GCL HOLDINGS S.C.A.
and Subsidiaries

2015 Annual Report and
Consolidated financial statements for the
year ended December 31, 2015
(with the report of the Réviseur
d'Entreprises agréé thereon)

Luxembourg, April 28, 2016

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8A, rue Albert Borschette
L-1246 Luxembourg
Share capital € 141,217.50 fully paid-up
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Company officers

Board of directors

Directors

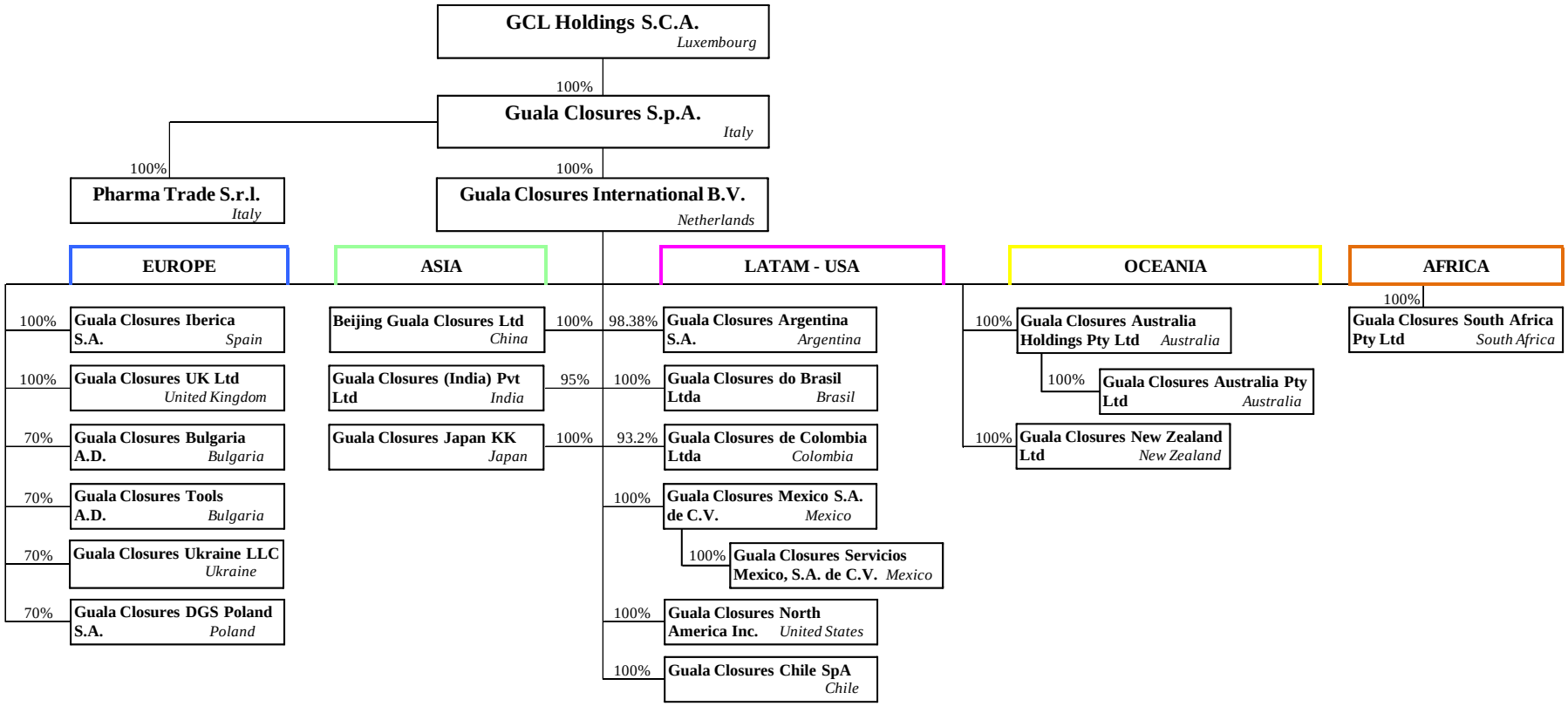
- Marco Giovannni
- Anibal Diaz Diaz
- Gregory Centurione
- Alfio Riciputo
- Annick Mayon
- Mathieu Ledoux
- Kunal Pandit
- Colin Taylor
- Maximilian Hofert
- Francesco Bove
- Michele Quaranta

Auditors

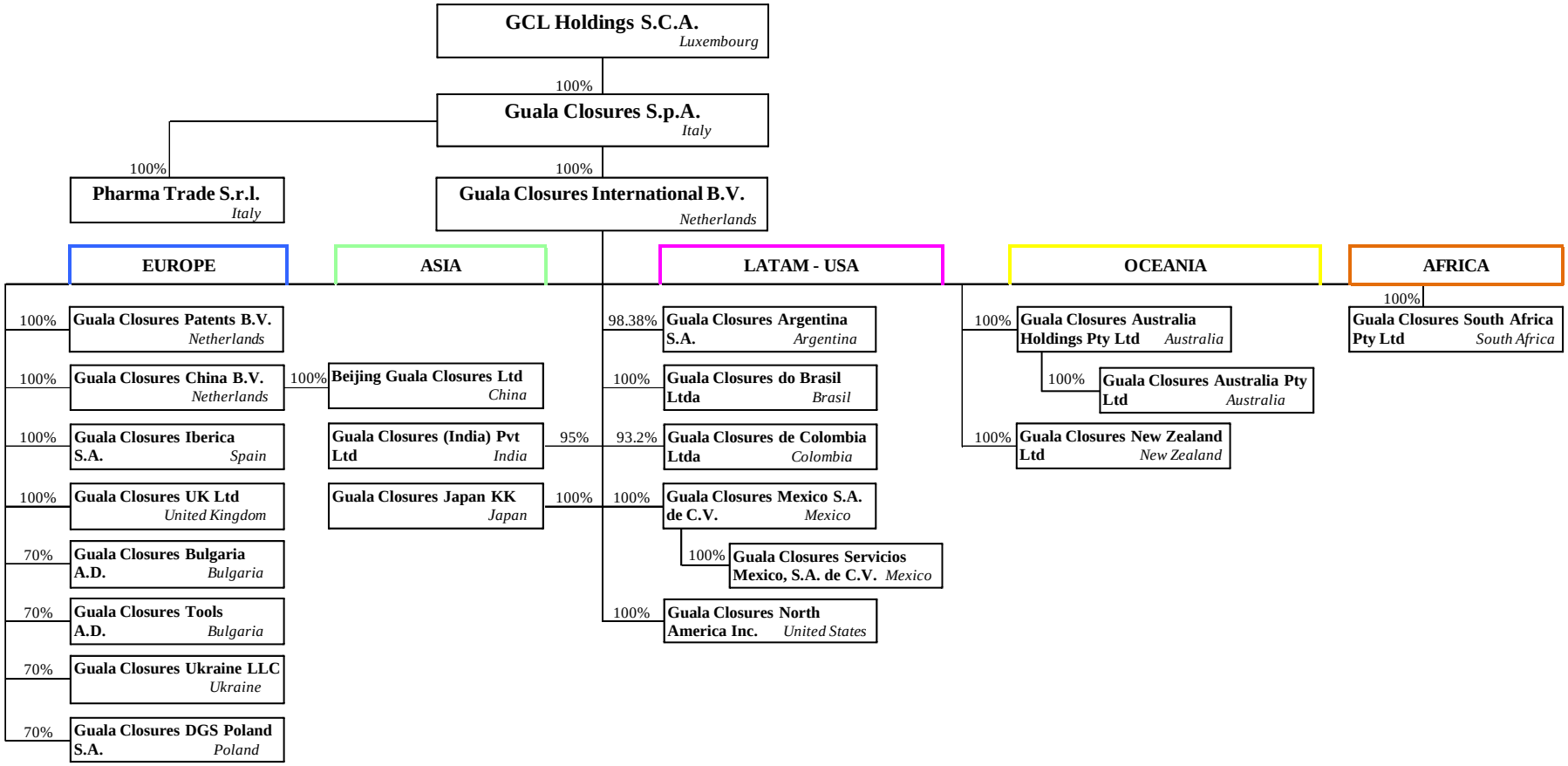
KPMG Luxembourg, Société coopérative

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

December 31, 2015



December 31, 2014



Directors' report

GCL Holdings Group

Key figures

Consolidated figures	2014	2015
Revenue:	€ 487.8 ml	€ 520.5 ml (6.7%)
Adjusted gross operating profit (Adjusted EBITDA):	€ 95.8 ml	€ 106.4 ml (11.1%)
Employees:	4,046	3,996
Plants:	26 plants and 4 sale offices in 19 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 14 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 Group 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 2015, the Group was penalized by a negative translation impact due to the Euro's strengthening versus the main group currencies.
At constant exchange rates, the Group delivered 8.8% sales growth and a 18.2% increase in adjusted gross operating profit (adjusted EBITDA - excluding one-off items).
These performances have been achieved thanks to the measures implemented to improve 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 events took place in 2015:

Merger between group companies:

On February 9, 2015, the merger between Guala Closures International B.V. and Guala Closures China B.V. was completed (effective from January 1, 2015).

On June 19, 2015, the merger between Guala Closures International B.V. and Guala Closures Patents B.V. was completed (effective from January 1, 2015).

The purpose of the above mergers is to concentrate and rationalize the resources of the companies, realising cost savings and, as a result, increasing the overall efficiency of the Group's structure.

Incorporation of Guala Closures Chile SpA:

On September 1, 2015, Guala Closures Chile SpA was incorporated. The Group's decision to install production capacity locally is aimed at better serve and further develop the Chilean market.

Production reallocation:

On September 1, 2015, the Group decided to close the Australian site of Acacia Ridge and reallocate its crown seals production to the other Australian Group plant located in Central West in the second quarter of 2016.
This industrial reorganization will allow the Group to improve production efficiency.

The estimated plant shut-down expenses are in the region of € 0.9 million, of which € 0.2 million already paid in 2015 and the remaining € 0.7 million to be paid in 2016.

2015 investments:

During 2015, the Group invested € 22.6 million (net capex, net of change in payable for capex) (€ 33.5 million in 2014), in order to support future growth. The main investments of 2015 took place in Italy, Poland, India, Ukraine, China and Mexico. In particular, during 2015, the main investments were made for the sputtering technology in Italy, Ukraine and Mexico, for the capacity increase in India, for the plants safety and for new projects in different countries.

Research and development

The Group Group has more than 80 active patents.
In 2015, the Group's research and development activities have been based on the analysis of the market needs, assisted by the marketing department, to identify opportunities and developments, also in response to specific customer demands.

Particular attention has been dedicated to the research of new technologies applicable in Guala Closures' production processes.

Projects for individual brands and new products for specific market segments as well as the upgrade of existing products have been developed with a particular focus on premium brands and wine.

New plastic materials and accessories for decoration have been validated not only for food safety law compliance, but to avoid any possible risk to consumers.

2015 projects included the launch of special products developed together with customers to enhance the value of specific spirits brands.

Other key R&D activities carried out during the year and that will continue through 2016 include:

- extensive research and testing of technologies to improve the security of customer products against counterfeiting have been conducted using electronic devices, chemical components included in our products and authentication tools;
- technologies and processes research, aimed principally at improving production efficiency, quality of the decoration and reducing the environmental impact of the packaging to encourage sustainable growth;
- development of new solutions for the brand and consumer protection with particular attention to the spirits and the olive oil markets;
- development of new solutions to enlarge the offer of products for the wine market focusing on the aesthetic and functionality.

Research expenditure is expensed while development expenditure is capitalized, in accordance with the IFRS, if certain criteria are met.

During 2015, research expenditure of roughly € 1.0 million was expensed, while development expenditure of roughly € 0.8 million was capitalized.

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, particularly in India and Ukraine.

Policies for financial and other business risk management

Reference should be made to note 22) "Financial derivative liabilities" to the consolidated financial statements for further information on derivatives in place at December 31, 2015 and the related accounting treatment and to note 38) "Fair value of financial instruments and sensitivity analysis" for other financial instruments and risk management policies.

Interest rate risk

The Group has two interest rate swaps in place at December 31, 2015 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.
On September 30, 2015, three interest rate swaps, entered into in order to hedge floating interest rates on bank loans, expired.

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 manages 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, 2015, the Group has twenty-two contracts for the forward purchase of aluminum, for a total of over 5,000 tons, spread over various maturity dates based on forecasted monthly requirements.

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.

Following the devaluation of the national currency, the National Bank of Ukraine introduced certain administrative restrictions on currency conversion transactions, which among others included restrictions on purchases of foreign currency by individuals and companies, the requirement to convert 75% of foreign currency proceeds to local currency, a ban on payment of dividends abroad, a ban on early repayment of foreign loans and restrictions on cash withdrawals from banks. These events had a negative effect on Ukrainian companies and banks, significantly limiting their ability to obtain financing on domestic and international markets.

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 on current and non-current assets, as reported in the table of reclassified consolidated income statement.

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

In 2015, EBITDA was impacted by € 3.1 million of non-recurring costs, of which € 2.6 million for the rationalization of the production structure.

In 2014, EBITDA was impacted by € 5.3 million of non-recurring costs, of which € 0.2 million of M&A activities, € 5.1 million of costs for the rationalization of the production structure and other costs (of which € 4.4 million refer to redundancy programme for Italian sites).

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

The translation adjustment mentioned in the following pages refers to the difference between the 2015 amounts and 2015 currency amounts calculated at constant 2014 average exchange rates ("constant exchange rates").

Results of operations

The table below shows the reclassified consolidated income statement:

Reclassified consolidated income statement

(Thousands of Euros)	**2014**	***% of total revenue***	**2015**	***% of total revenue***
Net revenue	**487,794**		**520,533**	
Change in inventories of finished goods and semi-finished products	1,023		3,066	
Total revenue	**488,818**	***100.0%***	**523,598**	***100.0%***
Other operating income	9,974	*2.0%*	9,703	*1.9%*
Costs for raw materials	(219,182)	*(44.8%)*	(233,336)	*(44.6%)*
Costs for services	(86,152)	*(17.6%)*	(91,083)	*(17.4%)*
Personnel expense	(90,719)	*(18.6%)*	(94,036)	*(18.0%)*
Other operating expense	(12,295)	*(2.5%)*	(11,577)	*(2.2%)*
Gross operating profit (EBITDA)	**90,442**	***18.5%***	**103,269**	***19.7%***
Amortization, depreciation and impairment losses	(39,396)	*(8.1%)*	(37,583)	*(7.2%)*
Operating profit	**51,046**	***10.4%***	**65,686**	***12.5%***
Financial income	7,756	*1.6%*	11,100	*2.1%*
Financial expense	(53,812)	*(11.0%)*	(59,744)	*(11.4%)*
Profit before taxation	**4,990**	***1.0%***	**17,042**	***3.3%***
Income taxes	(22,441)	*(4.6%)*	(21,745)	*(4.2%)*
Loss for the year	**(17,452)**	***(3.6%)***	**(4,703)**	***(0.9%)***

Source: financial statements figures

Adjusted EBITDA	**95,754**	***19.6%***	**106,404**	***20.3%***

Notes:

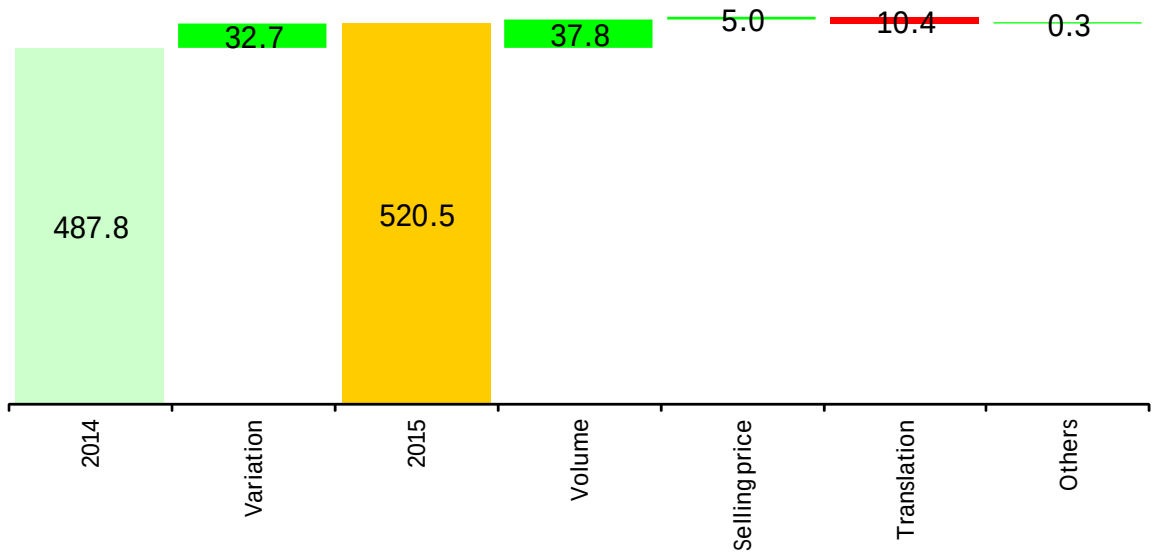
- *Adjusted EBITDA has been calculated excluding one-off items incurred during the year as described above.*

Net revenue

In 2015, consolidated net revenue was € 520.5 million, up € 32.7 million or 6.7% on 2014 despite the negative translation impact (€ 10.4 million) following the Euro's revaluation versus the main currencies in which the Group operates.

