



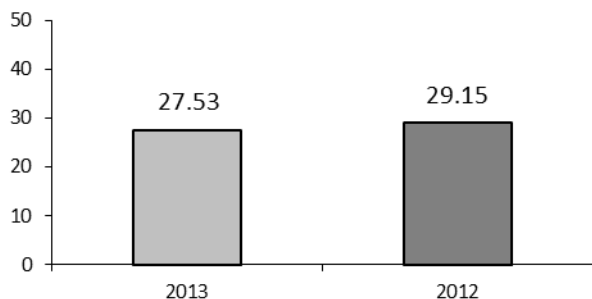
## Annual Report 2013



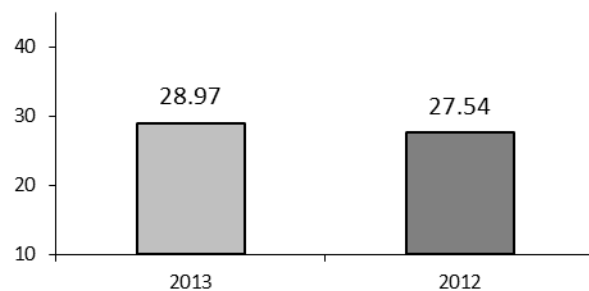
## Financial Ratios – Overview

Sales and Earnings in 2013

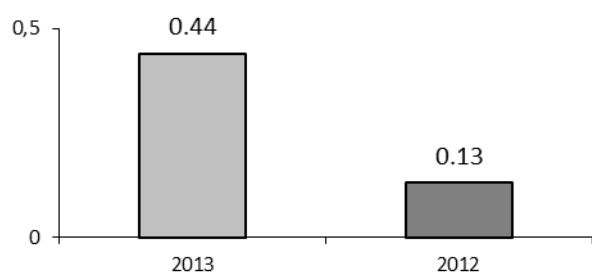
**Sales (EUR m)**



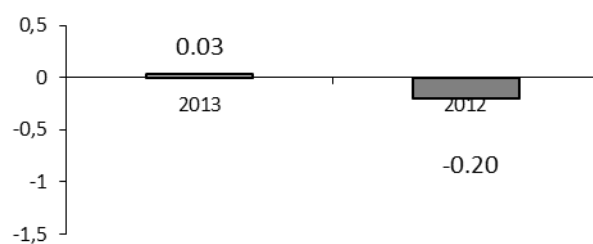
**Bookings (EUR m)**



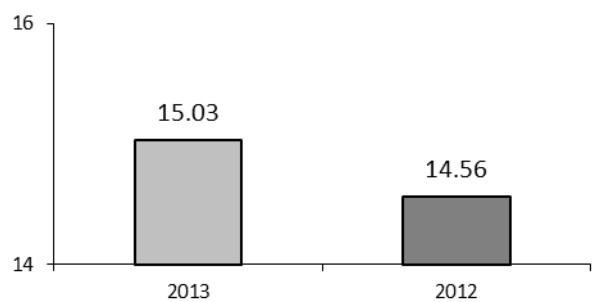
**EBITDA (EUR m)**



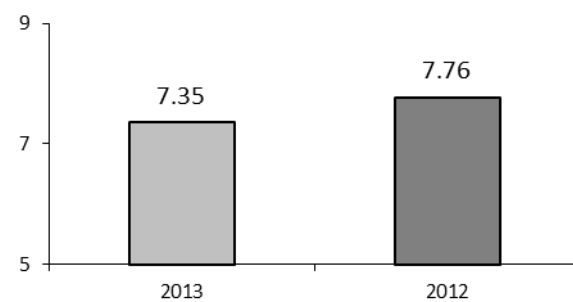
**Net Profit (EUR m)**



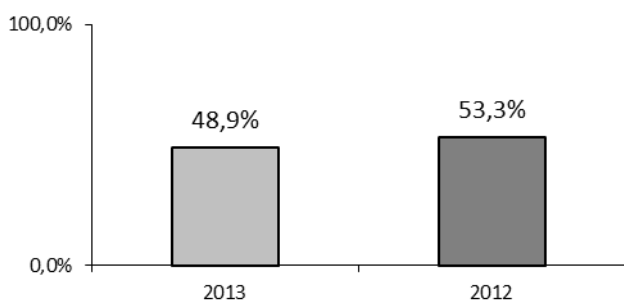
**Total Assets (EUR m)**



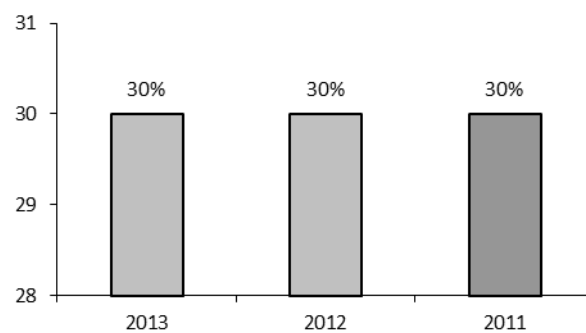
**Total Equity (EUR m)**



**Equity ratio (%)**



**Evolution of Gross-Margin (%)**



## UR Group consolidated key figures as at December 31, 2013

### Balance sheet ratios

	Dec 31, 2013	Dec 31, 2012	Variance	
	EUR 000	EUR 000	EUR 000	%
Balance Sheet Total	15,028	14,564	464	3%
Total Equity	7,351	7,760	(409)	(5)%
Liabilities	7,677	6,804	873	13%
Equity Ratio (%)	48.9	53.3	-	4.4%
Cash and cash equivalents	2,169	2,498	(329)	(13)%

