Annual Report 2013

Barilla
The Italian Food Company. Since 1877.

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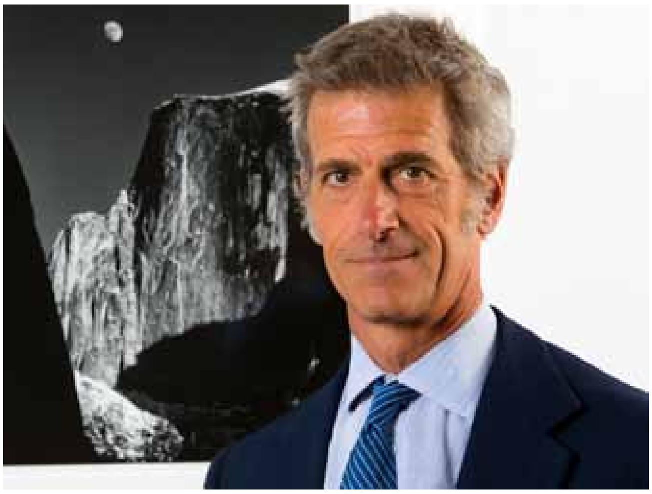
Italian food enjoyment (Mission Barilla)

Summary

"Let's move forward, move forward with courage" (Pietro Barilla)

Chairman's letter



Although some recovery signs have emerged, the exit from the economic crisis, which has been particularly severe in Italy, will continue to be long and difficult. After the devastating global financial crisis that started in 2007, we must learn to come to terms with a scenario in which the advanced economies will struggle for a long time.
In 2013, the new Barilla strategy came to life, allowing the company to overcome the difficult economic situation. The growth strategy, which we summarized as "Good for You, Good for the Planet", aims to promote joyful and healthy eating habits, while reducing our environmental impact. It is being implemented through a constant focus on our core business in order to offer top quality products and to achieve growth in the main markets where we are present and in selected emerging economies.
The results we have achieved are encouraging. On a like-for-like basis, i.e. excluding revenues from companies that have been divested and net of exchange rate effects, in 2013 revenues increased by 2.5% compared with 2012. The recurring operating profit margin (recurring EBITDA) stood at 12% of revenues compared with 10.8% the previous year (Euro 425 million vs. Euro 433 million). Today, the Barilla Group has a stronger, more effective and efficient structure.
Continuing to focus on its core business, the sale of the German company Lieken was completed in 2013. The efficiency of logistics was further improved and fixed costs were reduced to support investments in research and development, marketing activities and growth in emerging markets.
Thanks to a constant focus on quality, we grew in our main categories – pasta, sauces and bakery products – and in the markets we targeted. Gluten-free pasta, whole grain croissants and the new sauces are just a few examples of new successful products. In geographical terms, we are launching specific lines of pasta for the countries we consider strategic for the Company's future development, such as Brazil, Russia and China. In Brazil, the business has almost doubled in a year, confirming the effectiveness of the choices made.
Evidence of the structural reinforcement of the Barilla Group is also the constant reduction in its net debt, which fell from Euro 574 million in 2012 to Euro 347 million in 2013.
As part of "Good for You, Good for the Planet", Barilla began to open the doors of its factories, from the harvesting of raw materials, to production, through to the finished product. Along the path to sustainability, the Group is entering into a series of supply chain agreements, in order to ensure a virtuous model of agriculture, according to the paradigm that providing superior products requires excellent raw materials. In 2013 and in the first months of 2014, the Company also continued to promote diversity and an inclusive work culture, two factors that help to improve performance.
As regards to sustainability, in 2013 the Group also achieved important institutional goals. The Barilla Center for Food & Nutrition (BCFN) became a Foundation, maintaining and strengthening its vocation as a think tank and as a provider of multidisciplinary proposals aimed at increasing knowledge and awareness on food and nutrition.
Throughout its history, quality and a balanced combination of tradition and innovation have been the cornerstones on which the Barilla Group has chosen to operate and grow. The performance in 2013 and in the first months of 2014 is evidence that, on the basis of these cornerstones, very strong foundations have been laid for future growth.

Guido Barilla

INVITO
Valido per due persone
Strettamente personale

Barilla ha il piacere di invitarLa all'evento

PIETRO CENT'ANNI AVANTI

Teatro Regio di Parma, 15 aprile ore 20.30

Nel centenario della nascita, grandi artisti interpretano la straordinaria avventura di Pietro Barilla.

A seguire cena a buffet nella Sala del Ridotto

RSVP centenario@barilla.com
+ 39 052126 - 2438
+ 39 052126 - 2377

Barilla

Directors and officers

BARILLA HOLDING S.P.A.

Board of directors

Chairman
Guido Maria Barilla

Deputy chairmen
Luca Barilla
Paolo Barilla

Chief executive officer
Claudio Colzani

Directors
Emanuela Barilla

Board of statutory auditors

Chairman
Luigi Capitani

Auditors
Alberto Pizzi
Augusto Schianchi

Alternate auditors
Franco Chierici
Ugo Tribulato

BARILLA G. E R. FRATELLI S.P.A.

Board of directors

Chairman
Guido Maria Barilla

Deputy chairmen
Luca Barilla
Paolo Barilla

Chief executive officer
Claudio Colzani

Directors
Emanuela Barilla
Antonio Belloni
Nicolaus Issenmann
Andrea Pontremoli

Board of statutory auditors

Chairman
Augusto Schianchi

Auditors
Mario Tardini
Marco Ziliotti

Alternate auditors
Franco Chierici
Alberto Pizzi

Barilla's history in a nutshell, since 1877

THE BARILLA ADVENTURE STARTS

THE BARILLA STORY BEGINS IN 1877 WITH PIETRO BARILLA, IN A BREAD AND PASTA SHOP IN THE CENTRE OF PARMA.