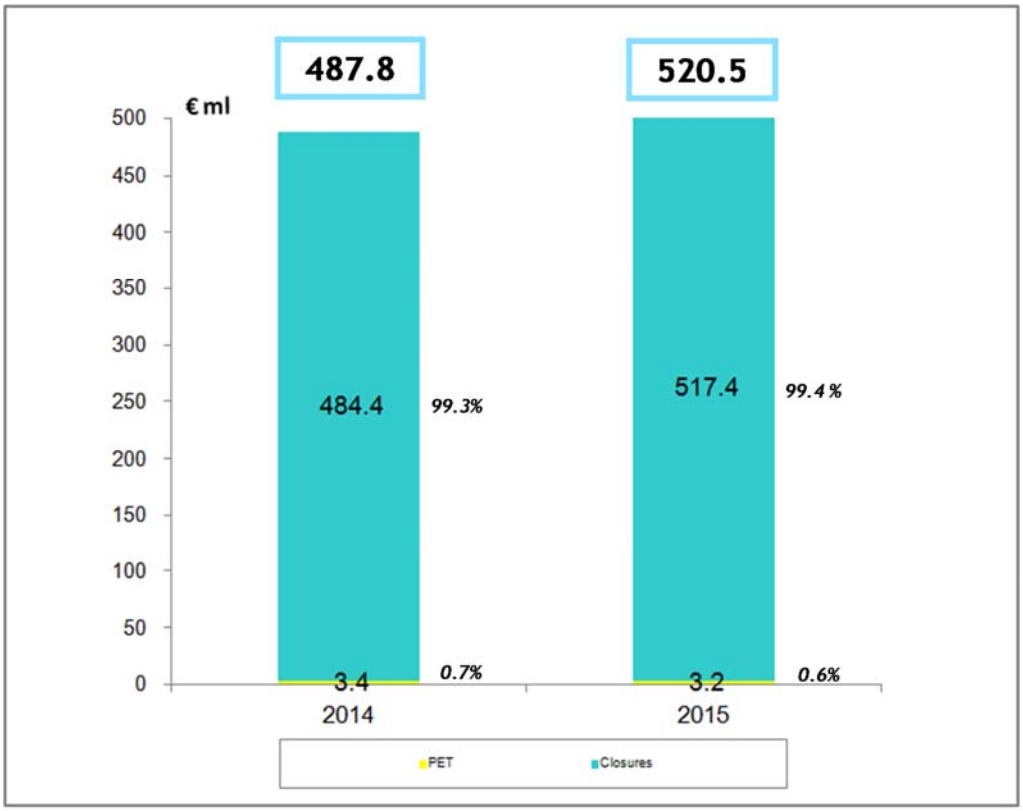
At constant exchange rates, net revenue was up € 43.1 million or 8.8% on 2014 due to organic growth, as a result of higher sales volumes and/or an increase in selling prices mainly in Ukraine, Mexico, Spain, Argentina, South Africa and Brazil, due to the further penetration of safety closures and to the continuous changeover from cork to aluminum closures for wine bottles.

The graph below shows the difference between 2015 and 2014 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 (99.4% 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 went from € 484.4 million in 2014 to € 517.4 million in 2015, representing an increase of € 32.9 million, despite a negative translation impact (€ 10.4 million). At constant exchange rates, net revenue was up € 43.3 million or 8.9% on 2014.

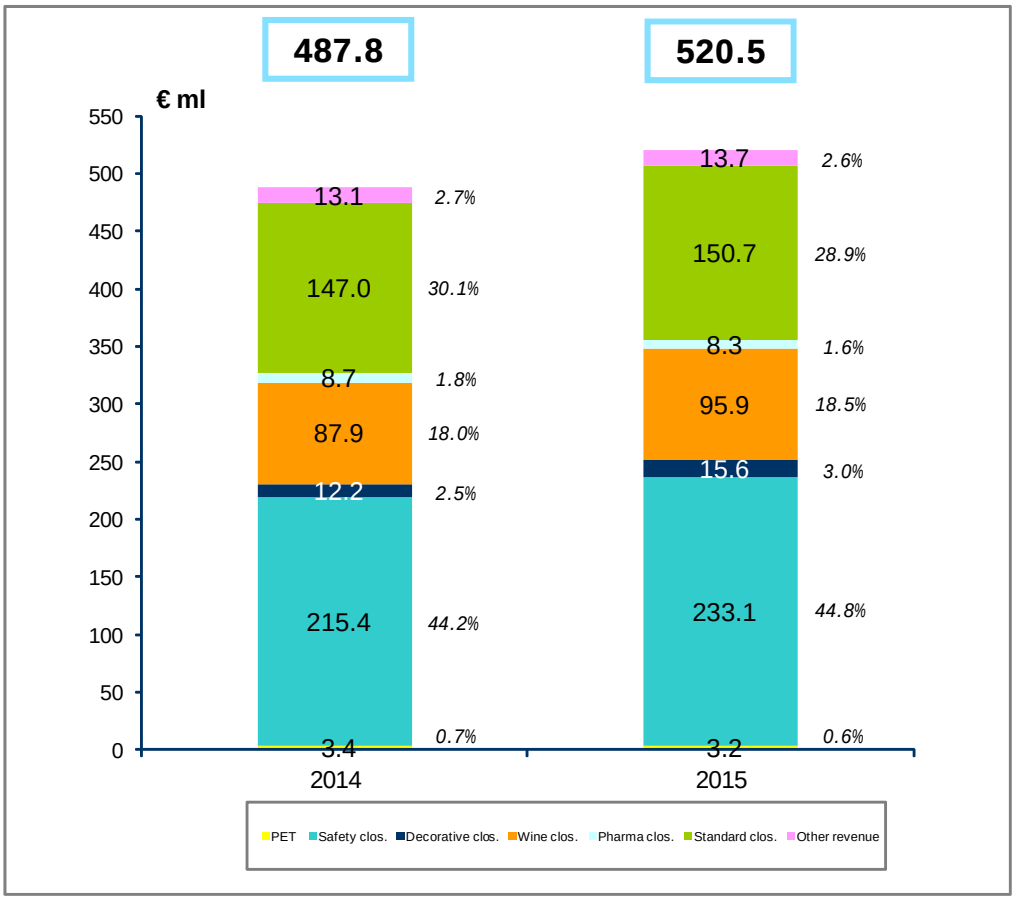
The PET division mainly produces standard and custom moulds, PET bottles and miniatures. This division is no longer considered a core business for the Group.

The PET division's revenue is almost stable at € 3.2 million (0.6% of net revenue). Its 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 Directors' report.

Net revenue by product

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



Source: sales statistics

Safety closures revenue increased from € 215.4 million in 2014, or 44.2% of net revenue, to € 233.1 million in 2015, or 44.8%, representing an increase of € 17.7 million, despite the negative translation impact (€ 5.0 million).
At constant exchange rates, net revenue was up € 22.7 million or 10.5% on 2014 mainly due to the result of the launch of new closures principally in Mexico and Italy.

Decorative closures revenue increased from € 12.2 million in 2014, or 2.5% of net revenue, to € 15.6 million in 2015 (or 3.0%), representing an increase of € 3.4 million, which includes a positive translation impact of € 0.9 million.

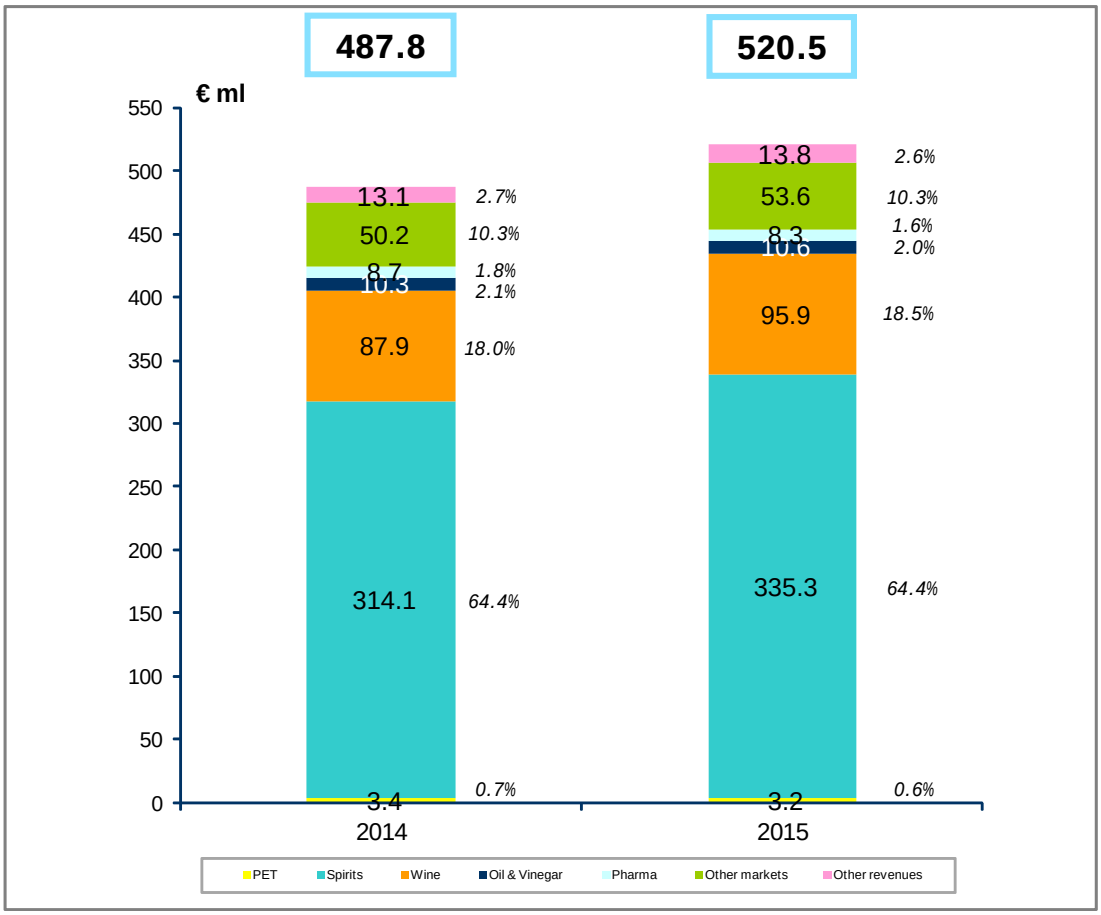
Wine closures revenue increased from € 87.9 million in 2014, or 18.0% of net revenue, to € 95.9 million in 2015, or 18.5%, representing an increase of € 7.9 million, which includes a positive translation impact of € 2.5 million.

Pharma closures revenue decreased from € 8.7 million in 2014, or 1.8% of net revenue, to € 8.3 million in 2015, or 1.6%, representing a decrease of € 0.4 million.

Standard closures and other revenue increased from € 160.2 million in 2014, or 32.8% of net revenue, to € 164.4 million in 2015, or 31.6%, representing an increase of € 4.2 million, despite the negative translation impact (€ 8.8 million). At constant exchange rates, net revenue was up € 13.1 million or 8.2% on 2014.

Net revenue by destination market

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



Source: sales statistics

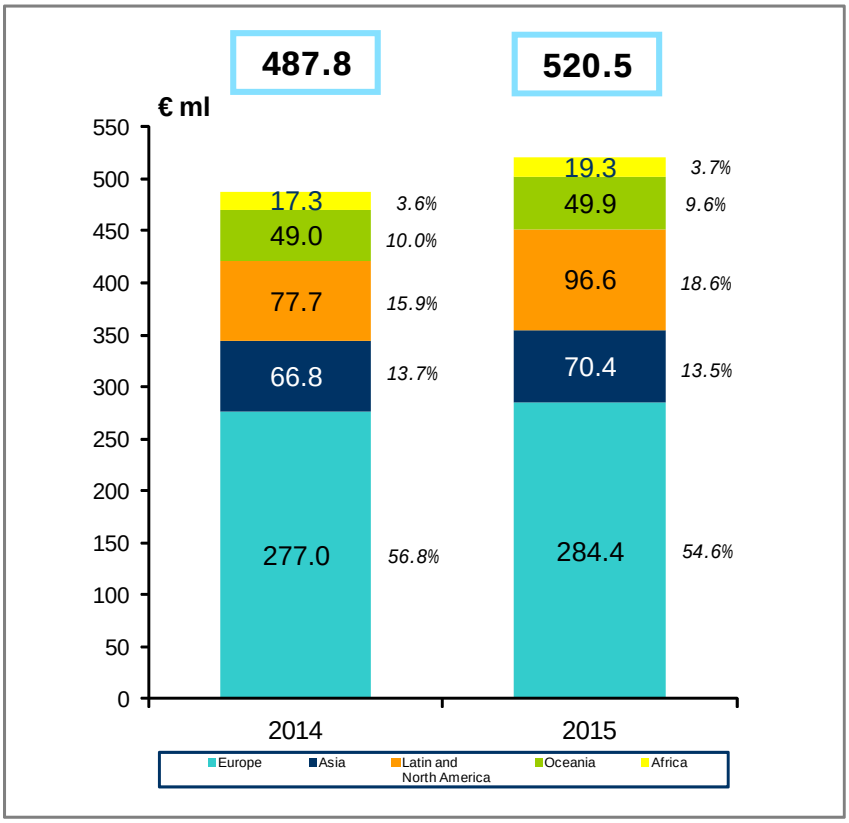
The most important destination market for the group sales continues to be the spirits market, which represents 64.4% of net revenue.
Net revenue related to the spirits market increased from € 314.1 million in 2014 to € 335.3 million in 2015, despite € 11.0 million of negative translation impact.

The second important destination market is the wine market, which represents 18.5% of net revenue.
Net revenue related to the wine market increased by 9.0% in 2015 from € 87.9 million in 2014 to € 95.9 million in 2015, mainly due to higher sales in Poland, Uk, Australia and Argentina.

The incidence on net revenue of other markets is substantially in line with 2014.

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 increased from € 277.0 million in 2014, or 56.8% of net revenue, to € 284.4 million in 2015, or 54.6%, representing an increase of € 7.4 million, despite the negative translation impact (€ 17.4 million). At constant exchange rates, the net revenue of this area increased by € 24.9 million or 9.0% on 2014, mainly due to the Ukrainian company.

Net revenue from operations in Asia increased from € 66.8 million in 2014, or 13.7% of net revenue, to €70.4 million in 2015, or 13.5%, representing an increase of € 3.5 million. Net revenue in this area was positively impacted by € 8.8 million of translation impact. At constant exchange rates, the net revenue of this area was down € 5.3 million or 7.9% on 2014, mainly due to lower volumes in China.

Net revenue from operations in Latin and North America increased from € 77.7 million in 2014, or 15.9% of net revenue, to € 96.6 million in 2015, or 18.6%, representing an increase of € 18.9 million, despite the negative translation impact (€ 2.1 million). At constant exchange rates, the net revenue of this area increased by € 21 million or 27% on 2014, mainly due to Mexico and Argentina.

Net revenue from operations in Oceania increased from € 49.0 million in 2014, or 10.0% of net revenue, to € 49.9 million in 2015, or 9.6%, representing an increase of € 0.9 million related to higher sales in Australia.

Net revenue from operations in Africa increased from € 17.3 million in 2014, or 3.6% of net revenue, to €19.3 million in 2015, or 3.7%, representing an increase of € 2.0 million. Net revenue in this area was positively impacted by € 0.3 million of translation impact. Excluding the exchange rates impact, the net revenue of this area increased by € 1.7 million or 9.6% on 2014.

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

Other operating income

Other operating income decreased from € 10.0 million in 2014, or 2.0% of total revenue, to € 9.7 million in 2015, or 1.9%, representing a decrease of € 0.3 million.
Other operating income mainly comprises capitalized development expenditure and extraordinary maintenance.

Costs for raw materials

These costs increased from € 219.2 million in 2014, or 44.8% of total revenue, to € 233.3 million in 2015, or 44.6%, representing an increase of € 14.1 million, but they decreased as a percentage of total revenue.

Costs for services

Costs for services increased from € 86.2 million in 2014, or 17.6% of total revenue, to € 91.1 million in 2015, or 17.4%, representing an increase of € 4.9 million, but they decreased as a percentage of total revenue.

Personnel expense

Personnel expense increased from € 90.7 million in 2014, or 18.6% of total revenue, to € 94.0 million in 2015, or 18.0%, representing an increase of € 3.3 million, but they decreased as a percentage of total revenue.

Other operating expense

Other operating expense decreased from € 12.3 million in 2014, or 2.5% of total revenue, to € 11.6 million in 2015, or 2.2%, representing a decrease of € 0.7 million, mainly due to larger provisions booked in 2014 for restructuring plan.

Gross operating profit (EBITDA)

The Group's gross operating profit for 2015 came to € 103.3 million, 19.7% of total revenue, showing a € 12.8 million (14.2%) increase on 2014.