### Income statement ratios

	Dec 31, 2013	Dec 31, 2012	Variance	
	EUR 000	EUR 000	EUR 000	%
Incoming orders	28,970	27,537	1,433	5%
Revenues	27,526	29,150	(1,624)	(6)%
EBITDA	440	131	309	236%
EBIT	275	(195)	470	NS
EBT	114	(262)	376	NS
Net Profit of the period	29	(218)	247	NS
Earnings per share	0	(0.03)	0.03	NS

### Other ratios

	Dec 31, 2013	Dec 31, 2012	Variance
Number of employees	65	66	(1)

## Cash-flow Statement

	<b>31.12.2013</b>	<b>31.12.2012</b>
Net result	29	(218)
(+) Depreciation intangibles	24	27
(+) Depreciation tangibles	86	176
(+/-) Employees' leaving indemnity	(59)	85
(+/-) Provision and deferred taxes	7	(282)
(+) Devaluation	62	164
(+/-) Changes in Working Capital	(239)	(838)
<b>Operating Cash Flow</b>	<b>(90)</b>	<b>(886)</b>
Fixed assets	(36)	(105)
Investments)/disinvestments	(5)	1.664
<b>Investments Cash Flow</b>	<b>(41)</b>	<b>1.559</b>
Changes in banks payables	(69)	(1.341)
<b>Financial Cash Flow</b>	<b>(69)</b>	<b>(1.341)</b>
Other changes in Equity	(129)	11
<b>Total Free Cash Flow</b>	<b>(329)</b>	<b>(657)</b>
<b>Cash and cash equivalents as of 1.1.13</b>	<b>2.498</b>	<b>3.155</b>
<b>Cash and cash equivalents as of 31.12.13</b>	<b>2.169</b>	<b>2.498</b>

## INDEX – UR GROUP ANNUAL REPORT 2013

01	Board of Directors	5
02	Foreword from the board	6
03	Business Model	7
04	Investor Relations	11
	Directors' Report on the Consolidated Financial Statement at 31/12/2013	12
	Independent Auditors' Report	20
	Consolidated Balance Sheet as of 31/12/2013	21
	Consolidated Profit and Loss statement as of 31/12/2013	24
	Disclaimer / Imprint / IR-Contact	26

## Management



**Giovanbattista Laghezza**  
C.E.O. & President

- Founder of UR Holding S.p.A. (UR Group)
- Successful track record in the high-tech industry for more than 30 years



**Stefan Haas**  
Managing Director

- Over 20 years of relevant professional experience
- Special area of SCM/Procurement Services and international Key Account Management
- Long track-record in the private equity industry with a focus on SMEs und Fund Advisory

---

## Board of Statutory Auditors

Dr. Maria Cristina Ciarchi, Chairman of the Supervisory board (Studio Legale e Tributario)

Dr. Massimo Giaconia (Baker & Mc. Kenzie)

Dr. Giovanni Lettieri (Studio Legale e Tributario)

UR Holding S.p.A. is audited by Ernst & Young.

## 02 FOREWORD FROM THE BOARD

Dear Shareholders,  
Ladies and Gentlemen,

The Board is pleased to report the figures related to fiscal year 2013. UR Holding S.p.A. was able to retain its strong market position in 2013 despite the challenging worldwide economic situation thanks to its diversification in the selected vertical markets and clear focus on Tier-1 accounts.

The Group economic results, the financial position and the strength of Group's assets has shown further improvements with respect to the previous years.

Such solidity will push the Group to pursue new opportunities in the market in order to take advantages and further improve the Groups position in the Tier 1 accounts. Also, we expect a contribution from the overall economic recovery in Europe.

Performance:

Despite the economic scenario, the year has maintained a good level in the Added value, which confirmed marginality by 30%.

Consolidated sales have slightly decreased at 27.5 million (previous year 29.1 Euro million), but, thanks to the costs rationalization due to the Group's business model the EBITDA improved to 0,44 Euro million.

Thanks to what above-described, the net result was 29 Euro thousand (loss of 218 Euro thousand as of December 31, 2012).

At 31 December 2013, the balance sheet remains very robust, as shown by the capital structure and the financial ratios. The total assets amount to 15,03 Euro million and the Equity amounts to 7,35 Euro million, with an equity ratio of 49%. The financial position amounts to 1,46 Euro thousands in line with the prior year.

Giovanbattista Laghezza  
C.E.O. & President

Stefan Haas  
Managing Director & C.F.O

**UR Group – “full-service provider” for customers and suppliers**

Founded in 1996 in Milan, UR Group is a specialized and focused sales organization for high-tech sub-systems and systems in the electronics industry. Unlike conventional sales companies, UR has far-reaching technological expertise, an international Group structure and presence, a comprehensive understanding of its selected vertical markets and a dedicated range of additional value-added services. Thanks to this unique market positioning, UR is one of Europe’s leading demand creation companies with a clear focus on selected markets.

The option to source and procure all relevant high-tech components, system solutions and necessary services from a centralized provider substantially reduces complexity for customers. As a specialist in the mid to high-end customer segment that requires intensive consulting support, UR facilitates the implementation of technologically sophisticated and specific problem definitions, thereby also operating as an enabling partner for its customers. As it has its own design centres, UR can also offer suppliers the opportunity to integrate their products into new technical solutions.