1877

THE BEGINNINGS

RICCARDO AT THE HELM OF BARILLA

1910

THE FIRST FACTORY OPENED

IN THE EARLY YEARS OF THE 20TH CENTURY, THE FOUNDER WAS SUCCEEDED BY HIS SONS RICCARDO AND GUALTIERO. THE FIRST FACTORY OPENED, EMPLOYING 100 WORKERS AND PRODUCING 80,000KG OF PASTA A DAY, AND IN THE SAME YEAR BARILLA REGISTERED ITS FIRST TRADEMARK: A LITTLE BOY CRACKING AN EGG YOLK INTO A FLOUR TROUGH. AFTER THE DEATH OF HIS FATHER AND BROTHER, RICCARDO BARILLA STEERED THE COMPANY'S GROWTH IN THE TWENTIES AND THIRTIES. IN 1936, PIETRO, RICCARDO'S SON, ENTERED THE COMPANY AND BEGAN DEVELOPING ITS COMMERCIAL NETWORK.

"I STARTED WORKING WHEN I WAS THIRTEEN YEARS OLD. MY FATHER WOULD SEND ME WITH OUR HANDCART TO FETCH A FEW SACKS OF FLOUR, WHICH WERE THEN TRANSFORMED INTO BREAD IN OUR OLD SMALL BRICK OVEN. AFTER A FEW YEARS, IN A SMALL SHOP, WITH THE HELP OF MY SISTERS AND MY MOTHER WHO WORKED AT THE COUNTER, WE SOLD THE BREAD THAT MY FATHER AND I PRODUCED BY WORKING FOR UP TO 18 HOURS A DAY."

RICCARDO BARILLA

"IN THE HISTORY OF OUR COMPANY THERE ARE MANY STAGES, MANY EPISODES, MANY EVENTS THAT REMAIN AND THAT ARE LIKE THE STEPS OF A STAIRCASE. ITS DOMINANT TRAIT, HOWEVER, IS THE PIONEERING GENERATION BEFORE WHICH I ALWAYS BOW WITH GREAT DEVOTION, ADMIRATION AND GRATITUDE."

PIETRO BARILLA

"PROFIT IS THE FUND
ECONOMIC LIFE, BUT
REALIZED AND FOR S
MAINTAINED THERE
VALUES, AND WE MU
WHAT PAST GENERA
TO US AND THAT IS V
THEIR MEMORY. IN D
YOUTH OF TODAY TO
BE AWARE OF OUR C

PIETRO BARILLA

GIANNI AND PIETRO
AT THE HELM OF THE COMPANY

AFTER RICCARDO BARILLA'S DEATH IN 1947, HIS SONS PIETRO AND GIANNI TOOK THE REINS OF THE COMPANY, DEVELOPING MODERN PRODUCTION SYSTEMS AND ENGAGING IN INTENSE BUSINESS COMMUNICATION AND ADVERTISING ACTIVITIES.

1947

POST WORLD WAR II YEARS

BARILLA ITALIAN LEADER

1971

BARILLA BECOMES AMERICAN

THE AMERICAN INTERLUDE

IN 1971, THE BARILLA FAMILY SOLD THE COMPANY TO THE AMERICAN FIRM GRACE.

1958
70

MINA SINGS TONIGHT!!

IN THE EARLY SIXTIES, BARILLA BECAME A LIMITED COMPANY. IT HAD 1,300 EMPLOYEES AND 200 SALESPEOPLE. IN 1965, BARILLA ENTERED THE PACKAGED BAKERY PRODUCTS MARKET FOR THE FIRST TIME, WITH THE PRODUCTION OF BREADSTICKS AND CRACKERS. IN 1969, THE PEDRIGNANO (PARMA) FACTORY WAS BUILT, THE LARGEST PASTA PRODUCTION PLANT IN THE WORLD, WITH A PRODUCTION CAPACITY OF 1,000 TONS A DAY

AMENTAL INGREDIENT OF IN ORDER FOR IT TO BE SOCIAL HARMONY TO BE MUST BE MORAL RULES AND ST RESPECT THEM. THIS IS TIONS HAVE HANDED DOWN WHY IT IS OUR DUTY TO HONOR OING SO, WE WILL HELP THE D UNDERSTAND HISTORY AND OMMON ROOTS."

"IT IS MY BELIEF THAT THE THREE CHARACTERISTICS OF A BUSINESSMAN ARE COURAGE, INTUITION, AND OPTIMISM. I THINK THAT THE ENTREPRENEUR HAS AN IMPORTANT ROLE TO PLAY NO MATTER WHAT HIS FIELD. BUT THE FOOD SECTOR HAS A SPECIFIC ROLE, I WOULD CALL IT A DEEPER AND MORE CHALLENGING ONE, BECAUSE FOOD GOES OUT TO EVERYONE: TO CHILDREN, TO THE ELDERLY, TO FAMILIES. FOOD HAS THIS SENSITIVITY, THIS IMPORTANCE FOR THE HEALTH OF PEOPLE."

PIETRO BARILLA

"DURING THOSE YEARS, I WAS REALLY UNHAPPY, FOR A NUMBER OF REASONS, AND EVERYTHING WAS GOING WRONG FOR ME... WHO KNOWS WHY EVERYTHING WAS GOING WRONG... I WAS A MAN WHO WAS SUFFERING FOR DIFFERENT REASONS, BUT THE MOST IMPORTANT ONE WAS THAT I HAD ABANDONED THE "SHIP" THAT HAD BEEN ENTRUSTED TO ME AND ON WHICH I HAD SAILED UNTIL THE AGE OF 58..."