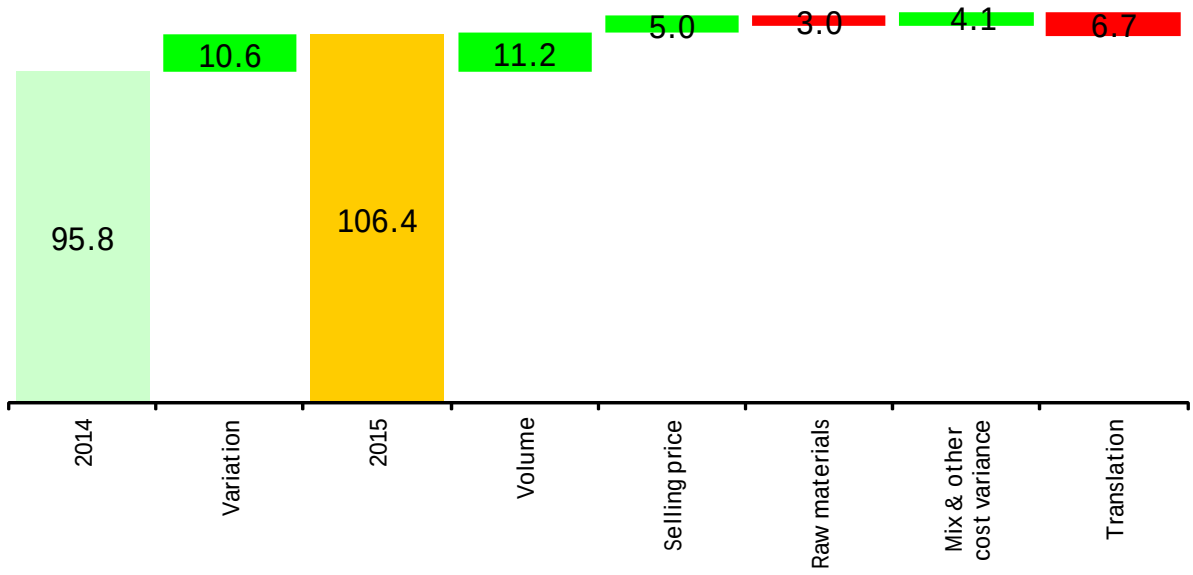
In 2015, EBITDA was impacted by € 3.1 million of non-recurring costs, of which € 2.6 million for the rationalization of the production structure.

In 2014, EBITDA was impacted by € 5.3 million of non-recurring costs, of which € 0.2 million of M&A activities and € 5.1 million costs for the rationalization of the production structure and other costs.

Excluding the non-recurring items, the Group's gross operating profit (adjusted EBITDA) for 2015 would have been € 106.4 million, showing a € 10.6 million increase on 2014, despite a negative translation impact (€ 6.7 million) following the Euro's revaluation versus the main currencies in which the Group operates.
At constant exchange rates, adjusted EBITDA was up € 17.4 million or 18.2% on 2014 due to organic growth.

Adjusted EBITDA in 2015 is equal to 20.3% of total revenue (19.6% in 2014).

The graph below shows the difference between 2013 and 2014 adjusted EBITDA:



Amortization, depreciation and impairment losses

Amortization, depreciation and impairment losses decreased from € 39.4 million in 2014, or 8.1% of total revenue, to € 37.6 million in 2015, or 7.2%, representing a decrease of € 1.8 million, mainly due to a reduction in depreciation rates in the Italian plant of Magenta of some generic plant and equipment adopted from 2015 based on internal appraisal that shows a longer useful life of certain assets.

Financial income and expense

Net financial expense increased from € 46.1 million for 2014 to € 48.6 million for 2015, mainly due to smaller exchange rate losses.

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

Thousands of Euros	**2014**	**2015**
Net exchange rate losses	(1,140)	(3,889)
Net fair value gains on derivatives	2,077	479
Fair value losses on liability due to non-controlling investors	(3,500)	(3,600)
Net interest expense	(42,494)	(40,983)
Net other financial expense	(998)	(651)
Net financial expense	**(46,056)**	**(48,644)**

Source: consolidated financial statements figures

Fair value losses on the liability due to non-controlling investors relates to the liability due to the non-controlling investors of the Ukrainian company, which increased by € 3.6 million in 2015.

Net interest expense in 2015 is € 1.5 million smaller than the previous year mainly due to € 0.7 million due to lower interest rate on bonds and € 0.4 million due to the expiry of the trading IRS.

Income taxes

Income taxes decreased from € 22.4 million in 2014, or 4.6% of total revenue, to € 21.7 million in 2015, or 4.2%, representing a decrease of € 0.7 million.
In 2014, income taxes included € 5.5 million costs accounted in relation to potential tax and related matters dating to the period 2009-2011. Excluding such non-recurring costs relating to past years, income taxes 2015 are higher than the previous year due to higher profit before taxes.

Loss for the year

The loss for the year decreased from € -17.5 million in 2014, or -3.6% of total revenue, to € -4.7 million in 2015, or -0.9%, mainly due to higher EBITDA.

Reclassified consolidated statement of financial position

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

Thousands of Euros	December 31, 2014	December 31, 2015
Intangible assets	385,554	376,656
Property, plant and equipment	202,825	186,144
Net working capital	102,070	87,042
Net financial derivative liabilities	(2,970)	(1,071)
Employee benefits	(7,318)	(5,745)
Other assets/liabilities	(36,435)	(30,381)
Net invested capital	**643,727**	**612,644**
Financed by:		
Net financial liabilities	533,031	546,046
Financial liabilities to non-controlling investors	9,900	13,500
Cash and cash equivalents	(35,273)	(61,944)
Net financial indebtedness	**507,658**	**497,601**
Equity	**136,069**	**115,043**
Sources of financing	**643,727**	**612,644**

Source: reclassified financial statements figures

Property, plant and equipment

Property, plant and equipment decreased from € 202.8 million at the end of 2014, to € 186.1 million at the end of 2015, representing a decrease of € 16.7 million. This reduction is mainly due to negative exchange rate differences (€ 7.5 million) and to depreciation and impairment losses (€ 29.2 million), partly compensated by net investments (mainly in Italy, Poland, India, Ukraine, China and Mexico) (€ 20 million).

Net working capital

The table below provides a breakdown of net working capital.

Thousands of Euros	December 31, 2014	December 31, 2015
Inventories	64,307	67,301
Trade receivables	92,108	86,880
Trade payables	(54,344)	(67,140)
Net working capital (*)	**102,070**	**87,042**

(*) 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 and impairment losses on receivables.

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

Days	December 31, 2014	December 31, 2015
Inventories	43	45
Trade receivables	62	58
Trade payables	(37)	(45)
Net working capital days	**69**	**59**

Net working capital decreased from € 102.1 million at December 31, 2014 to € 87.0 million at December 31, 2015, representing a decrease, in net working capital days, from 69 days to 59 days.

Net financial indebtedness

The table below gives a breakdown of net financial indebtedness.

Thousands of Euros	December 31, 2014	December 31, 2015
Net financial liabilities	533,031	546,046
Financial liabilities vs non-controlling investors	9,900	13,500
Cash and cash equivalents	(35,273)	(61,944)
Net financial indebtedness	**507,658**	**497,601**

Net financial indebtedness decreased from € 507.7 million at December 31, 2014 to € 497.6 million at December 31, 2015, representing a decrease of € 10.1 million. This decrease is mainly due to the cash flows generated by the operating activities (€ 86.1 million) which were partly used as follows: € 22.6 million in investing activities and € 53.4 million in financing activies.

Equity

The table below shows a breakdown of equity:

Thousands of Euros	December 31, 2014	December 31, 2015
Equity attributable to the owners of the parent	112,273	90,344
Equity attributable to non-controlling interests	23,796	24,699
Equity	**136,069**	**115,043**

Equity attributable to the owners of the parent decreased by € 21.9 million, mainly due to € 10.4 million for the negative exchange rate trend and € 12.1 million for the loss for the year.
Equity attributable to non-controlling interests increased by € 0.9 million, mainly due to € 7.4 million profit for the year, partly compensated by the € 4.5 million dividend distribution and € 2.0 million negative exchange rate trend.

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	**2014**	**2015**
A) Opening net financial indebtedness	**(480,972)**	**(507,658)**
Gross operating profit (EBITDA)	90,442	103,269
Change in NWC	(9,544)	10,626
Other operating items	(169)	(1,164)
Taxes	(19,591)	(26,678)
B) Cash flow generated by operating activities	**61,138**	**86,053**
Net capex	(32,669)	(21,114)
Change in payables for capex	(821)	(1,512)
C) Cash flow used in investing activities	**(33,490)**	**(22,626)**
Acquisition of non-controlling interest in Guala Closures China BV	(224)	-
Acquisition of non-controlling interest in Guala Closures Argentina	(1,030)	(689)
Net interest expense	(43,438)	(41,656)
Other fin. items	(3,214)	(4,622)
Dividends paid	(6,555)	(3,858)
Exchange rate impact	126	(2,545)
D) Cash flow used in financing activities	**(54,335)**	**(53,371)**
E) Total change in net financial indebtedness (B+C+D)	**(26,687)**	**10,057**
F) Closing net financial indebtedness (A+E)	**(507,658)**	**(497,601)**

Source: reclassified consolidated financial statements figures – internal data

Cash flows generated by operating activities

The cash flows generated by operating activities increased from € 61.1 million in 2014 to € 86.1 million in 2015.
The increase of € 24.9 million was mainly due to higher EBITDA generated in 2015 (€ 12.8 million) and to the improvement in the variation in net working capital (€ 20.2 million), partly compensated by the worsening in the cash flows for other operating items (€ 1.0 million) and for taxes (€ 7.1 million).
The worsening in cash flows for taxes is due for € 4.8 million to the payment of tax and related matters dating to the period 2009-2011 and the remaining is mainly due to higher taxes paid as a consequence of higher profit before taxes.

Cash flows used in investing activities

The cash flows used in investing activities decreased from € 33.5 million in 2014 to € 22.6 million in 2015.

Cash flows used in in financing activities

The change in financing activities improved by € 1.0 million from € -54.3 million in 2014 to €-53.4 million in 2015.

Total change in net financial indebtedness

The total change in Net financial indebtedness improved by € 36.7 million from € -26.7 million in 2014 to € 10 million in 2015, mainly due to higher cash flows generated by operating activities and smaller cash flows used in investing activities.

Key financial and other indicators

Financial indicators

	2014	2015
Adjusted gross operating profit (adjusted EBITDA) (€ mln)	95.8	106.4
EBITDA margin (Adjusted EBITDA/Net revenue)	19.6%	20.4%
ROS (Adjusted operating profit/Net revenue)	11.6%	13.2%
ROE (Adjusted operating profit/Equity)	41.4%	59.8%
ROI (Adjusted operating profit/Net invested capital)	8.8%	11.2%
Gearing ratio (Net financial indebtedness/Equity)	3.73	4.33
NWC days (Net working capital/Turnover of last quarter annualised)	69	59

Source: consolidated 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 14.
The above indicators have been calculated excluding non-recurring items (5.3 million in 2014 and € 3.1 million in 2015).

The Group increased its business profitability to over 20% (defined as EBITDA margin) and NWC days decreased compared to the previous year.

Other indicators

Group personnel is analyzed in the following tables.

Breakdown

	December 31, 2014			December 31, 2015		
	Men	**Women**	**TOTAL**	**Men**	**Women**	**TOTAL**
Managers	162	35	197	161	34	195
White collars	635	230	865	637	236	873
Blue collars	2,396	588	2,984	2,376	552	2,928
Total	**3,193**	**853**	**4,046**	**3,174**	**822**	**3,996**

In addition, the Group also employed 723 agency workers as at December 31, 2015 (702 as at December 31, 2014).

Turnover

Number	**December 31, 2014**				**December 31, 2015**
	TOTAL	**Increases**	**Decreases**	**Reclassifications**	**TOTAL**
Managers	197	7	(8)	(1)	195
White collars	865	85	(82)	5	873
Blue collars	2,984	488	(540)	(4)	2,928
Total	**4,046**	**580**	**(630)**	**-**	**3,996**

Average age

	2014	2015
	Average age	**Average age**
Managers	47	47
White collars	40	40
Blue collars	39	39
Total	**40**	**39**

Training

	2014	2014	2015	2015
	Training hours	**Training costs Thousands of Euros**	**Training hours**	**Training costs Thousands of Euros**
Managers	4,359		4,463	
White collars	24,344		22,894	
Blue collars	76,743		121,401	
Total	**105,445**	**409**	**148,758**	**396**

Hours of absence

	December 31, 2014	December 31, 2015
	Hours	**Hours**
Illness	221,029	418,746
Accidents	16,792	29,296
Maternity leave	61,688	50,274
Other	97,246	70,801
Total	**396,755**	**569,117**

Source: off-the-book data

With reference to the legislative requirements related to the protection of personal data (Legislative decree no. 196/03), Guala Closures S.p.A. updated its Data protection document in 2015. 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.

Transactions between affiliates

During 2015 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

No significant subsequent events occurred until April 28, 2016.

Outlook

2015 has again been a very challenging year for the world economy, due to critical political turmoil in several areas of the planet and bloody terroristic attacks.

This uncertainty caused high currency volatility with significant devaluations in Eastern Europe, Latin America and South Africa and a continuous drop in the prices of raw materials, mainly oil, generating a sentiment of economic recession, with the exception of the North America continent including Mexico.

Nevertheless, the Group performed extremely well compared to 2014, with sales up to € 520.5 million (+6.7% vs 2014) and adjusted EBITDA rising to € 106.4 million (+11.1% vs 2014). Even more, at 2014 constant exchange rates, sales and adjusted EBITDA would have increased 8.8% and 18.2% respectively.

These remarkable results have been achieved thanks to a combination of the launches of new products, notably in Ukraine, Scotland, Mexico and Mongolia, with the excellent productivity and manufacturing improvements following our operational actions taken in Europe, India and Brazil.
In addition, the wine closures business achieved a significant growth, mainly in the Australasia region.
Last but not least, Guala Closures Group continued to develop the far east region outside China through our office in Tokyo opened in 2014.

Even if in the first 3 months of 2016, the world political and economic environment looks even more stressed and unpredictable, our Group feels confident it will again deliver good results.

In the first quarter of 2016 performances show a growth in sales at constant exchange rates compared to the same period of the previous year.

On behalf of the Board of Directors
Managing Director
Marco Giovannini

Luxembourg, April 28, 2016

Corporate social responsability

Corporate social responsibility

Operating in 19 countries through 26 production plants on five continents and with around 4,000 employees, the Guala Closures 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, where further information about its sustainability commitment is also available.

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.

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.

CO_2 Emissions Monitoring

The Group has dedicated considerable resources to the assessment of the carbon footprint of the plants through the GHG protocol and its products – wine and oil - through the LCA approach.
To establish the quantity of its CO_2 emissions related to the production of its wine screwcaps, Guala Closures performed a Life Cycle Assessment (LCA) compliant with ISO 14040/44 requirements in 2008 and 2013. The 2013 LCA was carried out at all the Guala Closures Group plants which produce wine screwcaps. Since 2012, Guala Closures has applied the GHG protocol standard to the Italian plants. In 2014, this assessment has been extended to all the Group's plants.

Offsetting projects
Since 2011, the Group carried out different offsetting projects which result particularly important from the social point of view as well:

2015
In 2015, the compensation project was related to the results of the GHG protocol of the Italian plants.The Group decided to offset the CO_2 emissions (Scope 1 and Scope) of the four Italian plants: Spinetta, Termoli, Basaluzzo and Magenta.
The offsetting was made by buying VCU credits (Voluntary Carbon Unit) through ECOWAY, a trading company certified by TÜV NORD and planting trees in Colombia

In Amazzonia, 10,000 trees have been planted in 2015, to offset 1,500 tonnes of CO_2 emissions, through a program implemented and coordinated by the NGO Up2green Reforestation (www.up2green.com) and audited by Ecocert Environnement (www.ecocert.com). More than 150 local people are involved in this program.

2014
In 2014, the compensation project was related to the results of the GHG protocol of the Italian plants. The Group decided to buy carbon credits for 21,000 tonnes of CO_2 generated considering Scope 1 and Scope 2 of the five Italian plants: Spinetta, Termoli, Torre d'Isola, Basaluzzo and Magenta.
The offsetting was made by buying VCU credits (Voluntary Carbon Unit) through ECOWAY, a trading company certified by TÜV NORD.

The program was implemented and coordinated by the NGO Up2green Reforestation (www.up2green.com) with the logistic support of Green Energy Leaf Private Limited and audited by Ecocert Environment (www.ecocert.com), an independent third audit company accredited by the official French Organization COFRAC (www.cofrac.fr).