UR Group’s strategy of customer and market specialisation has made significant progress over the last years. We strongly believe that this strategy will put UR Group also furthermore in a position for organic growth, supported by potential and very selective acquisitions to further complete the companies’ global presence and market position.



▼ **Technical Expertise + Integrated Value-Add Services** ▼



During 2013 we have seen further results from our investment strategy towards additional markets and territories. In particular, UR Group has made dedicated efforts in the evolution of the Communication System-Division towards the SatCom Market and has already entered into major agreements on both manufacturer and customer side. We expect a further, significant contribution in terms of revenue and profitability from these investments already during 2014.



In addition, UR Group has made further investments into our the “Embedded technologies” activities. This division will furthermore focus on Tier-1 accounts in our target markets where more and more communication technology is used in non-communication markets like Military & Defence, (Homeland-) Security, Industrial, Medical and Transport (Railway).

The Power industry is still characterized by a consolidation of Manufacturers and we believe that this will change the market significantly in the near future. This will open new opportunities for Channel partners that have an international presence and financial stability already. UR Group will further investigate on organic- and an-organic opportunities to grow this business division as we consider the fact to have a “critical mass” in this market as quite important.

**Product & Service Portfolio for vertical markets**

UR’s product and service portfolio is under constant review and development to fulfil the needs and requirements of UR Group’s strategic tier-1 customers in the focus markets. Through the matrix-strategy of the product & service portfolio multiple markets can be addressed and therefore synergies can be realized.

**| World-leading Products & Solutions |**



- |  |   |  |
|--|---|--|
| <ul style="list-style-type: none"> <li>• AC/DC Power Supplies</li> <li>• DC/DC Converters</li> <li>• Configurable Power</li> <li>• VAR &amp; Custom</li> <li>• I/P &amp; O/P Filters</li> <li>• Energy Systems</li> <li>• UPS</li> </ul> | <ul style="list-style-type: none"> <li>• Wired &amp; Wireless</li> <li>• Satellite</li> <li>• SOTM</li> <li>• Microwave</li> <li>• Fibre Optics</li> <li>• IP Networks</li> <li>• Timing &amp; Frequency</li> </ul> | <ul style="list-style-type: none"> <li>• Industrial PC’s</li> <li>• Embedded SBC’s</li> <li>• HMI’s</li> <li>• DAQ &amp; I/O</li> <li>• Industrial Ethernet</li> <li>• IP Cameras</li> <li>• Displays &amp; Signage</li> </ul> |
|--|---|--|

**| Technical Expertise & Customer-focussed Integrated Value-Add Services |**



- Value-Add-Resource
- Engineering & Dev.
- Custom Designs
- EMC, Thermal Mgt. Etc.



- Vendor Reduction
- Logistics
- Offset Programs
- & More



- Full Solutions
- Customer Specified or
- Manufacturer Approved
- Installation Services

**Supply Chain Services - Customised Supply Chain Services for Manufacturers and strategic Customers**

The Supply Chain division provides value-added services to both our strategic customers and also to the manufacturers that are represented by UR Group. This market is driven by the aim and desire from both sides to rationalise and change the existing organisation – international tier 1 and tier 2 customers want to reduce the number and fragmentation of suppliers whereas at the same time the manufacturers want to reduce the number of direct accounts and consolidate the sales channels to the market.

UR Group has successfully positioned itself to provide customised solutions for both side, in many cases we can even be the link to match the interest of both parties and enable more business.

On the customer side, major projects in the markets of Military & Defence, Transport and Medtech could have been further developed – each project is characterised by an international approach and based on the technical expertise of UR Group that have enabled us, to provide additional services and value to our customers (see chart page 8).

In addition, UR Group has entered into a Partnership with an US-based Semi-Manufacturing Company to offer to our customer an advanced solution portfolio for the obsolescence management of Semi’s and IC’s. In increasing consolidation in the Semi-Industry has lead to a higher number of end-of-life or last-time-buy announcements towards the final customers. Through this partnership UR Group is now in a position to acquire the manufacturing rights of this devices to keep the production alive as long as the final customer needs – this is a major advantages for industries where designs will be used over a long period of time (e.g. Telecommunication Infrastructure).



**Customer Focused SCM**  
Tailored Supply Chain solutions for strategic customers.



- ↓ Vendor Reduction
- ↓ Global sourcing
- ↓ Dedicated brokerage
- ↓ Worldwide stocking and logistics
- ↓ Parts & invoice consolidation
- ↓ Inventory & obsolescence management
- ↓ Financial auditing & monitoring
- ↓ Kitting & assembly
- ↓ JiT (Just-in-Time) Programs
- ↓ Material Categories Management





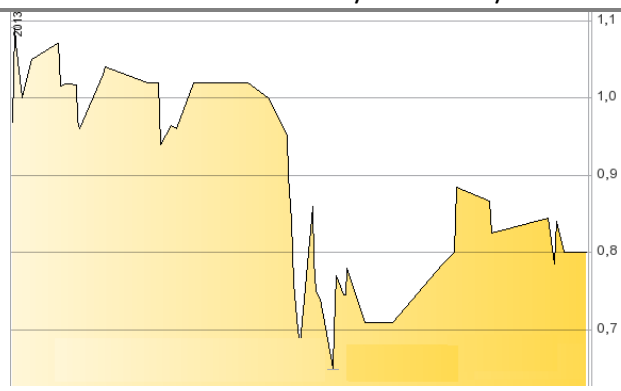
### **UR Group value proposition for strategic Tier 1 customers and manufacturers**

- UR Group is a “GLOCAL” specialized demand creation (sales) organization. This core activity is supported by our own technical design-centre and Supply Chain Services to serve the needs of our strategic customers
- The combination of the Demand Creation with the Supply Chain Management gives UR a unique position in the market and makes us more efficient.
- UR Group has a strong presence and good reputation in the same business environment as it’s strategic tier-1 customers
- Being a sales organization, UR knows and understands the needs of it’s suppliers and customer to reach the best possible solution be it technical or from a service point of view
- UR customer portfolio includes the important Tier 1/Tier 2 customer in the relevant markets, therefore UR Group has become a centre of attraction for manufacturers and customers.