PIETRO BARILLA

MULINO BIANCO IS CREATED

1975 SAW THE LAUNCH OF MULINO BIANCO, A NEW BAKERY PRODUCTS LINE, INCLUDING BISCUITS, BREAD SUBSTITUTES AND SNACKS, CHARACTERIZED BY AUTHENTICITY AND RECIPES WITH NATURAL INGREDIENTS, USING THE EXPERIENCE BARILLA HAS GAINED IN CENTURIES OF CEREAL PROCESSING.

1975

THE MULINO BIANCO ERA BEGINS

1979 93

BARILLA RETURNS TO ITALY THANKS TO PIETRO

THE RELAUNCH

IN 1979, PIETRO BARILLA RETURNED TO THE HELM OF THE COMPANY. THE HISTORIC RE-ACQUISITION COINCIDED WITH THE RESUMPTION OF A LONG-TERM INDUSTRIAL AND ADVERTISING STRATEGY, BASED ON THE IDEA OF RE-LAUNCHING PASTA AND THE ITALIAN FIRST COURSE AND DEVELOPING THE OFFER OF BAKERY PRODUCTS.

GUIDO, LUCA AND PAOLO AT THE HELM OF THE COMPANY

IN 1993, AFTER THE DEATH OF PIETRO BARILLA, LEADERSHIP OF THE COMPANY PASSED INTO THE HANDS OF HIS SONS GUIDO, LUCA AND PAOLO.

"THE BRAND MUST BE ABLE TO BUILD RELATIONSHIPS, NOT JUST TRANSACTIONS, WITH CONSUMERS; AND OUR FUTURE IS DEPENDENT ON OUR CONTINUING TO CREATIVELY RENEW THE WAY WE COMPETE."

GUIDO BARILLA

"THE RETURN WAS NOT EASY. MEETINGS, OBSTACLES, FINANCE, MONEY, TRIPS: NEW YORK, ZURICH... AS I WISHED MY CHILDREN TO BE WITNESSES OF THIS ADVENTURE, THEY CAME ALONG ON MANY OF THESE TRIPS. AT THE END OF 1978 I DID NOT HAVE THE AMOUNT NEEDED. IN FRONT OF THE LEADERS OF GRACE I WAS SO DISAPPOINTED THAT I CRIED. ONE OF THEM, MR GRAFF – AN EXCELLENT MAN – UNDERSTOOD MY PREDICAMENT AND CALLED ME ASIDE IN HIS OFFICE AND SAID TO ME: "DON'T LOSE HEART, WE'LL SEE WHAT WE CAN DO..." IT WAS THE END OF 1978 AND IN JULY 1979 WE MANAGED TO CLOSE THE DEAL."

PIETRO BARILLA

**"I DON'T THINK THAT MY CHIL
OPINION OF ME, I LIKE TO THIN
AND RESPECT ME; THAT THEY
THAT THIS TRANSMISSION OF
FATHER TO CHILDREN IS IN EF
CAN BE REALIZED. THE GOAL
FOR THE FAMILY TO CONTINU
GENERATION, WHICH MEANS 3
COMPANY'S LIFE. THEN THE NE
WILL PROVIDE... IF IT WILL PRO
SUCCESSION..."**

PIETRO BARILLA

TODAY

2010

2014

2000

BARILLA INTERNATIONAL COMPANY

IMPORTANT ACQUISITIONS

THE NINETIES AND THE FIRST DECADE OF THE NEW MILLENNIUM WERE CHARACTERIZED BY A STRONG INTERNATIONALIZATION PROCESS, WITH THE GROWTH OF BARILLA'S PRESENCE IN EUROPEAN AND US MARKETS, THE OPENING OF NEW PRODUCTION PLANTS AND THE ACQUISITION OF IMPORTANT BRANDS SUCH AS PAVESI (ITALY), MISKO (GREECE), FILIZ (TURKEY), WASA (SWEDEN), YEMINA AND VESTA (MEXICO), LIEKEN (GERMANY) AND HARRYS (FRANCE).

CREATION OF THE BARILLA CENTER FOR FOOD AND NUTRITION

THE YEAR 2009 SAW THE LAUNCH OF THE BARILLA CENTER FOR FOOD AND NUTRITION (BCFN), A MULTIDISCIPLINARY RESEARCH CENTRE COMMITTED TO THE PROMOTION AND DEBATE OF TOPICS RELATED TO FOOD AND NUTRITION.

IN 2014, THE BCFN BECOMES A FOUNDATION, STRENGTHENING ITS COMMITMENT TO FIND CONCRETE SOLUTIONS TO THE WORLD'S MAJOR FOOD CHALLENGES. THE BCFN FOUNDATION LAUNCHES THE IDEA OF SIGNING A GLOBAL FOOD DEAL AT EXPO 2015 IN MILAN, DUBBED THE "MILAN PROTOCOL", WITH THREE MAIN GOALS:

- CUT FOOD WASTE
- FIGHT HUNGER AND OBESITY
- PROMOTE SUSTAINABLE AGRICULTURE

DREN HAVE A BAD NK THAT THEY TRUST BELIEVE IN ME AND EXPERIENCES FROM FECT A TRUTH THAT S SUCCESSION, E FOR ANOTHER 30-40 YEARS IN THE EXT GENERATION OVIDE... FOR THE

"WE WILL BECOME EVER MORE GLOBAL AND READY TO FACE THE FUTURE BY DEVELOPING OUR PERFORMANCE IN RELATION TO THE CONSUMER; NOT BY PURSUING A SIMPLE AND TRADITIONAL INCREASE IN SIZE, BUT BY ADAPTING OUR CULTURE OF QUALITY AND OUR PROFESSIONALISM TO EVER FASTER CHANGES OF SCENARIO."