Save the spirits, Save the oil, Save the wines

The Group has conceived and launched three websites dedicated to social responsibility campaigns, to fight against the counterfeiting of alcohol, oil and wine.
This is a worldwide phenomenon causing serious damage to health and the economies of many countries. Guala Closures creates products that can counteract this phenomenon and help to save the Spirits.
The aim of these websites is to design and set up international specialist channels with videos that shows 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 activities, 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
GCL Holdings S.C.A.
and Subsidiaries

Consolidated financial statements
as at and for the year ended December 31, 2015

Consolidated statement of financial position
ASSETS

(Thousands of Euros)	December 31, 2014	December 31, 2015	Note
ASSETS			
Current assets			
Cash and cash equivalents	35,273	61,944	4
Current financial assets	148	87	5
Trade receivables	92,108	86,880	6
Inventories	64,307	67,301	7
Current direct tax assets	2,162	2,138	8
Current indirect tax assets	7,393	5,834	9
Financial derivative assets	66	-	10
Other current assets	3,730	3,468	11
Total current assets	**205,186**	**227,652**	
Non-current assets			
Non-current financial assets	222	465	12
Property, plant and equipment	202,825	186,144	13
Intangible assets	385,554	376,656	14
Deferred tax assets	9,171	8,060	15
Other non-current assets	699	504	16
Total non-current assets	**598,471**	**571,828**	
TOTAL ASSETS	**803,657**	**799,480**	

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

Consolidated statement of financial position
LIABILITIES AND EQUITY

(Thousands of Euros)	December 31, 2014	December 31, 2015	Note
LIABILITIES AND EQUITY			
Current liabilities			
Current financial liabilities	12,820	13,283	17
Trade payables	54,344	67,140	18
Current direct tax liabilities	4,601	5,379	19
Current indirect tax liabilities	9,444	4,290	20
Current provisions	3,381	1,624	21
Financial derivative liabilities	3,036	1,071	22
Other current liabilities	22,178	22,872	23
Total current liabilities	**109,804**	**115,659**	
Non-current liabilities			
Non-current financial liabilities	530,480	546,814	17
Employee benefits	7,318	5,745	24
Deferred tax liabilities	19,134	15,959	15
Non-current provisions	686	148	21
Other non-current liabilities	166	112	25
Total non-current liabilities	**557,784**	**568,778**	
Total liabilities	**667,588**	**684,438**	
Share capital and reserves attributable to non-controlling interests	16,641	17,302	
Profit for the year attributable to non-controlling interests	7,156	7,397	
Equity attributable to non-controlling interests	**23,796**	**24,699**	27
Equity attributable to the owners of the Company			
Share capital	141	141	
Share premium and other similar reserves	295,228	295,228	
Translation reserve	(35,715)	(46,077)	
Hedging reserve	(1,170)	(974)	
Losses carried forward and other reserves	(121,604)	(145,874)	
Loss for the year	(24,607)	(12,100)	
Equity attributable to the owners of the Company	**112,273**	**90,344**	26
Total equity	**136,069**	**115,043**	
TOTAL LIABILITIES AND EQUITY	**803,657**	**799,480**	

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

Consolidated statement of profit or loss and other comprehensive income (expense)

(Thousands of Euros)

	2014	2015	Note
Net revenue	**487,794**	**520,533**	28
Change in inventories of finished goods and semi-finished products	1,023	3,066	7
Other operating income	9,974	9,703	29
Costs for raw materials	(219,182)	(233,336)	30
Costs for services	(86,152)	(91,083)	31
Personnel expense	(90,719)	(94,036)	32
Other operating expense	(12,295)	(11,577)	33
Amortization, depreciation and impairment losses	(39,396)	(37,583)	13-14
Operating profit	**51,046**	**65,686**	
Financial income	7,756	11,100	34
Financial expense	(53,812)	(59,744)	35
Net finance costs	**(46,056)**	**(48,644)**	
Profit before taxation	**4,990**	**17,042**	
Income taxes	(22,441)	(21,745)	37
Loss for the year	**(17,452)**	**(4,703)**	

Other comprehensive income (expense)

Items that will never be reclassified to profit or loss:			
Actuarial gains/(losses) on the defined benefit liability (asset)	(821)	337	24
	(821)	***337***	
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations	(13,107)	(12,341)	
Effective portion of fair value gains (losses) of cash flow hedges	(273)	(47)	
Net change in fair value of cash flows hedges reclassified to profit or loss	350	318	
Income taxes on other comprehensive income	(21)	(75)	
	(13,051)	**(12,145)**	
Total comprehensive expense for the year, net of tax	**(13,872)**	**(11,808)**	
Total comprehensive expense for the year	**(31,324)**	**(16,511)**	
Profit (loss) attributable to:			
owners of the Company	(24,607)	(12,100)	
non-controlling interests	7,156	7,397	
Total comprehensive income (expenses) attributable to:			
owners of the Company	(35,174)	(21,929)	
non-controlling interests	3,850	5,418	

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

Consolidated statement of cash flows

(Thousands of Euros)	**2014**	**2015**	**Note**
Opening cash and cash equivalents	**41,197**	**35,273**	**4**
A) Cash flows generated by operating activities			
Profit before taxation	4,990	17,042	
Amortization, depreciation and impairment losses	39,396	37,583	6-13-14
Net finance costs	46,056	48,645	34-35
Change in:			
Receivables, payables and inventory	(9,544)	10,626	6-7-18
Other	(169)	(1,164)	
VAT and indirect tax assets/liabilities	1,616	(2,565)	9-20
Income taxes paid	(21,207)	(24,112)	8-19-37
TOTAL	**61,138**	**86,053**	
B) Cash flows used in investing activities			
Acquisitions of property, plant and equipment and intangibles	(33,848)	(22,742)	13-14-23
Proceeds from sale of property, plant and equipment and intangibles	350	116	13-14
Change in non-current assets classified as held for sale	8	-	
TOTAL	**(33,490)**	**(22,626)**	
C) Cash flows used in financing activities			
Acquisition of non-controlling interest in Guala Closures China BV	(224)	-	
Acquisition of non-controlling interest in Guala Closures Argentina	(1,030)	(689)	
Interest received	276	948	34
Interest paid	(41,349)	(40,422)	35
Other financial items	123	(1,148)	10-22-34-35
Dividends paid to non-controlling interest	(6,555)	(3,858)	
Proceeds from new borrowings	35,320	19,733	
Repayment of borrowings	(18,185)	(6,720)	
Repayment of finance leases	(2,092)	(2,007)	
Change in financial assets	63	(132)	
TOTAL	**(33,653)**	**(34,296)**	
D) Net cash flow for the period (A+B+C)	**(6,005)**	**29,132**	
Effect of exchange rate fluctations on cash held	81	(2,460)	
Closing cash and cash equivalents	**35,273**	**61,945**	**4**

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

	Attributable to the owners of the Company							Non-controlling interests			
(Thousands of €)	*Share capital*	*Share premium and other similar reserves*	*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, 2014	**141**	**295.228**	**(25.911)**	**(1.226)**	**(101.630)**	**(18.303)**	**148.299**	**20.758**	**6.676**	**27.435**	**175.734**
Allocation of 2013 profit (loss)					(18.303)	18.303	-	6.676	(6.676)	-	-
Profit (loss) for the year ended December 31, 2014						(24.607)	(24.607)		7.156	7.156	**(17.452)**
Other comprehensive expense			(9.804)	56	(819)		(10.567)	(3.306)		(3.306)	**(13.872)**
Total comprehensive expense for the year	***-***	***-***	***(9.804)***	***56***	***(19.122)***	***(6.304)***	***(35.174)***	***3.371***	***479***	***3.850***	***(31.324)***
Dividends to non-controlling interests							-	(6.985)		(6.985)	**(6.985)**
Total contributions by and distributions to owners of the Company	***-***	***-***	***-***	***-***	***-***	***-***	***-***	***(6.985)***	***-***	***(6.985)***	***(6.985)***
Acquisition of non-controlling interests without a change in control (*)					(852)		(852)	(503)		(503)	**(1.355)**
Total changes in ownership interests in subsidiaries	***-***	***-***	***-***	***-***	***(852)***	***-***	***(852)***	***(503)***	***-***	***(503)***	***(1.355)***
December 31, 2014	**141**	**295.228**	**(35.715)**	**(1.170)**	**(121.604)**	**(24.607)**	**112.273**	**16.641**	**7.156**	**23.796**	**136.069**
Balance at January 1, 2015	**141**	**295.228**	**(35.715)**	**(1.170)**	**(121.604)**	**(24.607)**	**112.273**	**16.641**	**7.156**	**23.796**	**136.069**
Allocation of 2014 profit (loss)					(24.607)	24.607	-	7.156	(7.156)	-	-
Profit (loss) for the year ended December 31, 2015						(12.100)	(12.100)		7.397	7.397	(4.703)
Other comprehensive expense			(10.362)	196	337		(9.829)	(1.979)		(1.979)	(11.808)
Total comprehensive expense for the year	***-***	***-***	***(10.362)***	***196***	***(24.270)***	***12.507***	***(21.929)***	***5.176***	***241***	***5.418***	***(16.511)***
Dividends to non-controlling interests							-	(4.515)		(4.515)	(4.515)
Total contributions by and distributions to owners of the Company	***-***	***-***	***-***	***-***	***-***	***-***	***-***	***(4.515)***	***-***	***(4.515)***	***(4.515)***
December 31, 2015	**141**	**295.228**	**(46.077)**	**(974)**	**(145.874)**	**(12.100)**	**90.344**	**17.302**	**7.397**	**24.699**	**115.043**

(*) The acquisition of non-controlling interests without a change in control does not include € 475 thousand of translation impact which is accounted for in the line Other comprehensive expense.

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

Notes to the consolidated financial statements at December 31, 2015

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 products 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). This division is no longer considered as a core business.

Currently, the Group is the European and international leader in the production of safety closures for spirits bottles, with over 60 years' experience in the sector.
It is also the leading European producer of aluminum closures for spirits bottles.

The following transactions took place in 2015:

Merger between group companies:

On February 9, 2015, the merger between Guala Closures International B.V. and Guala Closures China B.V. was completed (effective from January 1, 2015).

On June 19, 2015, the merger between Guala Closures International B.V. and Guala Closures Patents B.V. was completed (effective from January 1, 2015).

The purpose of the above mergers is to concentrate and rationalize the resources of the companies, realising cost savings and, as a result, increasing the overall efficiency of the Group's structure.

Incorporation of Guala Closures Chile SpA:

On September 1, 2015, Guala Closures Chile SpA was incorporated. The Group decision to install production capacity locally is aimed at better serve and further develop the Chilean market.

Production reallocation:

On September 1, 2015, the Group decided to close the Australian site of Acacia Ridge and reallocate its crown seals production to the other Australian Group plant located in Central West in the second quarter of 2016.
This industrial reorganization will allow the Group to improve production efficiency.

The estimated plant shut-down expenses are in the region of € 0.9 million, of which € 0.2 million already paid in 2015 and the remaining € 0.7 million to be paid in 2016.

(2) Accounting policies

The consolidated financial statements at December 31, 2015 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 financial information of the parent and all subsidiaries shown in the Group structure at December 31, 2015.
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 profit or loss 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 presentation 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.

GCL Holdings S.C.A.'s Board of Managers approved the consolidated financial statements on April 28, 2016.

The shareholders who will be called to approve the parent's annual accounts 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, 2014 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.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

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

List of investments in subsidiaries at December 31, 2015

Company name	Registered office	Currency	Share/quota capital	Investment percentage	Type of investment	Method of consolidation
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 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
Beijing Guala Closures Co. Ltd.	China	CNY	20,278,800	100%	Indirect (*)	Line-by-line
Guala Closures Japan KK	Japan	JPY	5,000,000	100%	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	98.38%	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
Guala Closures Chile SpA	Chile	CLP	36,729,000	100%	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 Aftrica	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 24) “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. Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending December 31, 2015 is included in the following notes: allowances for impairment and inventory write-down (note 7), amortization and depreciation (notes 13-14), impairment of non-current assets (note 14), employee benefits (note 24), taxes (note 37), provisions (note 21), and to measure financial derivatives (notes 10-22) and effects of business combinations.

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, 2015:

- Accounting for an obligation to pay a levy that is not income tax (IFRIC Interpretation 21 – Levies and interpretation of IAS 37 – Provisions, contingent liabilities and contingent assets). The interpretation, effective from January 1, 2015, sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation identifies the obligations event for the recognition of a liability as the activity that triggers the payment of the levy. There was no significant effect on the consolidated financial statements from the application of this interpretation.
- IASB issued Annual Improvements to IFRSs 2011–2013 Cycle. The most important topics addressed in these amendments are, among others, the extension of the exclusion from the scope of IFRS 3 – Business combinations to all types of joint arrangements and to clarify the application of certain exceptions in IFRS 13 – Fair value measurement. The improvements are effective for annual periods beginning on or after January 1, 2015.

The application of these amendments had no significant effect on the disclosures presented in these consolidated financial statements or on the measurement of the related items.

(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, 2014	December 31, 2015
Pound sterling	0.77890	0.73395
US dollar	1.21410	1.08870
Indian rupee	76.71900	72.02150
Mexican peso	17.86790	18.91450
Colombian peso	2,892.26000	3,456.01000
Brazilian real	3.22070	4.31170
Chinese renmimbi	7.53580	7.06080
Argentinean peso	10.27550	14.09720
Polish zloty	4.27320	4.26390
New Zealand dollar	1.55250	1.59230
Australian dollar	1.48290	1.48970
Ukrainian hryvnia	19.20600	26.15870
Bulgarian lev	1.95580	1.95580
South African Rand	14.03530	16.95300
Japan Yen	145.23000	131.07000
Chilean peso	n.a.	772.71300

Statement of profit or loss and other comprehensive income(expense)

1 Euro = x foreign currency	2014	2015
Pound sterling	0.80643	0.72600
US dollar	1.32884	1.10963
Indian rupee	81.06888	71.17522
Mexican peso	17.66208	17.59948
Colombian peso	2,654.99398	3,042.08500
Brazilian real	3.12277	3.69160
Chinese renmimbi	8.18825	6.97300
Argentinean peso	10.77447	10.24954
Polish zloty	4.18447	4.18279
New Zealand dollar	1.59986	1.59067
Australian dollar	1.47240	1.47648
Ukrainian hryvnia	15.87113	24.28918
Bulgarian lev	1.95580	1.95580
South African Rand	14.40652	14.15280
Japan Yen	140.37150	134.28657
Chilean peso	n.a.	766.55400

(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 or 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 amortized 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 in 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. The 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 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.

Current tax also includes any tax arising from dividends and any interest and penalties enacted by the tax administration following their review of the tax position of previous fiscal years for which a difference is tax due was highlighted.

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 benefits 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.

The post-employment benefits in Italy (TFR, trattamento di fine rapporto) are treated in the same way as benefit obligations arising from defined benefit plans.

(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

The following new standards and amendments applicable from January 1, 2016 were issued by the IASB. The Group is currently evaluating the implementation method and the impact of adoption of new standards and amendments effective after January 1, 2017 on the consolidated financial statements. It will comply with the relevant guidance no later than their respective effective dates.

- In November 2013, the IASB issued amendments to IAS 19 – Employee benefits entitled "Defined Benefit Plans: Employee Contributions" which apply to contributions from employees or third parties to defined benefit plans in order to simplify their accounting in specific cases. No significant effect is expected from the adoption of these amendments.

- In September 2014, the IASB issued the Annual Improvements to IFRSs 2010 – 2012 Cycle. The most important topics addressed in these amendments are, among others, the definition of vesting conditions in IFRS 2 – Share-based payments, the disclosure on judgment used in the aggregation of operating segments in IFRS 8 – Operating Segments, the identification and disclosure of a related party transaction that arises when a management entity provides key management personnel service to a reporting entity in IAS 24 – Related Party disclosures, the extension of the exclusion from the scope of IFRS 3 – Business Combinations to all types of joint arrangements and to clarify the application of certain exceptions in IFRS 13 – Fair value Measurement. No significant effect is expected from the adoption of these amendments.

- In May 2014, the IASB issued amendments to IFRS 11 – Joint arrangements: Accounting for acquisitions of interests in joint operations which clarify the accounting for acquisitions of an interest in a joint operation that constitutes a business. The amendments are effective prospectively for annual periods beginning on or after January 1, 2016 with earlier application permitted for any new acquisition. No significant effect is expected from the adoption of these amendments.

- In May 2014, the IASB issued an amendment to IAS 16 – Property, Plant and Equipment and to IAS 38 – Intangible Assets. The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances. These amendments are effective for annual periods beginning on or after January 1, 2016, with early application permitted. No significant effect is expected from the adoption of these amendments.

- In August 2014, the IASB issued an amendment to IAS 27 - Separate Financial Statements which outlines the accounting and disclosure requirements for 'separate financial statements', which are financial statements prepared by a parent, or an investor in a joint venture or associate, where those investments are accounted for either at cost or in accordance with IAS 39 - Financial instruments: Recognition and Measurement or IFRS 9 - Financial instruments. The standard also outlines the accounting requirements for dividends and contains numerous disclosure requirements. No significant effect is expected from the adoption of these amendments.

- In December 2014, the IASB issued amendments to IAS 1- Presentation of Financial Statements as part of its major initiative to improve presentation and disclosure in financial reports. The amendments make clear that materiality applies to the whole financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. Furthermore, the amendments clarify that entities should use professional judgment in determining where and in what order information is presented in the financial disclosures. The amendments are effective for annual periods beginning on or after January 1, 2016 with early application permitted. No significant effect is expected from the adoption of these amendments.

(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 these consolidated financial statements:

- Standards

  - In January 2014, the IASB issued IFRS 14 - Regulatory deferral accounts that permits an entity which is a first-time adopter of International Financial Reporting Standards to continue to account, with some limited changes, for 'regulatory deferral account balances' in accordance with its previous GAAP, both on initial adoption of IFRS and in subsequent financial statements. Regulatory deferral account balances, and movements in them, are presented separately in the statement of financial position and statement of profit or loss and other comprehensive income, and specific disclosures are required.

  - In May 2014, the IASB issued IFRS 15 – Revenue from contracts with customers. The standard requires an entity to recognize revenue upon transfer of control of goods or services to a customer at an amount that reflects the consideration it expects to receive. This new revenue recognition model defines a five-step process to achieve this objective. The updated guidance also requires additional disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts. On September 11, 2015, the IASB issued an amendment to this standard, formalizing the deferral of the effective date for periods beginning January 1, 2018, with early application permitted.

  - In July 2014, the IASB issued IFRS 9 – Financial Instruments. The improvements introduced by the new standard include a logical approach for classification and measurement of financial instruments driven by cash flow characteristics and the business model in which an asset is held, a single “expected loss” impairment model for financial assets and a substantially reformed approach for hedge accounting. The standard is effective, retrospectively with limited exceptions, for annual periods beginning on or after January 1, 2018 with earlier application permitted.

- In January 2016, the IASB issued IFRS 16 - Leases which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract and replaces the previous leases standard, IAS 17 - Leases. IFRS 16, which is not applicable to service contracts, but is only applicable to leases or lease components of a contract, defines a lease as a contract that conveys to the customer (lessee) the right to use an asset for a period of time in exchange for consideration. IFRS 16 eliminates the classification of leases for the lessee as either operating leases or finance leases as required by IAS 17 and instead, introduces a single lessee accounting model whereby a lessee is required to recognize assets and liabilities for all leases with a term that is greater than 12 months, unless the underlying asset is of low value, and to recognize depreciation of lease assets separately from interest on lease liabilities in the income statement. As IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17, a lessor will continue to classify its leases as operating leases or finance leases and to account for those two types of leases differently. IFRS 16 is effective from January 1, 2019, with early application allowed only if IFRS 15 - Revenue from Contracts with Customers is also adopted.