Share ratios

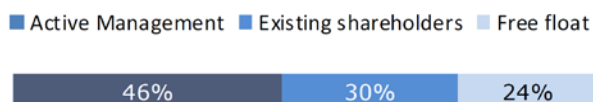
Share Capital	1,846,682.50 EUR
Stock numbers	7,386,730 Shares
Share price as of Dec 30, 2013	0.80 EUR
Share price as of Dec 28, 2012	0.97 EUR
Share price as of Dec 30, 2011	0.83 EUR
Market Cap. as of Dec 30, 2013	5,909,384 EUR
Market Cap. as of Dec 28, 2012	7,165,128 EUR
Market Cap. as of Dec 30, 2011	6,130,986 EUR
Segment	Entry Standard
SCN	AOLBEG

UR Share Performance 01/2013 – 12/2013



Shareholder structure as of December 31, 2013

The shareholder structure of UR Holding continues to reflect its management’s strong commitment, 46% of shares in the Company are held by its active management with 30% accounted for by founding shareholders. The remaining 24% of UR shares are held in free float.



Investor relations – continuous capital market guidance

UR Holding continued its strategy of transparent communications both in the 2013 financial year and after the reporting period. Reporting and Company disclosures above all focus on the strategic orientation of the Group and the transparent presentation of corporate development.

As usual, information on the UR Holding S.p.A. Group and disclosures and reports relevant to the capital markets can be found on the Company’s homepage at [www.ur-group.com](http://www.ur-group.com).

## **UR HOLDING S.p.A.**

Head Office in Viale Edison, 44 - Trezzano sul Naviglio  
Fully paid-up Share Capital Euro 1,846,682.50.  
Registered in Register of Companies of Milan  
Tax code number no. 12867260155  
Registered at R.E.A. in Milan with no.1593724

## **Directors' Report on the Consolidated Financial Statement at 31/12/2013**

## Consolidated Financial Statements as at Dec. 31, 2013

The fiscal year ended 31 December 2013 of the UR Holding Group closes with a positive consolidated result of 29 Euro thousands, net of depreciation and amortization for 165 Euro thousands, income tax for 124 Euro thousands and deferred taxes for 39 Euro thousands.

### Notes on the Group and its business operations

UR Holding S.p.A., the parent Company, controls the following companies which are included within the consolidation area:

Name	City or foreign state	Currency	Share capital	Percentage stake % of the Group	Percentage stake % of third parties
UR Gmbh	Germany	Euro	275,000	100	--
UR SAU	Spain	Euro	77,018	100	--
UR Ltd	United Kingdom	Pound	122,534	100	--
UR Sarl	France	Euro	200,000	100	--
UR Ltd	Israel	Shekel	100,000	100	--
UR Ab	Sweden	Krona	100,000	100	--
UR Gmbh	Austria	Euro	100,000	100	--
2B Tronics	Israel	Shekel	-	100	--
UR Group Inc	USA	Dollar	7,579	100	--
Lariteck S.r.l.	Trezzano sul Naviglio	Euro	91,800	55	45

For a clearer picture of the data, the total share capital of the Companies is indicated, in the table above, in Euro.

UR Holding S.p.A. has a 10% stake in Spirit&ECommerce S.r.l., with head office in Trezzano sul Naviglio (MI). This Company is not included in the consolidation area. UR Holding S.p.A. had a 30% stake in Fabteck S.r.l. which has been liquidated during 2013.

The Companies operates in the sector of marketing electronic components for telecommunications and, through its subsidiary Lariteck S.r.l., in the sector of designing and producing electric and electronic devices destined for the same market.

Business operations began in Italy in the eighties and subsequently extended to markets in Europe, Israel and North America.

The consolidation area has not changed compared to the previous year, and there have been no other variations in the percentage of stakes in subsidiary Companies.

## Operating conditions, business development and general economic trends

### Macroeconomic analysis and the global context

In the Euro area, a modest recovery is underway, but remains fragile. The weakness in economic activity is reflected in a very moderate dynamics of consumer prices. With regard to the economic analysis, in the last quarter of 2013, GDP in the Euro area rose by 0.3%, registering the third consecutive increase. The dynamics of the confidence indicators based on recent surveys is consistent with the continuation of moderate growth in the first half of this year.

Looking ahead, the recovery is expected to continue, even if at a modest pace. A further improvement in domestic demand is expected, supported by the accommodative monetary policy, the conditions more favorable financing and the progress made in terms of fiscal consolidation and structural reforms. This assessment is also reflected in the macroeconomic projections for the Euro area in March, ECB staff, which provide an annual growth of GDP in real terms by 1,2 % in 2014.