GUIDO BARILLA

"THE ITALIAN NUTRITIONAL MODEL IS THE ESSENTIAL POINT OF REFERENCE FOR HEALTHY EATING HABITS, FOR THE RESPECT AND PROTECTION OF THE NATURAL RESOURCES OF OUR PLANET AND FOR SAFEGUARDING THE RIGHTS OF FUTURE GENERATIONS."

GUIDO, LUCA AND PAOLO BARILLA

“EVERYTHING IS DONE FOR THE FUTURE”

PIETRO BARILLA

Directors' Report

In 2013 the Company recorded consolidated group revenue of euro 3,535 million (euro 3,996 million) representing an 11.5% fall on the previous year that is principally due to the sale of the Lieken group. Considering the same consolidation area (excluding the revenue of the Lieken group that was sold in late May 2013 and Number 1 Logistics Group S.p.A. which was sold in 2012), revenue actually increased by 1.4%.

In terms of cash flow, operating profit from continuing operations before depreciation, amortization and impairment losses on property, plant and equipment and intangibles (EBITDA) is equal to euro 425 million (euro 433 million), corresponding to 12% of revenue (10.8%).

Consolidated profit for the year amounted to euro 109 million, net of impairment losses recognized against fixed assets, extraordinary income/(expenses) and losses on discontinued operations, compared to the previous year profit of euro 60 million. Consolidated net profit attributable to owners of the parent (net of non-controlling interests) amounted to euro 92 million against euro 50 million for the prior year, while net profit attributable to non-controlling interests amounted to approximately euro 17 million.

Transactions involving subsidiaries

The area of consolidation decreased compared to the previous year following the disposal of the Lieken group, which specializes in the manufacturing and sale of bakery products in Germany. The sale, which was approved by the European Competition Authority in late May, has improved the net financial position and allowed us to concentrate on consolidating market leadership in the European and North American pasta markets and embrace new opportunities in emerging markets, in particular Brazil.

The following commentary provides a detailed review of the activities of the individual companies and Barilla Holding Società per Azioni ("the Company"), in accordance with the disclosure requirements of article 2428 of the Italian Civil Code and article 40 of Legislative Decree 127 of 9 April 1991.

Accounting standards - International Financial Reporting Standards (IFRS)

The Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards - IFRS (hereinafter "IAS or IFRS") endorsed by the European Union. The accounting policies adopted are listed in the notes to the consolidated financial statements.

General information

All amounts are expressed in thousands of euro except where otherwise indicated. All comparisons made throughout this report and the consolidated financial statements refer to the financial information for the previous reporting period (disclosed in brackets). Percentages (on margins and changes) are calculated based on the values expressed in thousands of euro.

The group, of which Barilla Holding Società per Azioni is the parent company, is defined as "the Barilla Holding Group" or "the Group".

Where comments relate specifically to the parent company, or the individual subsidiaries, the full name and legal form of the companies is stated.

Consolidated financial highlights

The Group's key financial indicators presented below comprise the results of discontinued operations up until the date on which control was no longer exercised.

EBIT (operating profit from continuing operations) amounted to euro 273 million (euro 258 million), corresponding to 7.7% of revenue (6.5%).

Profit before income tax is equal to euro 204 million (euro 149 million).

Current and deferred income taxes correspond to euro 94 million (euro 89 million); the effective tax rate net of negative extraordinary items is 39.7% (37.4%).

Net indebtedness totaled euro 347 million (euro 574 million); further details are provided in the notes to the consolidated financial statements.

The Group's current financial needs are met by the following arrangements:

- Bonds issued by Barilla France S.A.S. totaling USD 292 million, net off USD 180 million that was repaid on 9 December 2013, which were placed with US institutional investors in December 2003 and July 2011 and are divided into tranches (maturing between 2015 and 2023). The loan bonds including the related hedging instruments valued at mark-to-market, amounted to euro 212 million at the year-end;
- A USD 150 million bond loan issued by Barilla G. e R. Fratelli S.p.A. that was placed with US institutional investors in December 2013 and matures in 2025. This bond loan including the related hedging instruments valued at mark-to-market, amounted to euro 114 million at the year-end;
- A five-year revolving credit line of euro 850 million, secured in June 2011 by Barilla Iniziative S.r.l., Barilla G. e R. Fratelli Società per Azioni, Barilla France S.A.S. and a group of 12 leading international banks. A total of euro 52 million had been drawn-down at 31 December 2013;
- An amortizing term loan of euro 50 million secured in January 2012 by Barilla Iniziative S.r.l. and Barilla G. e R. Fratelli Società per Azioni with Banca Europea per gli Investimenti that matures in 2020. The outstanding capital at 31 December 2013 amounted to euro 40.5 million.

(Further details of the financial instruments are provided in the notes to the consolidated financial statements).

In line with the financial strategies in place for some time, the Group's objective is to maintain a high level of debt average maturity. The timing of these financial transactions has enabled the Group to pre-empt the credit restrictions imposed in recent years. These transactions together with the positive cash flows generated from operations, ensured that the Group had sufficient funding to meet its financial obligations. The Group had an undrawn revolving credit facility of euro 798 million at 31 December 2013.

Group structure and organisation

Barilla Holding Società per Azioni's investments in its operating subsidiaries are held indirectly through the sub-holding Barilla Iniziative S.r.l., which is in turn 85% owned by Barilla Holding Società per Azioni.