- Amendments

  - In September 2014, the IASB issued narrow amendments to IFRS 10 – Consolidated Financial Statements and IAS 28 – Investments in Associates and Joint Ventures (2011). The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The amendments which were initially expected to be effective prospectively from January 1, 2016, have been postponed indefinitely by the IASB in planning a broader review that may result in a simplification of accounting of such transactions.

  - In September 2014, the IASB issued the Annual Improvements to IFRSs 2012-2014 cycle, a series of amendments to IFRSs in response to issues raised mainly on IFRS 5 – Non-current assets held for sale and discontinued operations, on the changes of method of disposal, on IFRS 7 – Financial Instruments: Disclosures on the servicing contracts, on IAS 19 – Employee benefits, on the discount rate determination. The effective date of the amendments is January 1, 2016. No significant effect is expected from the adoption of these amendments.

  - In December 2014, IASB finalised amendments regarding the application of the investment entities exception and issued IFRS 10/12/IAS 28 - Investment entity amendments. Such amendments involves a number of potential amendments to IFRS 10 - Consolidated financial statements and IAS 28 - Investments in associates and joint ventures (2011) to address issues that have arisen in relation to the exemption from consolidation for investment entities:

    - whether an investment entity parent should account for an investment entity subsidiary at fair value, when the subsidiary provides investment-related services to third parties;

    - the interaction between the investment entity amendments and the exemption from preparing consolidated financial statements requirements in IFRS 10;

    - whether a non-investment entity must ‘unwind’ the fair value accounting of its joint ventures or associates that are investment entities.

    These amendments are effective for annual periods beginning on or after January 1, 2017, with earlier application permitted.

- In January 2016, the IASB issued amendments to IAS 12 - Income taxes that clarify how to account for deferred tax assets related to debt instruments measured at fair value. These amendments are effective for annual periods beginning on or after January 1, 2017, with earlier application permitted.

- In January 2016, the IASB issued amendments to IAS 7 - Statement of cash flows introducing additional disclosures that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments are effective from January 1, 2017, with earlier application permitted.

(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 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 2015 or 2014 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.

Thousands of Euros	**Closures**		**Other Operations**		**Total**	
	2014	**2015**	**2014**	**2015**	**2014**	**2015**
External revenue	484,441	517,367	3,354	3,165	487,794	520,533
Gross operating profit	90,270	103,051	172	219	90,442	103,269
Depreciation and Amortization	(39,233)	(37,442)	(163)	(141)	(39,396)	(37,583)

Thousands of Euros	**Closures**		**Other Operations**		**Total**	
	December 31, 2014	**December 31, 2015**	**December 31, 2014**	**December 31, 2015**	**December 31, 2014**	**December 31, 2015**
Trade receivables	91,415	86,347	693	533	92,108	86,880
Inventories	63,891	66,788	416	513	64,307	67,301
Trade payables	(54,050)	(66,829)	(294)	(311)	(54,344)	(67,140)
Property, plant and equipment	202,153	185,580	672	564	202,825	186,144

Thousands of Euros	**Closures**		**Other Operations**		**Total**	
	2014	**2015**	**2014**	**2015**	**2014**	**2015**
Capital expenditure	32,633	22,987	36	32	32,669	23,020

Geographical information

The Closures segment operates from many manufacturing facilities primarily in Italy, India, Poland, the United Kingdom, Ukraine, Spain, Mexico, Australia, 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**	
	2014	**2015**
Italy	69,360	67,702
Poland	59,918	59,364
India	55,843	62,879
UK	53,193	57,573
Ukraine	42,871	43,702
Spain	38,821	42,819
Australia	37,016	37,803
Mexico	24,243	38,905
Argentina	18,390	23,476
South Africa	17,295	19,286
Other countries and consolidation adjustments	70,846	67,023
Consolidated net revenue	**487,794**	**520,533**

Thousands of Euros	**Non-current assets other than financial instruments and deferred tax assets: Property, plant and equipment and Intangible assets**	
	December 31, 2014	**December 31, 2015**
Italy	335,294	327,652
Australia	71,574	69,689
Poland	33,760	32,563
India	25,775	25,320
Spain	17,684	21,120
Mexico	17,922	15,361
Brasil	13,759	10,133
Ukraine	12,236	10,265
South Africa	12,029	9,780
Other countries and consolidation adjustments	48,347	40,918
Property, plant and equipment and Intangible assets	**588,379**	**562,800**

Thousands of Euros	**Deferred Tax Assets**	
	December 31, 2014	**December 31, 2015**
Italy	4,149	2,993
Australia	1,372	1,661
Spain	802	763
Argentina	514	468
New Zealand	208	246
UK	127	53
Mexico	39	71
Other countries and consolidation adjustments	1,959	1,804
Consolidated Deferred Tax Assets	**9,171**	**8,060**

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.

STATEMENT OF FINANCIAL POSITION

(4) 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, 2014	December 31, 2015
Bank and postal accounts	31,420	54,054
Other cash equivalents	3,853	7,891
Total	**35,273**	**61,944**

The increase in Cash and cash equivalents of € 26.7 million is mainly due to the strong cash flows generated in the last quarter of 2015 and to cash held by the subsidiaries at year end which has not been distributed to the holding companies.

(5) Current financial assets

This caption may be analyzed as follows:

Thousands of Euros	December 31, 2014	December 31, 2015
Current financial assets	148	87
Total	**148**	**87**

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

(6) Trade receivables

This caption may be analyzed as follows:

Thousands of Euros	December 31, 2014	December 31, 2015
Trade receivables	100,591	95,031
Allowance for impairment	(8,483)	(8,151)
Total	**92,108**	**86,880**

The allowance for impairment varied as follows:

Thousands of Euros	2015
Opening allowance for impairment	8,483
Exchange rate losses	(75)
Accrual	537
Utilization	(795)
Closing allowance for impairment	**8,151**

The allowance at December 31, 2015 includes about € 4.7 million related to few customers with overdue amount over 90 days (mainly denominated in Euros). The residual part relates 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.

(7) Inventories

This caption may be analyzed as follows:

Thousands of Euros	December 31, 2014 (*)	December 31, 2015
Raw materials, consumables and supplies	32,508	34,111
(Allowance for inventory write-down)	(1,534)	(1,590)
Work in progress and semi-finished products	16,090	16,925
(Allowance for inventory write-down)	(739)	(572)
Finished products and goods	19,042	19,752
(Allowance for inventory write-down)	(1,453)	(1,493)
Payments on account	393	170
Total	**64,307**	**67,301**

(*)2014 figures restated in order to be consistent with the 2015 classification

The changes in the caption are as follows:

Thousands of Euros	
Balance at January 1, 2015	64,307
Exchange rate losses	(3,804)
Change in raw materials, consumables and supplies	3,956
Change in finished goods and semi-finished products	3,066
Change in payments on account	(223)
Balance at December 31, 2015	**67,301**

The allowance for inventory write-down varied as follows:

Thousands of Euros	December 31, 2015
Opening allowance for inventory write-down	3,726
Exchange rate losses	(181)
Accrual	1,730
Utilization	(1,619)
Closing allowance for inventory write-down	**3,656**

(8) Current direct tax assets

This caption may be analyzed as follows:

Thousands of Euros	December 31, 2014	December 31, 2015
Current direct tax assets	2,162	2,138
Total	**2,162**	**2,138**

(9) Current indirect tax assets

This caption may be analyzed as follows:

Thousands of Euros	December 31, 2014	December 31, 2015
VAT and other indirect taxes	7,393	5,834
Total	**7,393**	**5,834**

(10) Financial derivative assets

This caption may be analyzed as follows:

Thousands of Euros	December 31, 2014	December 31, 2015
Fair value of forward aluminum purchases	66	-
Total	**66**	**-**

(11) Other current assets

This caption is made up as follows:

Thousands of Euros	December 31, 2014	December 31, 2015
Other receivables	3,730	3,468
Total	**3,730**	**3,468**

Other receivables at December 31, 2015 include, inter alia, advances to suppliers of € 1.8 million.

(12) Non-current financial assets

This caption is made up as follows:

Thousands of Euros	December 31, 2014	December 31, 2015
Guarantee deposits - Guala Closures S.p.A.	76	40
Investments in other companies	27	26
Other financial assets	119	399
Total	**222**	**465**

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

(13) Property, plant and equipment

The following tables show the changes in 2014 and 2015:

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, 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**
Carrying amount at January 1, 2014	**62,995**	**123,629**	**12,608**	**1,082**	**5,564**	**205,878**
Exchange rate losses	(1,420)	(2,006)	204	20	(276)	**(3,478)**
Additions	330	7,367	166	169	23,345	**31,377**
Disposals	(23)	(283)	(16)	(26)	-	**(348)**
Impairment losses	(511)	(793)	-	-	-	**(1,304)**
Reclassifications	828	17,217	3,427	139	(21,619)	**(8)**
Depreciation	(1,925)	(23,520)	(3,408)	(437)	-	**(29,290)**
Historical cost at December 31, 2014	76,356	361,977	58,209	8,228	7,015	**511,785**
Accumulated depreciation and impairment at December 31, 2014	(16,082)	(240,367)	(45,230)	(7,282)	-	**(308,960)**
Carrying amount at December 31, 2014	**60,274**	**121,610**	**12,980**	**946**	**7,015**	**202,825**

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, 2014	76,356	361,977	58,209	8,228	7,015	**511,785**
Accumulated depreciation and impairment at December 31, 2014	(16,082)	(240,367)	(45,230)	(7,282)	-	**(308,960)**
Carrying amount at December 31, 2014	**60,274**	**121,610**	**12,980**	**946**	**7,015**	**202,825**
Carrying amount at January 1, 2015	**60,274**	**121,610**	**12,980**	**946**	**7,015**	**202,825**
Exchange rate losses	(3,077)	(4,379)	210	23	(249)	**(7,473)**
Additions	2,429	4,361	147	537	12,611	**20,086**
Disposals	(15)	(63)	(7)	(22)	(9)	**(116)**
Impairment losses	(11)	(694)	-	-	-	**(705)**
Reclassifications	1,195	12,042	2,204	49	(15,497)	**(6)**
Depreciation	(1,950)	(22,897)	(3,219)	(402)	-	**(28,468)**
Historical cost at December 31, 2015	76,358	367,584	59,780	8,815	3,870	**516,407**
Accumulated depreciation and impairment at December 31, 2015	(17,512)	(257,603)	(47,465)	(7,684)		**(330,263)**
Carrying amount at December 31, 2015	**58,846**	**109,981**	**12,315**	**1,131**	**3,870**	**186,144**

Property, plant and equipment include the amounts arising from internal work capitalized (reference should be made to note 29) "Other operating income" to these consolidated financial statements for further information).

The caption includes the carrying amount of leased assets (€ 17,094 thousand), against which the Group has recognized current financial liabilities (€ 1,899 thousand) and non-current financial liabilities (€9,881 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 42) "Commitments and guarantees" to these consolidated financial statements.

The main investments of 2015 took place in Italy, Poland, India, Ukraine, China and Mexico. In particular, during 2015, the main investments were made for the sputtering technology in Italy, Ukraine and Mexico, for the capacity increase in India, for plant safety and for new projects in different countries.

During 2015, Guala Closures S.p.A. revised the useful life of some generic plant and equipment of Magenta plant (i.e. cutting and degreasing lines, which decreased from a rate of 15.5% to 7.75% and for the storage line that went from 10% to 5%) based on internal appraisal that show a longer useful life for such assets. The effect on the consolidated statement of profit or loss and other comprehensive income of the year is € 0.7 million of lower depreciation expenses.

Impairment losses in the year mainly refers to the impairment loss on the machines at the Indian plant.

(14) Intangible assets

The following tables show the changes in 2014 and 2015:

Thousands of Euros	Development expenditure	Licences and patents	Goodwill	Other	Assets under development and payments on account	Total
Historical cost at December 31, 2013	5,902	64,549	364,670	11,619	1,789	**448,530**
Accumulated amortisation and impairment at December 31, 2013	(5,552)	(41,336)	-	(4,223)	-	**(51,111)**
Carrying amount at December 31, 2013	**350**	**23,213**	**364,670**	**7,397**	**1,789**	**397,418**
Carrying amount at January 1, 2014	**350**	**23,213**	**364,670**	**7,397**	**1,789**	**397,418**
Exchange rate losses	(947)	(21)	(6,111)	(69)	925	**(6,222)**
Additions	7	52	-	114	1,478	**1,651**
Disposals	-	(1)	-	-	-	**(1)**
Reclassifications	1,856	1,016	-	-	(2,863)	**8**
Amortisation	(414)	(5,330)	-	(1,556)	-	**(7,300)**
Historical cost at December 31, 2014	6,797	65,588	358,559	11,535	1,329	**443,808**
Accumulated amortisation and impairment at December 31, 2014	(5,945)	(46,659)	-	(5,650)	-	**(58,254)**
Carrying amount at December 31, 2014	**851**	**18,929**	**358,559**	**5,885**	**1,329**	**385,554**

Thousands of Euros	Development expenditure	Licences and patents	Goodwill	Other	Assets under development and payments on account	Total
Historical cost at December 31, 2014	6,797	65,588	358,559	11,535	1,329	**443,808**
Accumulated amortisation and impairment at December 31, 2014	(5,945)	(46,659)	-	(5,650)	-	**(58,254)**
Carrying amount at December 31, 2014	**851**	**18,929**	**358,559**	**5,885**	**1,329**	**385,554**
Carrying amount at January 1, 2015	**851**	**18,929**	**358,559**	**5,885**	**1,329**	**385,554**
Exchange rate losses	(53)	154	(2,391)	(118)	(2)	**(2,410)**
Additions	-	-	-	7	1,137	**1,144**
Impairment losses	-	(126)	-	-	(56)	**(183)**
Reclassifications	511	348	-	-	(852)	**6**
Amortisation	(454)	(5,472)	-	(1,529)	-	**(7,455)**
Historical cost at December 31, 2015	7,254	65,963	356,168	11,424	1,555	**442,365**
Accumulated amortisation and impairment at December 31, 2015	(6,400)	(52,131)	-	(7,179)	-	**(65,709)**
Carrying amount at December 31, 2015	**855**	**13,833**	**356,168**	**4,245**	**1,555**	**376,656**

The fluctuation of the goodwill in respect of previous year may be analysed as follows:

Thousands of Euros	December 31, 2014	December 31, 2015
Goodwill - Guala Closures Group	317,227	317,227
Acquisition of Guala Closures DGS Poland S.A.	24,812	24,864
Goodwill - Guala Closures Ukraine LLC	7,916	5,812
Acquisition of GC Bulgaria AD	3,203	3,203
Acquisition of Pharma Trade	2,512	2,512
Acquisition of MCL division by Guala Closures South Africa	1,985	1,646
Acquisition of GC Tools AD	722	722
Acquisition of Metalprint assets by Guala Closures S.p.A.	182	182
Totale	**358,559**	**356,168**

Goodwill is tested for impairment annually.
For impairment testing purposes, it has been considered the goodwill accounted in relation to the Closures division.
These values have been analysed considering the entire GCL Holdings S.C.A. Group.

The recoverable amount of cash-generating units is based on a calculation of their value in use.
This calculation uses projected consolidated cash flows based on the actual operating profit and the GCL Holdings S.C.A. Group five-year business plan. 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 11.3%; 2014:8.4%). Such growth rate is consistent with the management expectation of growth in high value safety closures, serving a blue-chip customer base across all geographies, expecially in the developing countries.

In the 2015 valuation, the following assumptions are utilized, as additional improvement in respect to the past years calculation:

- WACC for the Closures division was weighted with the 2015 EBITDA% of each country in respect of the 2015 consolidated EBITDA, with a weighted average (consistently with the weighted average for the EBITDA in Terminal Value) of around 13.0%;
- Long term growth rate "g": it was utilized a value equal to 4.0%, calculated by weighting the estimates of inflation rate, with the 2015 EBITDA of each country in line with the calculation for the Terminal Value. Such rate "g" is consistent with both the Guala Closures Group's historical growth rate and forecast future market developments.

Last year the impairment test was calculated with a WACC of 10% and a rate "g" of 1.6%. The increase in 2015 in the rate "g" and, proportionally of WACC, is the result of the Group's significant growth in the developing countries that positively impact turnover and margins. Such increase in "g" rate has been negatively compensated by an increase in WACC due to the higher risk of such countries.

The resulting recoverable amount is greater than the carrying amount of goodwill and investments value accounted in the financial assets.
Management carried out a sensitivity analysis on the relevant underlying assumptions (growth rate +/-1%; WACC +/-1%) and verified that the resulting recoverable amount is greater than the carrying amount of goodwill and investments value accounted in the financial assets as well.

Goodwill has never been impaired.