In Italy, GDP, supported by exports and changes in stocks, discontinued its fall in the third quarter of 2013. The Italian GDP in 2013 decreased by 1,8%, falling slightly below the levels of 2000. In 2012 was recorded a decline of 2.4%.

The projections on the Italian economy for the next two years by the Bank of Italy confirm the indications that foreshadow a turning point of the end of 2013. During 2014 there would be a moderate recovery in economic activity, which would accelerate, albeit to a limited extent, in the course of 2015. The GDP is expected to grow by 0,7% in 2014 and by 1% in 2015.

The recovery would be driven by foreign demand and the gradual expansion of productive investments, helped by improved demand outlook and increased cash and cash equivalents of Companies, thanks to the payment of trade payables of the Public Sector. Credit conditions remain, however, still tough. The level of investment is expected to remain below the historical average and the consumption would remain weak.

The improvement in the economy would be transmitted with the usual delays with the conditions of the labour market: employment could expand only in 2015.

### Group performance and its development

The macroeconomic framework that emerges from the previous paragraph negatively affected the performance of the Group which was able to have an improvement in the EBITDA and a positive net result.

### Economic situation

The Group's economic situation is highlighted in the following reclassified income statement, compared to the reclassified income statement for the previous fiscal year.

Figures are expressed in thousands of Euro.

	31/12/2013	31/12/2012
<b>Value of production</b>	<b>27.526</b>	<b>29.150</b>
Purchased material and inventory change	(19,273)	(20,594)
<b>Added value</b>	<b>8.253</b>	<b>8,556</b>
Costs for services and leased assets	(3,452)	(3,846)
Labour costs	(4,270)	(4,396)
Other management expenses	(91)	(183)
<b>EBITDA</b>	<b>440</b>	<b>131</b>
Depreciation and amortization	(165)	(326)
<b>Operating result (EBIT)</b>	<b>275</b>	<b>(195)</b>
Financial income	52	14
Financial expenses	(178)	(195)
Exchange Gains (Losses)	(40)	(80)
Disposal of capital assets	(8)	(90)
Other extraordinary income and expenses	13	282
<b>Profit before tax</b>	<b>114</b>	<b>(262)</b>
Taxes	(85)	44
<b>Net profit</b>	<b>29</b>	<b>(218)</b>

### Revenues

Category	2013	2012	Variations
Sales and services	27,475	29,103	(1.628)
Other revenues and income	51	47	4
<b>Total</b>	<b>27.526</b>	<b>29,150</b>	<b>(1.624)</b>

Revenues decreased by 1.6 Euro million with respect to prior year due to the reason explained above, related to the macroeconomic situation.

### Costs

Despite the reduction in turnover, the Added value is in line with the previous years (30%).

EBITDA increased by 0.30 Euro million, thanks to the costs rationalization.

The EBIT in prior year was affected by the depreciation of receivables and higher depreciations (the German building sold at the end of 2013).

In order to provide a clearer picture of the Group's income, the table below contains several indexes of profitability compared with the previous financial years.

	31/12/2013	31/12/2012	31/12/2011
ROE net (Net result / Shareholders' equity)	0,39%	(2,82)%	14.96%
ROE gross (Gross result / Shareholders' equity)	1,55%	(3,39)%	20.41%
ROI (Operating result / Invested capital)	1,00%	(0,67)%	4,67%

### Capital structure

The capital structure of the Group can be more clearly shown in the reclassified capital structure below.



<b>ASSETS</b>	<b>31/12/2013</b>	<b>31/12/2012</b>	<b>Variation</b>
<b>Current assets</b>	<b>14,667</b>	<b>14,126</b>	<b>541</b>
- Liquidity	2,169	2,498	(657)
- Receivables	9,532	8,269	1,263
- Inventory	2,966	3,351	(355)
<b>Fixed assets</b>	<b>361</b>	<b>438</b>	<b>(77)</b>
- Intangible assets	31	40	(9)
- Tangible assets	236	301	(65)
- Financial assets	94	97	(3)
<b>Invested capital</b>	<b>15,028</b>	<b>14,564</b>	<b>464</b>
<b>LIABILITIES</b>	<b>31/12/2013</b>	<b>31/12/2012</b>	<b>Variation</b>
Short-term debts	6,917	5,992	925
Medium-long term debts and funds	760	812	(52)
Shareholders' equity	7,351	7,760	(409)
<b>Sources of invested capital</b>	<b>15,028</b>	<b>14,564</b>	<b>464</b>

Receivables are related to commercial transactions for an amount of 8.4 Euro million and to other receivables, mainly represented by tax receivables, for an amount of 1.1 Euro million. The variation is related to the increase in turnover occurred in the last months of the year and to the fact that 0.8 Euro million has been factorized in January 2014 instead of within the year-end as occurred in 2013.

Short-term debts mainly include trade payables for 4.9 Euro million and increased by 0.7 Euro million with respect to the previous year, also in this case due to the increase in business in the last part of 2013. The remaining part of the increase is related to the dividend paid in January 2014 (0.3 Euro million).

The reclassified financial statement shows the strength of Company's assets, in other words, its capacity to maintain financial equilibrium in the medium- to long-term. The table below shows some of the balance sheet indicators regarding:

- The fixed asset to equity capital margin, in other words, the difference between Shareholders' equity and Fixed assets (capital assets);
- The fixed asset to equity capital and medium-long term debt, in other words, the difference between Shareholders' equity + Consolidated liabilities and Fixed assets

<b>Euro/000</b>	<b>31/12/2013</b>	<b>31/12/2012</b>	<b>31/12/2011</b>
Fixed asset to equity capital margin	6,990	7,322	5,703
Fixed asset to equity capital and medium-long term debt margin	7,749	8,134	6,713

## Financial management

In order to provide a better description of the Company's financial situation, the table below shows some of the balance sheet indicators, compared to the same indicators for the last two fiscal years.