The current Group structure is divided into two operating sub-holdings: Barilla G. e R. Fratelli Società per Azioni, which focuses on the manufacturing and sale of pasta, sauces and bakery products both in the domestic and international markets and Italian Kitchen S.r.l., which develops and manages the Restaurants business.

The Group operates directly in 25 countries, exports its products to more than 100 countries and owns 30 production facilities across 9 countries.

Economic situation

Unfortunately there has been no change in the Italian economy: negative GDP, growing unemployment rates (particularly youth unemployment that reached almost 40%), a high tax burden that is considered excessive when compared to the level of services, access to credit still extremely difficult for enterprises and an exceptional increase in the number of companies going into administration. This situation is worsened by a level of public debt that is significantly higher than the European average (despite the deficit meeting the 3% forecast) and a widespread lack of confidence in the political system. These conditions progressively weakened nation's social fabric despite the shared awareness that economic recovery is possible through a concerted, wide-scale effort.

In the domestic sectors of excellence, which includes the food industry, exports supported Italian manufacturing, which has a very low number of global enterprises, one of which is Barilla, and a wide network of small and medium-sized companies.

The international economic situation is more positive. In Europe, a further strengthening in the euro against the dollar, inflation falling to almost zero and a further cut in interest rates all contributed significantly to monetary stability. While on one hand these stability measures have strengthened European integration, on the other they have not been enough to trigger similar favorable conditions for economic growth as witnessed by the stagnant domestic demand.

At least 3% growth is forecast in the US for 2014. Despite this favorable economic outlook, significant uncertainties remain, such as the cut in support by the US Federal Reserve, which will progressively reduce the level of liquidity on the financial markets, and has already provoked a massive withdrawal of capital from emerging markets with a consequent devaluation in local currencies.

The modest downturn in the Chinese economy injected a new element of volatility given China's weighting on global markets and the complexity and delicate nature of its international relations.

Market stability was also strengthened by a levelling of agricultural raw material prices. With regard to cereals, the slowdown in the growth in demand for biofuel production contained variability and price increases with a dramatic fall in the adverse impact of speculative transactions.

Agricultural production has tripled in the past 50 years, as the global population has doubled, thanks to growth in productivity but only a modest increase in the area of farming land employed. This growth has been achieved in widely varying degrees: high profitability production in the West almost doubled while the output in Asia has increased six-fold.

2013 marked a year of consolidation for the Barilla Group following the strategic turning point reached in autumn 2012,

Mulino Bianco has chosen to use cage-free eggs

Our brands

BARILLA G. E R. FRATELLI

The Barilla brand has its roots in a small bread and pasta store opened in Parma in 1877. Today it is the number one pasta in Italy and around the world. Thanks to the best durum wheat and impressive modern technologies, Barilla supplies millions around the world with pasta that always cooks to a perfect al dente texture, as well as ready-to-eat pasta sauces.

Founded in 1975, Mulino Bianco is truly a part of the cultural fabric of Italian food and of the everyday diet of Italian families. This brand offers simple, genuine bakery products in all categories that are perfect for eating at home or on the go.

Voiello was established in 1879 as a small store in Torre Annunziata, a small town outside Naples, a world capital of pasta making since the 16th century. Voiello pasta comes in all the most popular Neapolitan shapes. Its secret is the uneven surface achieved with bronze dies. Voiello was acquired by Barilla in 1973.

The Pavesi brand was established in 1937 by Mario Pavesi, an inventive baker and entrepreneur in the city of Novara. It offers a wide range of bakery products and pastries, all of which have unique flavor and rely on well-developed production technologies. Pavesi was acquired by Barilla in 1992.

On December 1st, 2013, Academia Barilla opened the company's first restaurant in New York - 6th Avenue 52nd - with the goal of bringing Italian conviviality to the world.

Academia Barilla is an international project implemented in 2004. It is dedicated to developing and promoting regional Italian gastronomy as a unique part of the world's cultural heritage.

Established in 1977, Filiz is one of the top pasta producers in Turkey, one of the biggest pasta consuming countries. Barilla acquired Filiz in 1994.

Launched in 1970 on the baked goods market in France, the Harrys brand today is leader in the soft bread market and an important player in the morning goods market. Quality and innovation are two of the most important key success factors.

Founded in Sweden in 1919, Wasa is the world's largest producer of crispbreads. It distributes its many rye and wheat products in more than 40 countries. Barilla acquired Wasa in 1999.

Gran Cereale was founded in 1989 as a Mulino Bianco whole grain biscuit and has grown to become a Barilla brand of whole grain and natural products. Nowadays, the brand offers consumers a wide range of products ranging from Biscuits to Cereals, from Crackers to "Snackbiscotto".

Pan di Stelle was created in 1983 as one of Mulino Bianco's breakfast biscuits. In 2007, with the launch of the snacks and the cake, it began its career as a stand-alone brand to become a trademark in its own right much loved by People everywhere.

Yemina, created in 1952, and Vesta, in 1966, are two of the leading Mexican brands. Barilla entered that market by forming a joint venture with the Mexican Grupo Herdez in 2002.

FIRST is a brand specialized in retail sales services.

the aim being to double turnover by 2020.

The emerging market's expansion policy took effect in 2013 with new products specific for the Chinese and Brazilian markets; sales volumes in the latter increased by more than 80%. In addition to the increased market share and sales volumes, logistics efficiency was also improved; overheads fell freeing up resources to dedicate to marketing and expansion in emerging markets. With regard to product diversification, gluten free pasta was launched and the project will be rolled-out across the main European markets in 2014.