(15) Deferred tax assets and liabilities

The following table gives a breakdown of the captions at December 31, 2014 and 2015:

Thousands of Euros	Assets		Liabilities		Net balance	
	December 31, 2014	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014	December 31, 2015
Allowance for inventory write-down	902	832	(23)	(17)	880	816
Taxed allowance for receivables impairment	2,129	1,853	-	-	2,129	1,853
Provision	821	877	-	-	821	877
Other	436	261	(17)	(654)	419	(393)
Losses carried forward	279	160	-	-	279	160
Derecognition of intragroup profit on inventories	171	171	-	-	171	171
Intragroup gains	1,595	1,276	-	-	1,595	1,276
Leases	133	133	-	-	133	133
Property, plant and equipment and intangible assets	1,626	1,440	(16,036)	(12,689)	(14,410)	(11,249)
Employee benefits	554	664	(71)	(32)	483	632
Derivatives	449	374	-	-	449	374
Exchange rate gains/(losses)	75	19	(2,987)	(2,568)	(2,911)	(2,549)
TOTAL	**9,171**	**8,060**	**(19,134)**	**(15,959)**	**(9,963)**	**(7,899)**

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

Thousands of Euros	December 31, 2014	Changes in profit and loss	Changes in equity	Exchange rate gains/losses	December 31, 2015
Allowance for inventory write-down	880	(38)		(26)	815
Taxed allowance for receivables impairment	2,129	(137)		(139)	1,853
Provision	821	109		(52)	877
Other	419	(764)		(47)	(393)
Losses carried forward	279	(111)		(8)	160
Derecognition of intragroup profit on inventories	171	-		-	171
Intragroup gains	1,595	(319)		-	1,276
Leases	133	-		-	133
Property, plant and equipment and intangible assets	(14,410)	2,236		925	(11,249)
Employee benefits	483	275		(126)	632
Derivatives	449	-	(75)	-	374
Exchange rate gains/(losses)	(2,912)	197		166	(2,548)
TOTAL	**(9,963)**	**1,448**	**(75)**	**691**	**(7,899)**

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 € 168,721 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 € 149,418 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 € 46,000 thousand at December 31, 2015 (including € 41,090 thousand related to losses that can be carried forward indefinitely).

(16) Other non-current assets

This caption is made up as follows:

Thousands of Euros	December 31, 2014	December 31, 2015
Tax assets	384	91
Other	315	413
Total	**699**	**504**

(17) Financial liabilities

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

Reference should be made to note 22) "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 42) "Commitments and guarantees" to these consolidated financial statements for information on the relevant guarantees given.

Financial liabilities at December 31, 2014 and 2015 are shown below:

Thousands of Euros	December 31, 2014	December 31, 2015
Current financial liabiities		
Bonds	4,780	5,726
Bank loans and borrowings	6,069	5,569
Other financial liabilities	1,971	1,988
	12,820	13,284
Non-current financial liabiities		
Bonds	467,029	468,140
Bank loans and borrowings	41,557	55,236
Other financial liabilities	21,894	23,438
	530,480	546,814
Total	**543,301**	**560,098**

The terms and expiry dates of the financial liabilities at December 31, 2014 and 2015 are shown below:

	Nominal amount					
Thousands of Euros	**Total December 31, 2014**	**Within one year**	**From one to five years**	**After five years**	**Current**	**Non-current**
BONDS:						
HY Bonds issued by GCL Holdings S.C.A. - 20/04/2011	200,000	-	200,000	-	-	200,000
Accrued interest - GCL Holdings S.C.A.	3,900	3,900	-	-	3,900	-
Transaction costs	(4,220)	-	-	(4,220)	-	(4,220)
TOTAL HY Bonds 2018 GCL Holdings S.C.A.	**199,680**	**3,900**	**200,000**	**(4,220)**	**3,900**	**195,780**
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.	1,833	1,833	-	-	1,833	-
Transaction costs	(4,704)	(953)	(3,751)	-	(953)	(3,751)
TOTAL FRSN 2019 Guala Closures S.p.A.	**272,129**	**880**	**271,249**	**-**	**880**	**271,249**
TOTAL BONDS	**471,809**	**4,780**	**471,249**	**(4,220)**	**4,780**	**467,029**
BANK LOANS AND BORROWINGS:						
Senior Revolving Facility	40,000	-	40,000	-	-	40,000
Transaction costs	(1,480)	(515)	(966)	-	(515)	(966)
Total Senior Revolving Facility	**38,520**	**(515)**	**39,034**	**-**	**(515)**	**39,034**
Cassa di Risparmio di Alessandria loan	319	319	-	-	319	-
Accrued interest and expense - Guala Closures S.p.A.	656	656	-	-	656	-
Raiffeisen Bank overdraft (Ukraine)	318	318	-	-	318	-
Millennium Bank overdraft (Poland)	2,740	2,740	-	-	2,740	-
Banco Sabadell loan (Spain)	253	253	-	-	253	-
Bancolombia loan (Colombia)	867	242	625	-	242	625
Bradesco / ITAU loan (Brazil)	855	273	583	-	273	583
Advances on receivables and loans (Argentina)	621	420	200	-	420	200
Scotiabank loan (Mexico)	2,477	1,362	1,115	-	1,362	1,115
TOTAL BANK LOANS AND BORROWINGS	**47,626**	**6,069**	**41,557**	**-**	**6,069**	**41,557**
OTHER FINANCIAL LIABILITIES:						
Guala Closures S.p.A. finance leases	13,730	1,882	8,757	3,091	1,882	11,848
Bulgarian companies finance leases	123	58	65	-	58	65
Liability to the Ukrainian non-controlling investors	9,900	-	-	9,900	-	9,900
Other liabilities	113	32	81	-	32	81
TOTAL OTHER FINANCIAL LIABILITIES	**23,866**	**1,971**	**8,904**	**12,991**	**1,971**	**21,894**
TOTAL	**543,301**	**12,820**	**521,710**	**8,771**	**12,820**	**530,480**

	Nominal amount					
Thousands of Euros	**Total December 31, 2015**	**Within one year**	**From one to five years**	**After five years**	**Current**	**Non-current**
BONDS:						
HY Bonds issued by GCL Holdings S.C.A. - 20/04/2011	200,000	-	200,000	-	-	200,000
Accrued interest - GCL Holdings S.C.A.	3,906	3,906	-	-	3,906	-
Transaction costs	(3,079)	-	(3,079)	-	-	(3,079)
TOTAL HY Bonds 2018 GCL Holdings S.C.A.	**200,827**	**3,906**	**196,921**	**-**	**3,906**	**196,921**
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.	1,820	1,820	-	-	1,820	-
Transaction costs	(3,781)	-	(3,781)	-	-	(3,781)
TOTAL FRSN 2019 Guala Closures S.p.A.	**273,038**	**1,820**	**271,219**	**-**	**1,820**	**271,219**
TOTAL BONDS	**473,866**	**5,726**	**468,140**	**-**	**5,726**	**468,140**
BANK LOANS AND BORROWINGS:						
Senior Revolving Facility	55,000	-	55,000	-	-	55,000
Transaction costs	(966)	-	(966)	-	-	(966)
Total Senior Revolving Facility	**54,034**	**-**	**54,034**	**-**	**-**	**54,034**
Accrued interest and expense - Guala Closures S.p.A.	194	194	-	-	194	-
Handlowy S.A. bank overdraft (Poland)	3,473	3,473	-	-	3,473	-
Bancolombia loan (Colombia)	465	203	263	-	203	263
Bradesco / ITAU loan (Brazil)	1,154	656	497	-	656	497
Advances on receivables and loans (Argentina)	393	174	219	-	174	219
Bancomer loan (Mexico)	1,092	870	222	-	870	222
TOTAL BANK LOANS AND BORROWINGS	**60,805**	**5,569**	**55,236**	**-**	**5,569**	**55,236**
OTHER FINANCIAL LIABILITIES:						
Guala Closures S.p.A. finance leases	11,780	1,899	9,881	-	1,899	9,881
Bulgarian companies finance leases	65	60	5	-	60	5
Liability to the Ukrainian non-controlling investors	13,500	-	-	13,500	-	13,500
Other liabilities	82	29	53	-	29	53
TOTAL OTHER FINANCIAL LIABILITIES	**25,427**	**1,988**	**9,938**	**13,500**	**1,988**	**23,438**
TOTAL	**560,098**	**13,284**	**533,314**	**13,500**	**13,284**	**546,814**

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.

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 38) "Fair value of financial instruments and sensitivity analysis" for further details.

The interest rates and expiry dates of the financial liabilities at December 31, 2014 and December 31, 2015 are shown below:

Thousands of Euros	**Currency**	**Nominal interest rate**	**Expiry date**	**Total December 31, 2014**
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	3,900
Transaction costs	EUR	n.a.	2018	(4,220)
TOTAL HY BONDS GCL Holdings S.C.A.				**199,680**
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	1,833
Transaction costs	EUR	n.a.	2019	(4,704)
TOTAL FRSN 2019 Guala Closures S.p.A.				**272,129**
TOTAL BONDS				**471,809**
Bank loans and borrowings:				
Senior Revolving Facility	EUR	euribor 3m + 3.75%	2017	40,000
Transaction costs	EUR	n.a.	2017	(1,480)
Total Senior Revolving Facility				**38,520**
Loan Cassa di Risparmio di Alessandria	EUR	euribor 3m + 2.75%	2015	319
Accrued interest and expense - Guala Closures S.p.A.	EUR	n.a.	2014	656
Raiffeisen Bank overdraft (Ukraine)	UAH	0.2	n.a.	318
Millennium Bank overdraft (Poland)	PLN	wibor 1m (*)	n.a.	2,740
Banco Sabadell loan (Spain)	EUR	5.20%	2015	253
Bancolombia loan (Colombia)	COP	I.B.R. + 3.25% (**)	2018	867
Bradesco / ITAU loan (Brazil)	BRL	n.a.	2019	855
Advances on receivables and loans (Argentina)	AR$	n.a.	n.a.	621
Loan Scotiabank - (Mexico)	MXP	TIIE30 + 4.0% (***)	2016	2,477
Total bank loans and borrowings				**47,626**
Other financial liabilities:				
Guala Closures S.p.A. finance leases	EUR	euribor + 1.5% (****)	2020	13,730
Liability to the Ukrainian non-controlling investors	EUR	n.a.	n.a.	9,900
Other liabilities	EUR	n.a.	n.a.	113
Total other financial liabilities				**23,866**
TOTAL				**543,301**

(*) Wibor stands for “Warsaw Inter-bank Bid and Offered Rate”
(**) I.B.R. stands for “Indicador Bancario de Referencia”
(***) TIIE30 stands for “Tasa de Interés Interbancaria de Equilibrio a 30 dias”.
(***) Nominal interest rate on the property finance lease.

Thousands of Euros	Currency	Nominal interest rate	Expiry date	Total December 31, 2015
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.	2016	3,906
Transaction costs	EUR	n.a.	2018	(3,079)
TOTAL HY BONDS GCL Holdings S.C.A.				**200,827**
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.	2016	1,820
Transaction costs	EUR	n.a.	2019	(3,781)
TOTAL FRSN 2019 Guala Closures S.p.A.				**273,038**
TOTAL BONDS				**473,866**
Bank loans and borrowings:				
Senior Revolving Facility	EUR	euribor 3m + 3.75%	2017	55,000
Transaction costs	EUR	n.a.	2017	(966)
Total Senior Revolving Facility				**54,034**
Accrued interest and expense - Guala Closures S.p.A.	EUR	n.a.	2016	194
Handlowy S.A. bank overdraft (Poland)	PLN	wibor 1m (*)	n.a.	3,473
Bancolombia loan (Colombia)	COP	I.B.R. + 3.25% (**)	2018	465
Bradesco / ITAU loan (Brazil)	BRL	n.a.	2019	1,154
Advances on receivables and loans (Argentina)	AR$	n.a.	n.a.	393
Bancomer loan (Mexico)	MXP	TIIE28 + 2.50% (***)	2017	1,092
Total bank loans and borrowings				**60,805**
Other financial liabilities:				
Guala Closures S.p.A. finance leases	EUR	euribor + 1.5% (****)	2020	11,780
Bulgarian companies finance leases	BGN	n.a.	2016	65
Liability to the Ukrainian non-controlling investors	EUR	n.a.	n.a.	13,500
Other liabilities	EUR	n.a.	n.a.	82
Total other financial liabilities				**25,427**
TOTAL				**560,098**

(*) Wibor stands for “Warsaw Inter-bank Bid and Offered Rate”
(**) I.B.R. stands for “Indicador Bancario de Referencia”
(***) TIIE30 stands for “Tasa de Interés Interbancaria de Equilibrio a 30 dias”.
(***) Nominal interest rate on the property finance lease.

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

Credit facility	Available amount (thousands of Euros)	Amount used at December 31, 2015	Residual available amount at December 31, 2015
Senior Revolving Facility due 2017	75,000	55,000	20,000

(18) Trade payables

This caption is made up as follows:

Thousands of Euros	December 31, 2014	December 31, 2015
Suppliers	54,015	59,612
Payments on account	329	7,527
Total	**54,344**	**67,140**

The increase in the payments on account is due to an advance payment received from a customer in Argentina.

At December 31, 2015, trade payables may be analyzed by original currency as follows:

Thousands of Euros	EUR	USD	GBP	Other currencies	Total
Trade payables	35,176	2,219	2,280	27,465	**67,140**

Other currencies include trade payables in the following local currencies:

Thousands of Euros	December 31, 2015
Argentinean peso	6,363
Mexican peso	4,900
Australian dollar	4,257
Polish zloty	2,972
Indian rupia	2,809
Ukrainian hryvnia	1,394
South African rand	1,116
Chinese renmimbi	771
Brazilian real	672
New Zealand dollar	517
Columbian peso	266
Other	1,429
Total	**27,465**

(19) Current direct tax liabilities

This caption is made up as follows:

Thousands of Euros	December 31, 2014	December 31, 2015
Current direct tax liabilities	4,601	5,379
Total	**4,601**	**5,379**

The increase in current direct tax liabilities is mailnly due to the increase in profit before tax of some operating companies.

(20) Current indirect tax liabilities

This caption is made up as follows:

Thousands of Euros	December 31, 2014	December 31, 2015
VAT and other indirect taxes	9,444	4,290
Total	**9,444**	**4,290**

The decrease in VAT and other indirect taxes is due for € 4.8 million to the payment made in 2015 in relation to the accrual for potential tax and related matters dating to the period 2009-2011 at the level of the Group's subsidiary Guala Closures S.p.A..

(21) Provisions

This caption may be analyzed as follows:

CURRENT PROVISIONS:

Thousands of Euros	December 31, 2014	December 31, 2015
Provision for restructuring	2,676	1,012
Provision for returns	590	582
Other current provisions	116	30
Total current provisions	**3,381**	**1,624**

The provision for restructuring in 2015 refers mainly to the closure of the Australian site of Acacia Ridge and to the reallocation of its crown seals production to the other Australian Group plant located in Central West and to the remaining part of the Italian plants restructuring process started in 2014.

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

Changes in the current provisions are as follows:

CURRENT PROVISIONS:

Thousands of Euros	**December 31, 2015**
Opening current provisions	3,381
Exchange rate losses	(11)
Accrual	1,523
Utilization	(3,269)
Closing current provisions	**1,624**

NON-CURRENT PROVISIONS:

Thousands of Euros	**December 31, 2014**	**December 31, 2015**
Provision for agents' leaving indemnity	117	121
Provision for legal disputes	29	27
Provision for contingencies	540	-
Total non-current provisions	**686**	**148**

The non-current provision for contingencies existing as at December 2014 has been utilized for € 0.1 million to pay taxes and penalties related to the tax years 2010-2012. The residual amount (€ 0.4 million) has been released based on Legislative Decree n. 158/2015 which has introduced a more favorable framework for the calculation of the admistrative tax penalties.

Changes in the non-current provisions are as follows:

NON-CURRENT PROVISIONS:

Thousands of Euros	**December 31, 2015**
Opening non-current provisions	686
Exchange rate losses	(2)
Accrual	6
Utilization	(95)
Reversal	(447)
Closing non-current provisions	**148**

The utilization of non-current provisions refers to the payment of taxes and penalties dating to the period 2010-2012.

(22) Financial derivative liabilities

This caption may be analyzed as follows:

Thousands of Euros	December 31, 2014	December 31, 2015
Fair value of IRSs	2,850	677
Fair value of aluminum derivatives	185	394
Total	**3,036**	**1,071**

The main features of the contracts in place at December 31, 2015 are summarized below:

- *interest rate swaps*

Guala Closures S.p.A. has two interest rate swaps in place to hedge floating interest rates on the property finance lease as 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 € 3,622 thousand at December 31, 2015.
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 € 3,622 thousand at December 31, 2015.

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

On September 30, 2015, three interest rate swaps, entered into in order to hedge floating interest rates on bank loans, expired.

- *Forward purchase of aluminum*

At December 31, 2015, the Group has twenty-two contracts for the forward purchase of aluminum, for a total of over 5,000 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, 2015:

Expiry date	Hedged amount (tons)	Strike price (US$/ton)	December 31, 2015 Positive/(negative) fair value (Thousands of Euros)
January 2016	300	1,377	(43)
January 2016	300	1,377	(37)
January 2016	300	1,377	(25)
February 2016	300	1,383	(35)
February 2016	300	1,383	(17)
March 2016	300	1,386	(34)
March 2016	300	1,386	(22)
April 2016	300	1,381	(33)
April 2016	25	1,381	-
May 2016	300	1,383	(32)
May 2016	25	1,383	-
June 2016	300	1,385	(29)
July 2016	300	1,387	(19)
July 2016	50	1,387	-
August 2016	300	1,390	(18)
August 2016	50	1,390	1
September 2016	300	1,393	(14)
September 2016	50	1,393	1
October 2016	300	1,396	(13)
October 2016	50	1,396	1
November 2016	300	1,397	(13)
December 2016	300	1,399	(12)
Total	**5,050**		**(394)**

- *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, 2015	December 31, 2014 Positive/(negative) fair value	December 31, 2015 Positive/(negative) fair value
Interest rate swaps on leases	Hedge accounting	(948)	(677)
Interest rate swaps on loans	Recognized at fair value through profit or loss	(1,903)	-
Forward aluminum purchases	Recognized at fair value through profit or loss	(185)	(394)
Forward aluminum purchases	Recognized at fair value through profit or loss	66	-

(23) Other current liabilities

This caption may be analyzed as follows:

Thousands of Euros	December 31, 2014	December 31, 2015
Payables to employees	7,911	8,208
Payables for capex	6,724	4,894
Social security charges payable	2,871	2,810
Dividends payables	-	665
Other payables	4,672	6,295
Total	**22,178**	**22,872**

Other payables as at December 31, 2014 included AR$ 6,905 thousand (€ 672 thousand) as residual amount to be paid for the acquisition of an additional 16% interest in Guala Closures Argentina S.A.. In 2015, the Group paid € 689 thousand, recording an exchange rate loss of € 17 thousand.