	31/12/2013	31/12/2012	31/12/2011
Primary liquidity	1.81	1.97	1.51
Secondary liquidity	2.11	2.37	1.81
Indebtedness	0.91	0.74	1.17

The primary liquidity indicator (calculated as the ratio between liquidity and short-term credits on the one hand and short-term debts on the other) is 1.81, while the secondary liquidity indicator (calculated as the ratio between short-term assets and short-term liabilities) is 2.11. Both the indicators show the strong Group's financial position.

The indebtedness indicator (calculated as the ratio between liabilities and Shareholders' equity) is 0.91 and confirms the positive situation of the Group.

## Information regarding the environment and staff

Following the recommendations given by the 'Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili' (National Council of Chartered Public Accountants and Book-keepers) on the information and disclosures to be highlighted on the Directors' Report, it has been decided that it will be appropriate to provide the following information concerning the environment and staff.

### Staff

During the fiscal year, there have been no deadly events in the workplace of staff included in payroll, nor any serious accident that have led to serious or critical injuries to staff included in payroll.

During the fiscal year, there have been no reports of allegations regarding work illnesses among employees or former employees or legal action related to mobbing.

### Environment

During the fiscal year no damage has been caused to the environment for which the Groups' companies have been declared guilty in final judgement.

During the fiscal year no penalties have been applied to the Group's companies due to environmental crimes or damage.

During the fiscal year no investment in the environment proved necessary.

## Investments

The investment were the following:

- 15 Euro thousands, mainly related to the SAP implementation in Italy;

- 21 Euro thousands, mainly related to the purchasing of computers and other assets.

Due to the low amount of the investments it was not necessary to subscribe any form of investments.

No significant investments are currently planned for the fiscal year 2014.

### Research and Development

The Group did not undertake research or development during the fiscal year 2013.

### Important matters that have occurred after the closing of the fiscal year

The Group is reviewing its strategies in order to better focus on the business with higher marginality and to invest in new business with the aim to seize new opportunities, which can strengthen its position in the market.

### Forecasts for the Company

Sales in the first quarter of 2014 are in line with the previous fiscal year, while the booking is higher.

Also for current year, the strategy is to focus on high profitability products.

The described strength of the Group's assets and the financial solidity will push the Group to pursue new opportunities in the market in order to take advantages, at best, from the recovery in Europe.

### Treasury stock and shares/shares of holding companies

Following the resolution of the Annual General Meeting held on 21 December 2007 the holding Company purchased 50,000 treasury shares at the average unit price of Euro 1.5098.

In conformity with legal regulations, the percentage falls within the limits stipulated in articles 2357 and 2357 b of the Italian Civil Code and a restricted reserve has been established in the net assets for the same amount, in accordance with art. 2357 c of the Italian Civil Code.

### Information in accordance with art. 2428, paragraph 2, point 6-b of the Italian Civil Code

In accordance with art. 2428, paragraph 2, point 6-b of the Italian Civil Code, it is hereby declared that the Company has not entered into derivative contracts since it has no exchange rate or interest rate risks which need to be managed with such instruments.

We have reason to believe that the assets of the Company, which mainly consist of trade receivables, are of good quality since there are no registered examples of bad or doubtful debts.

Moreover, it is hereby declared that:

- The Group does not own any financial assets (besides cash on hand in bank current accounts) for which exist a liquidity market;

- Bank credit lines exist, which are partially used, in order to face any possible liquidity requirements;
- The Group does not own, except for the cash on hand in its banks current accounts, other deposit with credit institutions to meet liquidity requirements;
- The sources of financing structured in risk capital contributed by the shareholders, in loans provided by the shareholders, as well as the mentioned bank credit lines;
- There is no significant liquidity risk concentration either in terms of financial assets or in the sources of financing.

Chairman of the Board of Directors  
Giovannbattista Laghezza

**Independent auditors' Report**

Reconta Ernst & Young S.p.A.  
Via della Chiusa, 2  
20123 Milano

Tel: +39 02 722121  
Fax: +39 02 72212037  
ey.com

**Independent auditors' report  
pursuant to art. 14 of Legislative Decree n. 39 dated 27 January 2010  
(Translation from the original Italian text)**

To the Shareholders of UR Holding S.p.A.

1. We have audited the consolidated financial statements of UR Holding S.p.A. as of 31 December 2013 and for the year then ended. The preparation of these financial statements in compliance with the Italian regulations governing financial statements is the responsibility of UR Holding S.p.A.'s Directors. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards issued by the Italian Accounting Profession (CNDCEC) and recommended by the Italian Stock Exchange Regulatory Agency (CONSOB). In accordance with such standards, we planned and performed our audit to obtain the information necessary to determine whether the consolidated financial statements are materially misstated and if such financial statements, taken as a whole, may be relied on. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, as well as assessing the appropriateness and correct application of the accounting principals and the reasonableness of the estimates made by Directors. We believe that our audit provides a reasonable basis for our opinion.

For our opinion on the consolidated financial statements of the prior year, which are presented for comparative purposes as required by the law, reference should be made to our report dated 11 April 2013.