Group operating activities review

Barilla G. e R. Fratelli

The activities of the Barilla G. e R. Fratelli group have been based on the following business operating model since 2012.

The organization structure is founded on achieving strategic and organizational balance and combines two areas: Processes and Regions (geographical areas). By adopting this framework, the group believes it can speed up response times, improve the ability to adapt to change and widen implementation of all synergies at global level and consequently maximize Barilla's consolidation process aimed at making it a Key Global Market Player in its field.

In achieving the perfect balance between global and local dimensions, the group is in a position to satisfy a wide variety of markets, adapting - without losing its core identity - its vision of the Italian gastronomic model throughout the world.

This signifies that the group's core features and competitive qualities, including the brands' symbolic characteristics and identity, must be upheld and protected while at the same time adapting the products portfolio to the different areas in which the group operates.

Regional areas and development:

- Europe;
- America, including the entire American continent;
- Asia, Africa and Australia including Russia and Turkey;

with the Categories and Brands:

- Meal Solutions, comprising the production and sale of first courses (pastas and sauces) under the Barilla, Voiello, Misko, Filiz, Yemina and Vesta brands;
- Bakery, consisting of the production and sale of bakery products principally through the Mulino Bianco, Pavesi, WASA and Harry's brands.

Moreover, the Academia Barilla and Restaurants business is responsible for creating and enhancing Group's Business to Consumer models and for planning the activities of the Academia Barilla aimed at promoting and spreading Italian Gastronomic Culture throughout the world by developing and selling products, services and editorial contents.

Europe Region

Despite the presence of positive signals, some countries still experienced economic difficulty in 2013. Consumer confidence remained low and total sales volumes in the Fast Moving Consumer Goods (FMCG) market continued to fall resulting in increased price competition. This led to a rise in the market share of private label products that now account for more than 40% of market share in terms of volume together with a shift by consumers towards low-cost brands and convenience stores, as witnessed by the increase in market share of discount chains to more than 20%. The European Region managed to increase turnover by 2.1% in volume and 1.7% in value compared to 2012. Growth was recorded in sauces and pasta across all of the key European markets except Italy and the Bakery business.

The Italian market increased in both volumes (+0.5%) and revenue (+0.2%). Volumes in the pasta segment fell despite heavy investment in promotional activities aimed at offsetting negative market trends. The Bakery business recorded higher volumes and positive performance in all of the principal product categories, particularly Biscuits, Dry Bread and Rusks.

Western Europe (+4.5% in volume and 4.3% in revenue) recorded strong results: the Group recovered market share in France thanks to the optimization of product distribution activities and concerted promotional efforts focused on the Meal Solutions business (+9% in volume compared to 2012). Revenue of the Bakery segment in this area increased by 2% on last year. Belgium recorded 8% growth compared to 2012.

Central Europe (+6.9% in volume and 5.5% in revenue) recorded outstanding results across all markets. Revenue growth was driven by more effectively organized promotional activities that impacted the Pasta and Sauces segments together with a recovery in the growth of Wasa products.

Northern Europe (+3% in volume and 3.5% in turnover) experienced positive trends across all markets, particularly the Bakery segment. In Sweden 3% growth was recorded compared to 2012 thanks to promotions and positive market trends. The Soft Bread business grew significantly thanks to promotions and new product launches.

East Europe volumes did not experience growth and revenue fell by 1.9% principally due to the dramatic economic and social situation in Greece. The Misko brand is losing market share while the Barilla brand share remained stable thanks to aggressive promotional campaigns undertaken to counteract the measures implemented by both private brands and key competitors.

America Region

Revenue of the America Region increased by 2% in 2013; with a 1.3% rise in the United States and 6.1% in all other markets. Removing the foreign exchange impact, growth in the whole region was 5.6% (4.6% in the United States and 11.3% in all other markets). More specifically, growth in Brazil was 46.1% (net of the foreign exchange effect) thanks to the introduction of new pasta products that are more suited to the needs of the local market. Although the other markets recorded higher growth, the Unites States is still the key market and accounts for 84% of the region's revenue.
The increases in the United States may be analyzed by

category as follows:
- ready meals 14.9% in volume and 54.0% in revenue (net of the foreign exchange effect), due to the investment in listing fees and promotions to increase consumer trials of products launched in this segment in 2012;
- sauces 37.0% in volume and 16.0% in revenue (net of the foreign exchange effect), thanks to the reformulation of these products to bring them closer to consumer needs and at more competitive prices;
- pasta 6.2% in volume and 3.5% in revenue (net of the foreign exchange effect), despite a fall of 0.3% in volume and 1.9% in value in this industry sector as a whole, which contributed to a significant increase in market share that rose 1.2% compared to last year bringing it to 28.3% in value terms.

Moreover, Mexico contributed to growth with a 5.2% increase in revenue in the pasta market compared to the previous year (net of the foreign exchange effect).

Asia, Africa and Australia Region

The key economies in this region continued to grow in 2013, despite the negative impact of the depreciation of the yen due to the recent monetary policy in Japan and the general currency devaluation in this area.

A general increase in consumption volumes led to growth in the pasta segment in all countries except Turkey where growth is largely attributable to a combination of better product mix and the positive trend in inflation.

The Group strategy aimed at promoting the Barilla brand in the region is paying off: market shares have increased across all markets with strong performance particularly in the Pasta segment in Russia and Turkey, and Pasta and Sauces in Australia.

The Group focused investment in Asia and China, which recorded double digit growth.

