate property owned by Guala Closures do Brasil Ltda. (security documents executed in January 2013).

The other guarantees given by group companies at December 31, 2013 are as follows:

Guala Closures Mexico S.A. de C.V.

- Mortgage on land given to Scotia Bank for an amount of Mexican pesos 54 million

Guala Closures Argentina S.A.

- Mortgage on building given to Banco de la Nación Argentina for an amount of ARS 5.5 million

Guala Closures South Africa Pty Ltd

- Bank Guarantees for Warehouse Lease for an amount of South African rand 0.5 million

Thousand of Euros	December 31, 2013
Guala Closures S.p.A.	
Third party assets held by the Company	3,339

(45) Events after the reporting period

Incorporation of Guala Closures Japan KK:

In order to accelerate the Group's development in the Far East and Pacific area, a commercial company has been created in Japan.

On February 26, 2014, registration of the incorporation of Guala Closures Japan KK was completed.

Ukraine's political and economic situation:

Ukraine's political and economic situation has deteriorated significantly since the end of November 2013 after the Government's decision not to sign the Association Agreement and the Deep and Comprehensive Free Trade Agreement with the European Union. Political and social unrest combined with rising regional tensions has worsened the ongoing economic crisis and has resulted in an increase in the state budget deficit and the depletion of the National Bank of Ukraine's foreign currency reserves and, as a result, further downgrading of the Ukrainian sovereign debt credit ratings. In February 2014, following the devaluation of the national currency, the National Bank of Ukraine has introduced certain administrative restrictions on currency conversion transactions and has announced a transition to floating foreign exchange rate regime. The final resolution and the effects of political crisis are difficult to predict but it may have further severe effects on the Ukrainian economy.

Whilst management believes it is taking appropriate measures to support the sustainability of the Company's business in the current circumstances, a further deterioration in the business environment could negatively affect the Company's results and financial position in a manner that is not currently determinable. Submitted financial information for consolidation purposes reflects management's current assessment of the impact of the Ukrainian business environment on the Company's operations and the financial position of the Company. The future business environment may differ from management's assessment.

Directors of GCL Holdings GP S.à r.l.
General Partner of GCL Holdings S.C.A.

Luxembourg, April 30, 2014



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REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of GCL Holdings S.C.A., which comprise the consolidated statement of financial position as at December 31, 2013 and the consolidated statements of comprehensive income and other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 48 to 125.

General Partner's responsibility for the consolidated financial statements

The General Partner is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Responsibility of the Réviseur d'Entreprises agréé

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the judgement of the Réviseur d'Entreprises agréé, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the Réviseur d'Entreprises agréé considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the General Partner, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

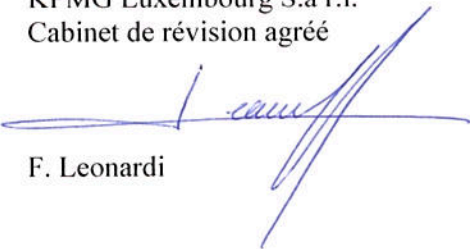
In our opinion, the consolidated financial statements as set out on pages 42 to 125 give a true and fair view of the consolidated financial position of GCL Holdings S.C.A. as of December 31, 2013, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on other legal and regulatory requirements

The consolidated management report as set out on pages 8 to 35, which is the responsibility of the Board of Managers, is consistent with the consolidated financial statements.

Luxembourg, April 30, 2014

KPMG Luxembourg S.à r.l.
Cabinet de révision agréé



F. Leonardi

Annex to the consolidated financial statements

Annex A)

Reconciliation between tables included in the Director's report with the classification used in the consolidated financial statements

ANNEX A)

Reconciliation of financial income and expense included in the Director's report with the classification used in the notes to the consolidated financial statements - Thousands of Euros

Classification in the reclassified Financial income and expense	2012 (*)	2013	Classification in the notes to consolidated financial statements (notes 36-37)
Net exchange rate losses	5,842	1,587	Exchange rate gains
Net exchange rate losses	(10,669)	(15,044)	Exchange rate losses
Fair value gains/(losses) on derivatives	61	1,779	Change in fair value of IRS
Fair value gains/(losses) on derivatives	594	21	Change in fair value of aluminium derivatives
Fair value gains/(losses) on derivatives	(5,233)	-	P&L impact on IRSs
Fair value gains/(losses) on derivatives	(756)	(1,645)	Fair value losses on aluminum and currency derivatives
Fair value gains on liability due to non-controlling investors	(1,100)	(800)	Financial expenses - non-controlling investors in the Ukrainian company
Net interest expense	1,147	661	Interest income
Net interest expense	(39,288)	(42,090)	Interest expense
Net interest expense for restructuring	(4,115)	-	Interest expense
Net other financial expense	(1,427)	(1,205)	Other financial expense
Net other financial expense	265	180	Other financial income
Total net financial expense	(54,678)	(56,556)	

(*) Following the retrospective application of the amendment to IAS 19 from January 1, 2013, the reported 2012 figures have been restated for comparative purposes as required by IAS 1. Reference should be made to the section "Changes in accounting standards" for further details.

Annex A) Reconciliation of the reclassified statement of financial position included in the Director's report with the classification used in the statement of financial position - Thousands of Euros

Classification in the reclassified statement of financial position	December 31, 2012	December 31, 2013	Classification in the statement of financial position
Net working capital	99,634	93,079	Trade receivables
Net working capital	63,603	71,483	Inventories
Net working capital	(62,272)	(66,788)	Trade payables
Total net working capital	100,965	97,774	
Net financial derivative liabilities	322	-	Financial derivative assets
Net financial derivative liabilities	(6,715)	(4,982)	Financial derivative liabilities
Total net financial derivative liabilities	(6,393)	(4,982)	
Other current assets/liabilities	1,666	1,072	Current direct tax assets
Other current assets/liabilities	7,416	9,270	Current indirect tax assets
Other current assets/liabilities	2,936	3,598	Other current assets
Other current assets/liabilities	10	8	Assets held for sale
Other current assets/liabilities	8,805	8,227	Deferred tax assets
Other current assets/liabilities	1,050	499	Other non-current assets
Other current assets/liabilities	(3,821)	(3,552)	Current direct tax liabilities
Other current assets/liabilities	(3,738)	(3,841)	Current indirect tax liabilities
Other current assets/liabilities	(2,452)	(1,231)	Current provisions
Other current assets/liabilities	(27,357)	(24,638)	Other current liabilities
Other current assets/liabilities	(26,966)	(21,109)	Deferred tax liabilities
Other current assets/liabilities	(157)	(684)	Non-current provisions
Other current assets/liabilities	(725)	(168)	Other non-current liabilities
Total other assets/liabilities	(43,333)	(32,548)	

Annex to the consolidated financial statements

Classification in the reclassified statement of financial position	December 31, 2012	December 31, 2013	Classification in the statement of financial position
Net financial liabilities	(43)	(64)	Current financial assets
Net financial liabilities	(585)	(219)	Non-current financial assets
Net financial liabilities	10,438	10,129	Current financial liabilities
Net financial liabilities	503,848	505,922	Non-current financial liabilities
Financial liabilities to non-controlling investors	5,600	6,400	Non-current financial liabilities
Cash and cash equivalents	(58,474)	(41,197)	Cash and cash equivalents
Total Net financial indebtedness	460,784	480,972	