3. In our opinion, the consolidated financial statements of UR Holding S.p.A. at 31 December 2013 have been prepared in accordance with the Italian regulations governing financial statements; accordingly, they present clearly and give a true and fair view of the financial position and the results of operations of the UR Holding Group for the year then ended.
4. The Directors of UR Holding S.p.A. are responsible for the preparation of the Directors' Report in accordance with the applicable laws. Our responsibility is to express an opinion on the consistency of the Directors' Report with the financial statements, as required by the law. For this purpose, we have performed the procedures required under auditing standard 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion the Directors' Report is consistent with the consolidated financial statements of UR Holding S.p.A. at 31 December 2013.

Milano, 12 June 2014

Reconta Ernst & Young S.p.A.  
Signed by: Federico Lodrini (Partner)

## Consolidated balance sheet at 31/12/2013

The values are in thousand of euro

### UR HOLDING S.p.A.

Legal seat in Viale Edison, 44 – Trezzano sul Naviglio

Stated capital Euro 1.846.683.= fully paid-in

Fiscal Code and the inscription with the

Milan Register of Enterprises n. 12867260155

Inscribed with R.E.A. at n.1593724

Assets	31/12/2013	31/12/2012
<b>A) Accounts receivable from shareholders in respect of unpaid share capital</b>		
<b>B) Fixed assets</b>		
<i>I. Intangible assets</i>		
1) Start-up and expansion costs		
3) Industrial patent and intellectual property rights	22	20
4) Concessions, licenses, trademarks and similar right	5	10
5) Goodwill		
6) Work-in-progress and advances		
7) Other intangible assets	4	10
	31	40
<i>II. Tangible assets</i>		
1) Land and buildings	-	17
2) Plant and machinery	87	124
3) Industrial and commercial equipment	7	4
4) Other assets	142	156
	236	301
<i>III. Financial assets</i>		
1) Shareholdings in:		
b) affiliated undertakings	-	8
d) others undertakings	15	11
	15	19
2) Accounts Receivables		
d) Other Accounts Receivables		
- falling due within one year	1	-
- falling due after more than one year		
	1	-
3) Other securities	3	3
4) Treasury shares	75	75
	94	97
<b>Total fixed assets</b>	<b>361</b>	<b>438</b>
<b>C) Current assets</b>		
I. Stock		

	1) Raw materials, subsidiary materials and consumables		
	4) Finished products and goods	2,839	3,188
	5) Payments on account (advances)	157	163
		<u>2,996</u>	<u>3,351</u>
<b>II. Accounts receivable</b>			
1)	From customers		
	- falling due within one year	8,353	7,155
	- falling due after more than one year		
		<u>8,353</u>	<u>7,155</u>
4-bis)	For tax receivables		
	- falling due within one year	720	755
	- falling due after more than one year		
		<u>720</u>	<u>755</u>
4-ter)	For tax assets		
	- falling due within one year	245	209
	- falling due after more than one year		
		<u>245</u>	<u>209</u>
5)	Other accounts receivable		
	- falling due within one year	63	33
	- falling due after more than one year	16	14
		<u>79</u>	<u>47</u>
		<u>9,397</u>	<u>8,164</u>
<b>III. Financial assets other than fixed assets</b>			
6)	Other securities	7	8
<b>IV. Liquid assets</b>			
1)	Bank and postal deposits	2,167	2,496
2)	Cheques		
3)	Cash and cash equivalents	2	2
		<u>2,169</u>	<u>2,498</u>
<b>Total current assets</b>		<b>14.569</b>	<b>14.023</b>
<b>D) Prepayments and accrued income</b>			
	- others	98	103
<b>Total assets</b>		<b>15.028</b>	<b>14.564</b>
<b>Liabilities</b>		<b>31/12/2013</b>	<b>31/12/2012</b>
<b>A) Shareholders' equity</b>			
I.	Share capital	1.847	1.847
II.	Share premium reserve	4.629	4.629
III.	Revaluation reserve		
IV.	Legal reserve	106	99
V.	Statutory reserves		
VI.	Reserves for own shares in portfolio	75	75
VII.	Other reserves		
	Extraordinary reserves	693	866
	Reserve of conversion due to foreign funding	497	634
	Merge balance	26	26
	Provision due to law 113	18	18
		<u>1.234</u>	<u>1.543</u>
VIII.	Retained earnings (loss) carry forward	(704)	(326)

IX.	<i>Profit (loss) for the year</i>		(2)	(242)
	<b>Total equity of the Group</b>		<b>7.185</b>	<b>7.625</b>
	<i>Share capital and reserves of third parties</i>		135	111
	<i>Profit (loss) of the year of third parties</i>		31	24
	<b>Total equity of third parties</b>		<b>1166</b>	<b>135</b>
	<b>Total shareholders' equity</b>		<b>7.351</b>	<b>7.760</b>
<b>B)</b>	<b>Provisions for liabilities and charges</b>			
1)	Provision for pensions and similar obligations		129	124
2)	Provision for taxes		51	46
3)	Other provisions		16	19
	<b>Total provisions for liabilities and charges</b>		<b>196</b>	<b>189</b>
<b>C)</b>	<b>Employees' leaving indemnity</b>		<b>564</b>	<b>623</b>
<b>D)</b>	<b>Accounts Payables</b>			
3)	Accounts payable to owners for loans			
	- falling due within one year	300		300
	- falling due after more than one year			
			300	300
4)	Accounts payable to banks			
	- falling due within one year	712		781
	- falling due after more than one year	-		-
			712	781
5)	Accounts payable to third party lenders			
	- falling due within one year			
	- falling due after more than one year			
6)	Payments received on account (advances)			
	- falling due within one year	28		69
	- falling due after more than one year			
			28	69
7)	Accounts payable to suppliers			
	- falling due within one year	4.713		4.142
	- falling due after more than one year			
			4.713	4.142
10)	Accounts payable to affiliated undertakings			
	- falling due within one year	148		23
	- falling due after more than one year			
			148	23
12)	Taxes payable			
	- falling due within one year	279		227
	- falling due after more than one year			
			279	227
13)	Accounts payable to social security institutions			
	- falling due within one year	277		265
	- falling due after more than one year			
			277	265
14)	Other accounts payable			
	- falling due within one year	433		175
	- falling due after more than one year			
			433	175