(24) Employee benefits

This caption is made up as follows:

Thousands of Euros	December 31, 2014	December 31, 2015
Post-employment benefits - Guala Closures S.p.A.	5,944	4,295
Other	1,373	1,451
Total	**7,318**	**5,745**

Changes in Employee benefits are as follows:

Thousands of Euros	December 31, 2014	December 31, 2015
Balance at January 1	6,835	7,318
Exchange rate losses	(23)	(90)
Change recognized in profit or loss - personnel expense	1,623	1,597
Change recognized in profit or loss - other (income)/expense	171	27
Change recognized in OCI	821	(337)
Transfer in (out)	(189)	(41)
Benefits paid	(1,921)	(2,728)
Balance at December 31	**7,318**	**5,745**

The liability for post-employment benefits ("TFR" – Trattamento di fine rapporto) primarily relates to Italian companies (Guala Closures S.p.A. mainly) for employee departures, determined using actuarial techniques and regulated by Article 2120 of the Italian Civil Code. The benefit is paid when the employee leaves the company as a lump sum, the amount of which corresponds to the total benefits accrued during the employees' service period based on payroll costs as revalued until their departure. Following the pension reform, from January 1, 2007, accruing benefits have been transferred to a pension fund or a treasury fund held by the Italian administration for post-retirement benefits (INPS). Companies with less than 50 employees, can continue the scheme as in previous years. Therefore, contributions of future TFR to pension funds or the INPS treasury fund entails that these amounts will be treated as a defined contribution scheme. Amounts vested before January 1, 2007 continue to be accounted for as defined benefits to be assessed based on actuarial assumptions.

Changes in post-employment benefits and the main assumptions used in their measurement are detailed below:

Thousands of Euros	**December 31, 2014**	**December 31, 2015**
Balance at January 1	5,572	5,944
Change recognized in profit or loss - personnel expense	1,341	1,294
Change recognized in profit or loss - other (income)/expense	153	79
Change recognized in OCI	758	(342)
Benefits paid	(1,879)	(2,681)
Balance at December 31	**5,944**	**4,295**

Actuarial parameter baseline:

	December 31, 2014	**December 31, 2015**
Average inflation rate	0.6% (2015) - 1.2% (2016) 1.5% (2017-18) 2% from 2019 on	1.5% (2016) - 1.8% (2017) 1.7% (2018) - 1.6% (2019) 2% from 2020 on
Discount rate	1.49% p.a.	2.03% p.a.
Annual rate of increase in post-employment benefits	1.95% (2015) - 2.4% (2016) 2.625% (2017-18) 3% from 2019 on	2.625% (2016) - 2.85% (2017) 2.775% (2018) - 2.7% (2019) 3% from 2020 on

For valuations at December 31, 2015, an annual fixed discount rate of 2.03% was utilized based on the value of Iboxx indexes AA corporate bonds observed at December 31, 2015, as per the requirements of IAS 19.

The Group expects to pay around € 1.5 million of benefits to its defined benefit plan in 2016 described above.

Sensitivity analysis:

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, assuming the other variables do not change, would have affected Guala Closures S.p.A.'s post-employment benefits at December 31, 2015 by the amounts shown below:

	Defined benefit obligation	
Thousands of Euros	**Increase**	**Decrease**
Turnover rate (1% variation)	(13)	14
Average inflation rate (0.25% variation)	65	(64)
Discount rate (0.25% variation)	(102)	106

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, 2014 and 2015 (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, 2014**	**December 31, 2015**
Present value of the obligations	(72,726)	(72,119)
Fair value of plan assets	89,614	89,487
Total	**16,888**	**17,368**

Changes in the net amount of the fund:

Thousands of Euros	**December 31, 2014**	**December 31, 2015**
Balance at January 1	16,609	16,888
Exchange rate (gains) losses	1,138	1,040
Service cost	(19)	(25)
Interest on defined benefit obligation	(2,631)	(2,489)
Interest on plan assets	3,369	3,087
Scheme administration expenses	(177)	(215)
Actuarial (gains) losses	(1,401)	(919)
Balance at December 31	**16,888**	**17,368**

Changes in the present value of the obligations:

Thousands of Euros	**December 31, 2014**	**December 31, 2015**
Balance at January 1	(60,985)	(72,726)
Exchange rate (gains) losses	(4,677)	(4,453)
Service cost	(19)	(25)
Interest on defined benefit obligation	(2,631)	(2,489)
Contribution by plan participants	(4)	(4)
Benefits paid	3,870	5,195
Actuarial gains	(8,280)	2,382
Balance at December 31	**(72,726)**	**(72,119)**

Changes in the fair value of plan assets:

Thousands of Euros	**December 31, 2014**	**December 31, 2015**
Balance at January 1	77,594	89,614
Exchange rate (gains) losses	5,815	5,493
Interest on plan assets	3,369	3,087
Scheme administration expenses	(177)	(215)
Contribution by plan participants	4	4
Benefits paid	(3,870)	(5,195)
Actuarial losses	6,878	(3,300)
Balance at December 31	**89,614**	**89,487**

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

	December 31, 2014	**December 31, 2015**
Equities	37%	37%
Bonds	31%	31%
Gilts	32%	31%
Cash	0%	1%

All equities and government bonds have quoted prices in active markets.

Actuarial parameter baseline:

	December 31, 2014	**December 31, 2015**
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	2.90% p.a.	3.00% p.a.
Discount rate	3.30% p.a.	3.55% p.a.

The Group does not expect to pay any further contributions in 2016 in relation to these defined benefit obligations.

Sensitivity analysis:

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, assuming the othervariables do not change, would have affected Guala Closures UK's defined benefit pension plan at December 31, 2015 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)	(2,525)	-
Average inflation rate (+0.1% p.a.)	(317)	-
Discount rate (-0.1% p.a.)	(1,056)	-

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.

(25) Other non-current liabilities

This caption is made up as follows:

Thousands of Euros	December 31, 2014	December 31, 2015
Other non-current liabilities	166	112
Total	**166**	**112**

(26) Equity attributable to the owners of the parent

As of December 31, 2015, 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.

(27) Equity attributable to non-controlling interests

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

	Non-controlling interests % December 31, 2014	Non-controlling interests % December 31, 2015	Balance at December 31, 2014	Balance at December 31, 2015
Guala Closures Ukraine LLC	30.0%	30.0%	6,449	8,078
Guala Closures India Pvt Ltd.	5.0%	5.0%	1,826	1,748
Guala Closures Argentina S.A.	1.6%	1.6%	47	32
Guala Closures de Colombia LTDA	6.8%	6.8%	608	518
Guala Closures Bulgaria A.D.	30.0%	30.0%	1,923	1,669
Guala Closures Tools A.D.	30.0%	30.0%	479	378
Guala Closures DGS Poland S.A.	30.0%	30.0%	12,464	12,274
Total			**23,796**	**24,699**

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

The following tables summarise the information relating to each of the Group's subsidiaries that have material non-controlling interests, before any intra-group eliminations:

December 31, 2014	**Carrying amount**					
Thousands of Euros	**Guala Closures DGS Poland S.A.**	**Guala Closures Ukraine LLC**	**Guala Closures Bulgaria A.D.**	**Guala Closures India pvt Ltd**	**Other individually immaterial subsidiaries**	**Total**
Non-controlling interests percentage	**30%**	**30%**	**30%**	**5%**		
Non-current assets	33,760	12,428	2,541	25,908		
Current assets	27,312	17,641	6,171	17,321		
Non-current liabilities	(3,574)	-	(108)	(894)		
Current liabilities	(15,950)	(8,574)	(2,193)	(5,806)		
Equity	**41,548**	**21,496**	**6,411**	**36,529**		
Equity attributable to non-controlling interests	**12,464**	**6,449**	**1,923**	**1,826**	1,134	**23,796**
Total revenue (third parties + related parties)	**73,918**	**48,007**	**10,750**	**55,960**		
Profit for the year	10,038	10,888	831	6,611		
Other comprehensive income/(expense) (OCI)	(1,255)	(10,346)	-	3,838		
Total comprehensive income	**8,782**	**542**	**831**	**10,448**		
Profit allocated to non-controlling interests	3,011	3,266	249	331	298	**7,156**
OCI allocated to non-controlling interests	(377)	(3,104)	-	192	(17)	**(3,306)**
Total comprehensive income allocated to non-controlling interests	**2,635**	**163**	**249**	**522**	**281**	**3,850**
Cash flows from operating activities	13,779	9,162	2,998	10,252		
Cash flows used in investing activities	(5,288)	(6,107)	(3)	(6,622)		
Cash flows used in financing activities (including dividends to NCI)	(14,194)	(4,098)	(1,738)	(5,741)		
Net increase (decrease) in cash and cash equivalents	**(5,704)**	**(1,043)**	**1,256**	**(2,112)**		
Dividends to non-controlling interests	4,291	1,044	511	297	412	**6,555**

December 31, 2015	**Carrying amount**					
Thousands of Euros	**Guala Closures DGS Poland S.A.**	**Guala Closures Ukraine LLC**	**Guala Closures Bulgaria A.D.**	**Guala Closures India pvt Ltd**	**Other individually immaterial subsidiaries**	**Total**
Non-controlling interests percentage	**30%**	**30%**	**30%**	**5%**		
Non-current assets	32,563	10,590	1,685	25,451		
Current assets	27,205	23,588	4,994	18,241		
Non-current liabilities	(3,205)	-	(73)	(937)		
Current liabilities	(15,648)	(7,250)	(1,042)	(7,798)		
Equity	**40,915**	**26,927**	**5,565**	**34,958**		
Equity attributable to non-controlling interests	**12,274**	**8,078**	**1,669**	**1,748**	929	**24,699**
Total revenue (third parties + related parties)	**81,722**	**49,160**	**7,915**	**62,880**		
Profit for the year	11,084	12,002	(99)	7,087		
Other comprehensive income/(expense) (OCI)	100	(6,571)	-	1,077		
Total comprehensive income	**11,184**	**5,431**	**(99)**	**8,164**		
Profit allocated to non-controlling interests	3,325	3,601	(30)	354	146	**7,397**
OCI allocated to non-controlling interests	30	(1,971)	-	54	(92)	**(1,979)**
Total comprehensive income allocated to non-controlling interests	**3,355**	**1,629**	**(30)**	**408**	**54**	**5,418**
Cash flows from operating activities	11,778	13,369	1,187	15,257		
Cash flows used in investing activities	(2,706)	(4,696)	(141)	(2,947)		
Cash flows used in financing activities (including dividends to NCI)	(9,691)	341	(762)	(11,012)		
Net increase (decrease) in cash and cash equivalents	**(618)**	**9,014**	**284**	**1,298**		
Dividends paid to non-controlling interests	2,880	-	226	486	265	**3,858**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME(EXPENSE)

(28) Net revenue

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

Thousands of Euros	**2014**	**2015**
Europe	276,962	284,430
Asia	66,844	70,356
Latin and North America	77,714	96,589
Oceania	48,980	49,871
Africa	17,295	19,286
Total	**487,794**	**520,533**

(29) Other operating income

This caption includes:

Thousands of Euros	**2014**	**2015**
Internal production	5,859	5,936
Sundry recoveries/repayments	3,513	3,224
Gains on sale of fixed assets	268	203
Other	333	340
Total	**9,974**	**9,703**

Internal production includes € 868 thousand of capitalized development expenditure related to new closures and € 5,068 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 € 405 thousand and foreign companies amounting to € 4,663 thousand.

(30) Costs for raw materials

This caption includes:

Thousands of Euros	2014	2015
Raw materials and supplies	192,285	216,005
Packaging	8,938	9,330
Consumables and maintenance	8,793	9,729
Fuels	490	454
Other purchases	1,992	1,774
Change in inventories	6,685	(3,955)
Total	**219,182**	**233,336**

(31) Costs for services

This caption includes:

Thousands of Euros	2014	2015
External processing	8,426	8,509
Electricity / Heating	22,077	22,330
Transport	18,491	20,531
External labor / porterage	4,007	4,650
Legal and consulting fees	3,283	3,304
Maintenance	5,437	5,860
Travel	4,059	4,528
Sundry industrial services	4,555	5,470
Administrative services	1,906	2,405
Directors' fees	1,810	1,988
Insurance	3,421	3,035
Technical assistance	1,002	889
Telephone costs	854	818
Commissions	973	952
Cleaning service	1,193	1,131
Security	445	548
Commercial services	590	334
Entertainment expenses	682	700
Advertising services	353	431
Expos and trade fairs	222	441
Other	2,365	2,226
Total	**86,152**	**91,083**

Details of fees paid to the parent’s directors, statutory auditors, CEO and key managers are provided in notes 39) “Related party transactions” to these consolidated financial statements.

(32) Personnel expense

This caption includes:

Thousands of Euros	2014	2015
Wages and salaries	73,564	76,068
Social security contributions	13,118	13,183
Expense/(Income) from defined benefit plans	1,623	1,597
Other costs	2,413	3,189
Total	**90,719**	**94,036**

Reference should be made to note 24) "Employee benefits" to these consolidated financial statements for details on Expense/(income) for defined benefit plans.

At December 31, 2014 and 2015, the Group had the following number of employees:

Number	December 31, 2014	December 31, 2015
Blue collars	2,984	2,928
White collars	865	873
Managers	197	195
Total	**4,046**	**3,996**

(33) Other operating expense

This caption includes:

Thousands of Euros	2014	2015
Rent and leases	4,821	4,926
Other costs for the use of third party assets	1,742	1,730
Taxes and duties	1,911	2,462
Provisions	2,990	1,529
Other charges	831	930
Total	**12,295**	**11,577**

The decrease in "Provisions" mainly relates to smaller non-recurring provisions for restructuring booked in 2015.

(34) Financial income

This caption includes:

Thousands of Euros	2014	2015
Exchange rate gains	5,025	8,140
Change in fair value of IRS	1,627	1,975
Interest income	171	731
Fair value gains on aluminium derivatives	881	16
Other financial income	51	238
Total	**7,756**	**11,100**

(35) Financial expense

This caption includes:

Thousands of Euros	2014	2015
Interest expense	42,665	41,714
Exchange rate losses	6,166	12,029
Financial expense - non-controlling investors in the Ukrainian company	3,500	3,600
Fair value losses on aluminum derivatives	432	1,512
Other financial expense	1,050	890
Total	**53,812**	**59,744**

Financial expense - 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.

(36) 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	**2014**	**2015**
Recognized in profit or loss		
Bank interest income	171	731
Fair value gains on derivatives	2,509	1,991
Exchange rate gains	5,025	8,140
Other financial income	51	238
Total financial income	**7,756**	**11,100**
Interest expense on financial liabilities measured at amortized cost	42,665	41,714
Exchange rate losses	6,166	12,029
Fair value losses on derivatives	432	1,512
Other financial expense	4,550	4,490
Total financial expense	**53,812**	**59,744**
Net financial expense	**(46,056)**	**(48,644)**
Recognized directly in equity in the Hedging reserve		
Effective portion of fair value losses on cash flow hedges	(273)	(47)
Net change in fair value of cash flow hedges reclassified to profit or loss	350	318
Total	**77**	**271**

(37) Income taxes

This caption includes:

Thousands of Euros	2014	2015
Current taxes	(25,497)	(23,193)
Deferred tax income/(expense)	3,056	1,448
Total	**(22,441)**	**(21,745)**

In 2014, income taxes included € 5.5 million costs accounted in relation to potential tax and related matters dating to the period 2009-2011. Excluding such non-recurring costs relating to past years, income taxes 2015 are higher than the previous year due to higher profit before taxes.

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 (€ -75 thousand), as described in the following table.

Deferred tax liabilities recognized directly in equity

Thousands of Euros	December 31, 2014	December 31, 2015
Change in deferred tax liabilities on fair value adjustments on cash flow hedges	(21)	(75)
Total	**(21)**	**(75)**

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	2014	2015
Profit before taxation	**4,990**	**17,042**
Income tax using luxembourg tax rate *(2014: 29.22%; 2015: 29.22%)*	**1,458**	**4,980**
Effect of tax rates in foreign jurisdictions *(2014: (47.0%); 2015: (14.1%))*	(2,345)	(2,399)
Tax exempt revenue and other decreases	(904)	(803)
Non-deductible expense and other increases	16,133	12,767
Other changes	2,106	3,646
Total increase / (decrease)	**14,990**	**13,211**
Effective tax	**16,448**	**18,190**
Other taxes *(2014: 181.3%; 2015: 100.2%)*	9,049	5,003
Total taxes for the year	**25,497**	**23,193**

OTHER INFORMATION

(38) Fair value of financial instruments and sensitivity analysis

(a) Accouting 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, 2014 and 2015. 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 2015.