Overall volumes grew by 9% in 2013 compared to the prior year, due to the positive performance of the Meal Solutions business in the main markets, which more than offset the fall in the Bakery business in Russia. Revenue in value terms increased 4% compared to 2012: positive volumes and mix were impacted negatively by unfavorable exchange rates in Turkey, Japan and Australia in particular.

Regional business was supported through significant investment in marketing including specific activities and campaigns targeted at strengthening the brand in established markets such as Turkey, Russia and Australia and promoting the value of the Barilla brand in the new Chinese market.

Academia Barilla and Restaurants

In the course of 2013, Academia Barilla continued to distribute its products through important domestic and overseas chains and upheld its role as an ambassador of Italian cuisine throughout the world, while laying the foundations for the launch of a new distribution channel in the United States, focusing more directly on the retail sector which will represent the framework for business over the coming years.

The first Academia Barilla restaurant was officially inaugurated on 1 December 2013 in Manhattan, NYC. It has had a promising start with very positive reviews from customers who have commented on the excellent quality of the typically Italian dishes, with pasta at the forefront, followed by the restaurant's warm, inviting atmosphere and the level of service. The objective is to study the habits of American consumers and evaluate the scalability of this model.

Capital expenditure

During 2013, Barilla Group's expenditure on property, plant and equipment was approximately euro 107 million comprising euro 4 million relating to the Lieken group, and represented 3% of revenue.

The Group's resources were principally invested in the following areas:

1) increasing the production capacity of the sandwich bread manufacturing plant in Lyon (France);
2) innovation of the production and packaging of bakery products through specific investment in the Cremona and Melfi factories (Italy);
3) completion of the first internal factory in Rubbiano (Italy) dedicated to the production of Ready Made Sauces with investment focused on format diversification;
4) increasing competitiveness through investment in the packaging section of the Avon factory (United States);
5) continued investment on the path to sustainability with improvements to the cogeneration plant in Foggia (Italy).

Corporate governance

The Group's Italian subsidiaries have adopted a traditional control structure consisting of a Board of Directors and a Board of Statutory Auditors, both of which are appointed by the General Meeting of Shareholders. More in detail with regard to Barilla G. e R. Fratelli Società per Azioni and its subsidiaries, the governance structure is similar to that of Barilla Holding Società per Azioni, while the internal control system and the Organization, Management and Control Model pursuant to Legislative Decree 231/2001 are tailored to the company's specific needs. The Organization, Management and Control Model comprises a general section and special sections dedicated to critical offences and, together with the Code of Ethics, establishes a set of principles and values that Barilla identifies with and requires that the directors, statutory auditors, employees, collaborators, consultants, suppliers and customers adhere to.

The Board of Directors is the body vested with the widest powers of ordinary and extraordinary administration with the exception of those assigned to the General Meeting of Shareholders either by law or the articles of association. The Board of Directors is responsible for managing the business, assessing the adequacy of the organization, administration and accounting functions, and the review of the overall operating performance. The current

Board of Directors consists of five members and the term of office expires at the next General Meeting of Shareholders called to approve the 2013 Annual Report.

The Board of Statutory Auditors oversees compliance with the law and the articles of association, in respect of compliance with the principles of correct administration. The members of the Board of Statutory Auditors are appointed for a three-year term and may be reappointed. The current Board of Statutory Auditors is made up of three permanent and two substitute auditors whose term of office expires at the General Meeting of Shareholders called to approve the 2014 Annual Report.

The Supervisory Board of Barilla Holding Società per Azioni is composed of a sole member starting from 21 June 2013, while the Supervisory Board of Barilla G. e R. Fratelli Società per Azioni consists of three members who remain in office until 4 March 2014. Barilla G. e R. Fratelli Società per Azioni's Board comprises the heads of Group Legal and Corporate Affairs and Group Internal Audit, and an independent member who is a university lecturer and self-employed professional and is also the sole member of Barilla Holding Società per Azioni's Board. The Boards present half-yearly reports on their activities to the relevant Boards of Directors. E-learning and testing activities have been defined and implemented with an extremely positive outcome.

In the course of 2013, the Supervisory Boards appointed pursuant to Legislative Decree 231/2001 (the Decree), performed the role of preventing the commission of offences pursuant to the Decree (and ensuing updates/amendments) by verifying the adequacy and implementation of the corporate Organization, Management and Control Model and the Code of Ethics.

KPMG S.p.A. has been appointed to perform the audit of the separate financial statements as required by law. It has also been appointed to audit the consolidated financial statements of Barilla Holding Group and the separate financial statements of the principal Group subsidiaries.

The governance framework of the main Italian subsidiaries reflects the entities operating structure and in respect of overseas entities, takes into consideration local legislation.

Knowledge sharing and sustainability of the Barilla business

The new Group business strategy, approved in the 2012 last quarter and consolidated in the course of 2013, encapsulates a single vision of how to carry out business defined as: "Good for You, Good for the Planet". This reflects the essence of Barilla's business and can only be executed in full if it is embraced across the entire supply chain in which the Group operates.

"Good for You, Good for the Planet" is envisaged by Barilla as the only means to grow and double revenue by 2020 and through which it intends to strengthen its presence in existing markets and expand into emerging markets. Barilla not only offers products but promotes wellbeing for the individuals and their families who choose its products every day. In particular, for Barilla the "goodness" associated with its way of conducting business is reflected in a common objective undertaken by all individuals and Groups that collaborate with the Group, the aim of which is to:

- offer simple products that standout in the market due to their taste, quality and safety;
- present a range of products that constitute a balanced nutritional model, which contribute to the wellbeing of those who choose them and their families. All of Barilla's products fit in to a balanced diet and represent the Mediterranean model for healthy eating;
- guarantee, from the cultivation of raw materials through to their consumption, a product life-cycle that respects the economic, social and environmental aspects of all members of the supply chain and the planet;
- educate people to conduct healthy lifestyles, promoting nutritional education and increasing awareness of its environmental impact;
- understand and place value on the needs, distinctive qualities and rights of each local community in which the Group operates, promoting diversity and embracing inclusion through open and transparent relationships; and
- advance the professional development of Group employees, encouraging their commitment, embracing diversity and fostering intellectual curiosity so that they may be ambassadors of Barilla's identity, values and food culture throughout the world.