<b>Total accounts payables</b>	<b>6.890</b>	<b>5.982</b>
--------------------------------	--------------	--------------

**E) Accrued liabilities and deferred income**

- other accrued liabilities and deferred income	27	10
	27	10

<b>Total shareholders' equity and liabilities</b>	<b>15.028</b>	<b>14.564</b>
---	---------------	---------------

<b>Memo accounts</b>	<b>31/12/2013</b>	<b>31/12/2012</b>
----------------------	-------------------	-------------------

1) Third parties' assets at the company's assets

3) Risks	715	775
----------	-----	-----

<b>Total memo accounts</b>	<b>715</b>	<b>775</b>
----------------------------	------------	------------

<b>Profit and loss account</b>	<b>31/12/2013</b>	<b>31/12/2012</b>
--------------------------------	-------------------	-------------------

**A) Revenues**

1) From sales and services	27.475	29.103
5) Other revenues: - miscellaneous	51	47

<b>Total revenues</b>	<b>27.526</b>	<b>29.150</b>
-----------------------	---------------	---------------

**B) Costs**

6) Raw materials, subsidiary materials, consumables and goods	19.052	20.130
7) Services	2.715	3.087
8) Rent/lease	737	759
9) Personnel costs		
a) salaries and wages	3.275	3.379
b) social contributions	791	809
c) employees' leaving indemnity	123	85
d) pensions and similar obligations	43	41
e) other expenses	38	82
	4.270	4.396
10) Depreciation and value adjustments		
a) depreciation of intangible assets	25	27
b) depreciation of tangible assets	86	176
c) others depreciation		
d) write down of accounts receivable	54	123

recorded

among current assets and liquid assets	165	326
--	-----	-----

11) Changes in raw materials, subsidiary materials, consumables and goods	221	464
13) Other accruals	-	9
14) Miscellaneous running costs	91	174

<b>Total costs</b>	<b>27.251</b>	<b>29.345</b>
--------------------	---------------	---------------

<b>Difference between revenues and expenses(A-B)</b>	<b>275</b>	<b>(195)</b>
--	------------	--------------

**C) Financial income and costs**

**16) Other financial income:**

d) other income:

- other income

52	14
52	14

**17) Interest and other financial costs:**

- others financial costs

(178)	(195)
(178)	(195)

17-bis) Exchange profit and loss

(40) (80)

**Total financial income and costs****(166) (261)****D) Value adjustments of financial assets**

18) Write-ups

19) Write downs:

a) of shareholdings  
b) of financial assets

-	1
(8)	-

**Total value adjustments to financial assets****(8) -****E) Extraordinary income and costs**

20) Income:

- appreciation from alienation

- other extraordinary income

23	332
23	332

21) Expenses:

- depreciation from alienation

- taxes of previous years

- other extraordinary costs

(10)	(139)
(10)	(139)

**Total extraordinary income and costs****13 193****Profit before taxes (A-B±C±D±E)****114 (262)**

22) Taxes on the income for the year

a) Current taxes

b) Deferred taxes

124	126
(39)	(170)
85	(44)

**23) Profit (loss) of the year****29 (218)**

- Profit (loss) of the year of third parties
- Profit (loss) of the year of the group

31	24
(2)	(242)

The President of the Board of Directors  
Giovannbattista Laghezza

## Disclaimer

This annual report contains forward-looking statements that reflect the current opinions of the management of UR Holding S.p.A. regarding future events. Such forward-looking statements include all statements in this report that express or are based on intentions, assumptions, expectations or predictions made by the Company. These statements are based on the plans, estimates and forecasts currently available to the management of UR Holding S.p.A., and hence refer only to the date on which they are made.

Forward-looking statements are inherently subject to risks and uncertainties that could cause actual developments to differ materially from such forward-looking statements or the results they imply. UR Holding S.p.A. assumes no obligation to update such statements to reflect new information or future events, nor does it intend to provide such updates.

This Report is not an offer to sell according to § 2 Abs. 4 WpPG or the solicitation of an offer to buy any securities. In case of inconsistencies, the German-language version of the Notes shall be decisive.

The English version of the annual report 2013 and the consolidated financial statement of the UR Holding S.p.A. is a one-to-one translation of the audited Italian consolidated financial statement. The English version is not audited.

### Imprint:

#### **UR Holding S.p.A.**

Viale Edison, 44  
20090 Trezzano S/N (MI)  
Italy

### For investor-related questions please contact:

Mr. Stefan Haas  
Managing Director

Phone: +39 02 4840 1580

Fax: +39 02 4840 1581

E-mail: [corporate@ur-group.com](mailto:corporate@ur-group.com)