December 31, 2014		Carrying amount								Fair value			
Thousands of Euros	**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**
Financial assets measured at fair value													
Interest rate swaps used for trading		66							**66**		66		**66**
		66	-	-	-	-	-	-	**66**	-	**66**	-	**66**
Financial assets not measured at fair value (*)													
Trade receivables	6					92,108			**92,108**				-
Cash and cash equivalents	4					35,273			**35,273**				-
		-	-	-	-	**127,381**	-	-	**127,381**	-	-	-	-
Financial liabilities measured at fair value													
Interest rate swaps used for hedging	22			(948)					**(948)**		(948)		**(948)**
Interest rate swaps used for trading	22	(2,088)							**(2,088)**		(2,088)		**(2,088)**
Put option on non-controlling interests	17		(9,900)						**(9,900)**			(9,900)	**(9,900)**
		(2,088)	**(9,900)**	**(948)**	-	-	-	-	**(12,936)**	-	**(3,036)**	**(9,900)**	**(12,936)**
Financial liabilities not measured at fair value (*)													
Bank overdraft	17							(3,058)	**(3,058)**		(3,058)		**(3,058)**
Secured bank loans	17							(42,273)	**(42,273)**		(40,926)		**(40,926)**
Unsecured bank loans	17							(2,295)	**(2,295)**		(2,295)		**(2,295)**
Secured bonds issues	17							(272,129)	**(272,129)**		(282,755)		**(282,755)**
Unsecured bonds issues	17							(199,680)	**(199,680)**		(211,262)		**(211,262)**
Finance lease liabilities	17							(13,853)	**(13,853)**		(12,670)		**(12,670)**
Trade payables	18							(54,344)	**(54,344)**				-
Other payables	17							(113)	**(113)**		(113)		**(113)**
		-	-	-	-	-	-	**(587,745)**	**(587,745)**	-	**(553,078)**	-	**(553,078)**

(*) 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.

December 31, 2015		Carrying amount								Fair value			
Thousands of Euros	**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**
Financial assets not measured at fair value (*)													
Trade receivables	6					86.880			**86.880**				-
Cash and cash equivalents	4					61.944			**61.944**				-
		-	-	-	-	**148.825**	-	-	**148.825**	-	-	-	-
Financial liabilities measured at fair value													
Interest rate swaps used for hedging	22			(677)					**(677)**		(677)		**(677)**
Interest rate swaps used for trading	22	(394)							**(394)**		(394)		**(394)**
Put option on non-controlling interests	17		(13.500)						**(13.500)**			(13.500)	**(13.500)**
		(394)	**(13.500)**	**(677)**	-	-	-	-	**(14.571)**	-	**(1.071)**	**(13.500)**	**(14.571)**
Financial liabilities not measured at fair value (*)													
Bank overdraft	17							(3.473)	**(3.473)**		(3.473)		**(3.473)**
Secured bank loans	17							(55.713)	**(55.713)**		(53.775)		**(53.775)**
Unsecured bank loans	17							(1.619)	**(1.619)**		(1.619)		**(1.619)**
Secured bonds issues	17							(273.038)	**(273.038)**		(284.878)		**(284.878)**
Unsecured bonds issues	17							(200.827)	**(200.827)**		(208.660)		**(208.660)**
Finance lease liabilities	17							(11.845)	**(11.845)**		(11.037)		**(11.037)**
Trade payables	18							(67.140)	**(67.140)**				-
Other payables	17							(82)	**(82)**		(82)		**(82)**
		-	-	-	-	-	-	**(613.738)**	**(613.738)**	-	**(563.523)**	-	**(563.523)**

(*) 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
Put option on non-controlling interests	*Discounted cash flows:* 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.	• Forecast EBITDA (average of last 2 years - 2014 and 2015 - and 2016 budget figures) • Net financial position of the Ukrainian subsidiary as at December 31, 2015 • Risk-adjusted discount rate (7.0%) • Expected date of put option exercise (2028)	The estimated fair value would increase if: • 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	*Market comparison technique:* 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 and unsecured bonds issues Finance lease liabilities	Discounted cash flows	Secured and unsecured bonds are considered level 2 due to number of transactions not disclosed by Euro-MTF

(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, 2014	December 31, 2015
Balance at January 1	6,400	9,900
Loss included in "financial expense" - Net change in fair value (unrealised)	3,500	3,600
Balance at December 31	**9,900**	**13,500**

Sensitivity analysis

For the fair value of the put option on non-controlling interests, 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%	(1,200)
	(10%)	1,300
Net financial position	+ 1 million €	(200)
	- 1 million €	200
Risk-adjusted discount rate	1%	1,600
	(1%)	(1,700)
Expected date of put option exercise	+ 1 year	900
	- 1 year	(900)

(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,

GCL Holdings S.C.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.

At December 31, 2014 and 2015, trade receivables may be analyzed by geographical segment as follows:

Thousands of Euros	**December 31, 2014**	**December 31, 2015**
Europe	46,667	44,733
Asia	15,230	13,524
Latin America	14,417	13,990
Oceania	6,226	5,194
Rest of the world	9,569	9,439
Total	**92,108**	**86,880**

At December 31, 2015, trade receivables may be analyzed by due date as follows:

Thousands of Euros	**Gross amount December 31, 2015**	**Impairment losses December 31, 2015**	**Net amount December 31, 2015**
Not yet due	70,355	(334)	70,021
0-30 days overdue	11,647	(255)	11,392
31-90 days overdue	3,090	(81)	3,009
More than 90 days overdue	9,940	(7,481)	2,458
Total	**95,031**	**(8,151)**	**86,880**

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, 2015, trade receivables may be analyzed by original currency as follows:

Thousands of Euros	EUR	INR	GBP	USD	Other currencies	Total
Trade receivables	36,292	9,781	6,299	8,395	26,114	**86,880**

Other currencies includes trade receivables in the following local currencies:

Thousands of Euros	December 31, 2015
Ukrainian hryvnia	5,704
Australian dollar	3,868
Polish zloty	3,698
Columbian peso	2,624
Chinese renmimbi	2,091
South African rand	2,036
Mexican peso	1,969
Argentinean peso	1,541
New Zealand dollar	1,326
Brazilian real	741
Bulgarian Lev	352
Other	164
Total	**26,114**

An analysis of the credit quality of trade receivables is as follows:

Thousands of Euros	December 31, 2015
- Four or more years' trading history with the Group	64,819
- From four to one years' trading history with the Group	8,211
- Less than one year' trading history with the Group	1,080
- Residual (not classified)	12,771
Total	**86,880**

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.
The aim of the Group's financing strategy is to maintain a well-balanced maturity profile for liabilities to thereby reduce the refinancing risk. Historically, the Group has always met its obligations on time and was able to re-finance the indebtedness in advance before it expires.
Reference should be made to the tables in note 17) "Financial liabilities" to these consolidated financial statements for information on the Group's loans, credit lines and facilities at the reporting date.

Exposure to liquidity risk

The following are the outstanding contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements:

		Contractual cash flows			
Thousands of Euros	**Carrying amount**	**Within one year**	**From one to five years**	**After five years**	**Total contractual cash flows**
Non-derivative financial liabilities					
Put option on non-controlling interests	13,500			(32,400)	(32,400)
Bank overdrafts	3,473	(3,522)	-	-	(3,522)
Secured bank loans	55,713	(3,705)	(57,698)	-	(61,404)
Unsecured bank loans	1,619	(893)	(780)	-	(1,673)
Secured bond issues	273,038	(14,559)	(318,676)	-	(333,234)
Unsecured bond issues	200,827	(18,750)	(228,125)	-	(246,875)
Finance lease liabilities	11,845	(1,996)	(9,933)	-	(11,929)
Trade payables	67,140	(67,140)			(67,140)
Other	82	(60)	(5)	-	(65)
Total	**627,238**	**(110,625)**	**(615,218)**	**(32,400)**	**(758,243)**
Derivative financial liabilities					
Interests rate swaps used for hedging	677	(250)	(500)	-	(750)
Interests rate swaps used for trading	394	(394)	-	-	(394)
Total	**1,071**	**(644)**	**(500)**	**-**	**(1,144)**

The interest payments on variable interest rate loans and bond issues in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change. The future cash flows on contingent consideration and derivative instruments may be different from the amount in the above table as interest rates and exchange rates or the relevant conditions underlying the contingency change. Except for these financial liabilities, it is not expected that the cash flows included in the maturity analysis will materalise significantly earlier, or at significantly different amounts.

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:

		Repricing date					
Thousands of Euros	**Effective interest rate - December 2015**	**Total 31/12/15**	**Up to 6 months**	**6 - 12 months**	**1 - 2 years**	**2 - 5 years**	**After 5 years**
BONDS:							
HY Bond due 2018 issued by GCL Holdings S.C.A. - 20/04/2011	9.38%	200,000	-	-	-	n.a.	-
Accrued interest - GCL Holdings S.C.A.	n.a.	3,906	n.a.	-	-	-	-
Transaction costs	n.a.	(3,079)	-	-	-	n.a.	-
TOT. HY BONDS issued by GCL Holdings S.C.A. - 20/04/2011		**200,827**		**-**	**-**		**-**
Bond Floating Rate Senior Secured Notes due 2019 issued by Guala Closures S.p.A. - 13/11/2012	5.29%	275,000	275,000	-	-	-	-
Accrued interest - Guala Closures S.p.A.	n.a.	1,820	1,820	-	-	-	-
Transaction costs	n.a.	(3,781)	(3,781)	-	-	-	-
TOT. BONDS FRSN 2019 issued by Guala Closures S.p.A. - 13/11/2012		**273,038**	**273,038**	**-**	**-**	**-**	**-**
TOTAL BONDS		**473,866**	**273,038**	**-**	**-**		**-**
Bank loans and borrowings:							
Senior Revolving Facility	3.75%	55,000	55,000	-	-	-	-
Transaction costs	n.a.	(966)	(966)	-	-	-	-
Tot. Senior Revolving Facility		**54,034**	**54,034**	**-**	**-**	**-**	**-**
Accrued interest and expenses Guala Closures S.p.A.	n.a.	194	194	-	-	-	-
Handlowy S.A. bank overdraft (Poland)	0.50%	3,473	3,473	-	-	-	-
Bancolombia loan (Colombia)	7.35%	465	465	-	-	-	-
Bradesco / ITAU / Santander loan (Brazil)	3.90%	1,154	1,154	-	-	-	-
Advances on receivables and loans (Argentina)	n.a.	393	393	-	-	-	-
Bancomer / Banamex loan (Mexico)	2.50%	1,092	1,092	-	-	-	-
Total bank loans and borrowings		**60,805**	**60,805**	**-**	**-**	**-**	**-**
Other financial liabilities:							
Guala Closures S.p.A. finance leases	n.a.	11,780	11,780	-	-	-	-
Bulgarian companies' finance leases	n.a.	65	65	-	-	-	-
Liability to the Ukrainian non-controlling investors	n.a.	13,500	13,500	-	-	-	-
Other liabilities	n.a.	82	82	-	-	-	-
Total other financial liabilities		**25,427**	**25,427**	**-**	**-**	**-**	**-**
TOTAL		**560,098**	**359,270**	**-**	**-**		**-**

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, 2015:

Thousands of Euros	**Increase of 100bp**	**Decrease of 100bp**
Floating Rate Senior Secured Notes due in 2019 issued by Guala Closures S.p.A.	(9,942)	1,723
Senior Revolving Facility Agreement - gross of transaction costs	(1,019)	80
Sensitivity of cash flows for Bonds and Revolving facility (net)	**(10,961)**	**1,803**
Finance leases	(242)	29
Related interest rate swaps	129	
Sensitivity of cash flows of other financial liabilities (net)	**(113)**	**29**

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, 2014 and 2015 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.

	Strengthening		**Weakening**	
2014	**Assets**	**Profit or loss**	**Liabilities**	**Profit or loss**
USD (10% change)	131	131	(107)	(107)
GBP (10% change)	555	555	(454)	(454)
AUD (10% change)	549	549	(450)	(450)
INR (10% change)	1,373	1,373	(1,124)	(1,124)
UAH (10% change)	530	530	(434)	(434)
PLN (10% change)	(444)	(444)	363	363

	Strengthening		**Weakening**	
2015	**Assets**	**Profit or loss**	**Liabilities**	**Profit or loss**
USD (10% change)	701	701	(573)	(573)
GBP (10% change)	743	743	(608)	(608)
AUD (10% change)	726	726	(594)	(594)
INR (10% change)	1,280	1,280	(1,047)	(1,047)
UAH (10% change)	1,406	1,406	(1,151)	(1,151)
PLN (10% change)	(251)	(251)	205	205

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.

(39) 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.

Transactions with the parent's directors and key managers are set out below:

Thousands of Euros	Costs recognized in the year							Cash flows in the year
	Fees for position held	Incentives	Remuneration for employment	Accrual for post-employment benefits and other supplementary pension funds	Non-cash benefits	Other benefits	Total	
Total directors/key managers	1,447	398	1,030	44	35	389	**3,343**	**3,104**

On December 31, 2014, Intesa Sanpaolo S.p.A. was considered to be a related party of GCL Holdings Group.

On March 24, 2015, Intesa Sanpaolo S.p.A. transferred its "private equity" business including its investment in GCL Holdings L.P. S.à r.l. to Manzoni S.r.l. by means of a contribution in kind.
On March 31, 2015, the partial demerger of Manzoni into Melville S.r.l., pursuant to which the investment in GCL Holdings L.P. S.à r.l. was assigned and transferred by Manzoni to Melville, became effective.
On April 21, 2015, NB Renaissance Partners Holdings S.à r.l., a newly established private equity fund sponsored by Intesa Sanpaolo S.p.A. and Neuberger Berman Group, acquired an approximate 72% of Melville S.r.l., while Intesa Sanpaolo Group maintained its non-controlling interest.

On the basis of the above, Intesa Sanpaolo S.p.A is no longer considered a related party of GCL Holdings Group, while Melville S.r.l. is considered a related party of GCL Holdings Group.

The relationships between Melville S.r.l. and the Group as at December 31, 2015 are summarized below:
- at December 31, 2015, Melville S.r.l. 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, 2015, Melville S.r.l. 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, 2015, Melville S.r.l. 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, 2015, Melville S.r.l. controls an ultimate beneficial voting interest of 19.6%, via an investment in GCL Holdings L.P. S.à r.l..

In addition, DLJ Merchant Banking Funds is considered to be a related party of the Group.
On March 31, 2014, the DLJ Merchant Banking Partners team spun off from Credit Suisse to form aPriori Capital Partners L.P., which manages the DLJ Merchant Banking Funds.

The transactions and relationships between DLJ Merchant Banking Funds and the Group for the period up to December 31, 2015 are summarized below:
- for the period up to December 31, 2015, aPriori Capital Partners L.P. had four representatives on the board of directors of GCL Holdings GP S.à r. l. (General Partner of GCL Holdings S.C.A.);

- for the period up to December 31, 2015, aPriori Capital Partners L.P. had two representatives on the board of directors of GCL Holdings LP S.à r. l.;
- for the period up to December 31, 2015, aPriori Capital Partners L.P. had five representatives on the board of directors of Guala Closures S.p.A.;
- for the period up to December 31, 2015, DLJMB Overseas Partners IV, L.P., DLJ Merchant Banking Partners IV (Pacific), L.P. DLJMB Offshore Partners IV, L.P., MBP IV Plan Investors, L.P. and DLJMB Overseas IV AIV, L.P. were collectively the beneficial owners of 58% of GCL Holdings S.C.A. via their indirect ownership of 35.4% of GCL Holdings L.P. S.à r.l.;
- transactions with aPriori Capital Partners L.P. took 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 24) "Employee benefits" to the consolidated financial statements for additional information.

(40) Contingent liabilities

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

(41) 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, 2014 and 2015 the future minimum lease payments under non-cancellable leases were receivable as follows:

Thousands of Euros	2014	2015
Less than one year	4,493	4,342
Between one and five years	10,365	9,950
More than five years	2,464	1,022
Total	**17,321**	**15,313**

Amounts recognized in profit or loss

Thousands of Euros	2014	2015
Lease expense	6,142	5,535
Contingent rent expense	23	545
Sublease income	(8)	-

(42) Commitments and guarantees

The Group's commitments and guarantees given at December 31, 2015 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.

- 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 [Spólka Akcyjna] held by Guala Closures International B.V.
- Pledge of the material intellectual property of Guala Closures International 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, 2015 are as follows:

Guala Closures Ukraine LLC

- Pledge on assets given to Raiffeisen Bank for an amount of Ukrainian hryvnia 6.7 million

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

- Mortgage on land given to Scotia Bank for an amount of Mexican pesos 19 million

Guala Closures Argentina S.A.

- Mortgage on building given to Banco de la Nación Argentina for an amount of Argentinean pesos 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, 2015**
Guala Closures S.p.A.	
Third party assets held by the Company	1,836

(43) Events after the reporting period

As of April 28, 2016, no significant subsequent events occurred

On behalf of the Board of Directors
Managing Director
Marco Giovannini

Luxembourg, April, 28, 2016

KPMG

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To the Shareholders of
GCL Holdings S.C.A.
8B, rue Albert Borschette
L-1246 Luxembourg

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, 2015 and the consolidated statements of profit or loss 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 39 to 124.

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.

KPMG Luxembourg, Société coopérative, a Luxembourg entity and a member firm of the KPMG network of independant member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

T.V.A. LU 27351518
R.C.S. Luxembourg B 149133

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Opinion

In our opinion, the consolidated financial statements as set out on pages 39 to 124 give a true and fair view of the consolidated financial position of GCL Holdings S.C.A. as of December 31, 2015, 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 33, which is the responsibility of the General Partner, is consistent with the consolidated financial statements.

Luxembourg, April 29, 2016

KPMG Luxembourg, Société coopérative
Cabinet de révision agréé

Fabien Hedouin

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