In 2009 Barilla founded the Barilla Center for Food and Nutrition, BCFN, (www.barillacfn.com), a multi-disciplinary think tank set up to share the outcome of the best worldwide research with public opinion on four research areas: Food for Health, Food for Sustainable Growth, Food for All and Food for Culture. In addition to webinars, workshops, the Fifth International Forum held in Milan and the youth competition BCFN Yes!, the international institutional accreditation of the Centre continued in 2013.

The research work of the BCFN contributes extensively to investigating matters regarding people and their lifestyle. The studies developed by the center are incorporated into the Barilla Group's business strategy, one example being the Double Pyramid.

Environmental management

The roll-out of the Barilla Integrated Environmental Management System, developed in line with technical standard ISO 14001, was finalized in 2013 with implementation in all of the Group's bakeries, pasta factories and mills in Europe. More specifically, the French factories of La Malterie, Grand Pre, Talmont and Gauchy, the Thiva factory and the Volos mill in Greece, and the mills in Ferrara and Galliate were awarded certifications last year.

Approximately 83% of the total volume of products is manufactured in factories with an ISO 14001 certified Environmental Management System.

All of the Italian bakeries and pasta factories hold the

Integrated Environmental Authorization in line with stringent European IPPC regulations (Integrated Pollution Prevention and Control) and a number of these facilities have already commenced renewal procedures.

The Barilla Group is the first food group to have developed and obtained third party certification on a system that assesses the environmental impact of its products using a Life Cycle Analysis tool (Life Cycle Assessment) that complies with the international EPD system (Environmental Product Declaration) - www.environdec.com - which allows publication of certified environmental impact data. After four years of work a method has been identified for recycling the paper layer of packaging of the Mulino Bianco and Pavesi brands' biscuits. Thanks to this and other projects, 98% of all packaging on the market is technically recyclable.

Moreover, all of the cardboard in virgin fiber used for packaging pasta is sourced from sustainably managed forests that comply with at least one of the following international standards managed by non-profit, non-governmental organizations: FSC (Forest Stewardship Council), PEFC (Programme for the Endorsement of Forest Certification) or SFI (Sustainable Forestry Initiative).

The entire electricity supply used in the production of Mulino Bianco and Wasa products is covered by special certificates (GO-RECS) that certify the production from renewable sources generated by hydroelectric plants.

All of the pasta factories in Italy run a cogeneration plant that enables the combined generation of electricity and thermal energy and contributes to improving efficiency and reducing the environmental impact.

The Energy Management System, in compliance with the recently released ISO 50001 energy management standard, was awarded for the first time to an Italian factory: the factory in Castiglione delle Stiviere, which joins the two Wasa factories in Celle and Filipstad.

The 2013 Mulino Bianco Tour was one of the first events in Italy to be awarded an ISO 20121 certification, which attests its sustainability and responsibility: this recently issued standard envisages a series of stringent requirements that must be met such as reducing CO_2 emissions, safeguarding all employees involved in the event and careful waste management.

Plants covered by the Emissions Trading Scheme are regularly checked and certified by a third party.

Health & Safety

The long-term project to roll-out the Barilla Integrated Safety-at-Work Management System, developed in accordance with technical standard OHSAS 18001 (Occupational Health and Safety Assessment Series), aimed at guaranteeing improved health and safety standards for employees through significant investment in training, proceeded according to plan. The ambitious target of obtaining OHSAS 18001 certifications for all of the Group's European bakeries, pasta factories and mills was achieved in 2013; this was accomplished through work carried out on the French factories of Valenciennes, St. Vulbas and Gauchy and the mills in Volos (Greece), Ferrara and Galliate (Italy).

Approximately 83% of total product volumes are manufactured in factories that operate under the Health and Safety management system certified pursuant to OHSAS 18001.

In Italy alone more than 20,000 training hours took place in 2013 on the subject of Health and Safety at work and fire prevention, involving more than 4,000 people.

Implementation of the global Audit plan regarding safety, the environment and fire prevention continued: more than 90 specific initiatives took place across all of the pasta factories, bakeries and mills in 2013 together with the support of specialist enterprises.

No critical accidents involving employees occurred in the workplace in 2013 and no actions are pending against the Company in respect of health and safety.

Human capital

The total number of Group employees at 31 December 2013 was 8,106 (12,460), comprising 4,134 (4,183) in Italy and 3,972 (8,277) overseas. An analysis of employees compared to the previous year is illustrated below:

	12/31/2013	12/31/2012
Managers and white-collar staff	2,562	3,099
Blue-collar staff	5,544	9,361
Total	**8,106**	**12,460**

The fall in employee numbers is largely due to the change in consolidation area (4,228 employees).

The adaptation of the Human Resources systems and processes to the corporate business strategy played a central role in 2013. The Recruitment, Performance Management, Talent Management, Training and Development systems were redefined at international level with the objective of supporting business development needs.

Recruitment work focused on global employer branding with the aim of positioning the Company as an international employer. Relations have been established with the most reputable universities in various countries and ad hoc events are organized with both undergraduates and graduates. Personnel selection and employment continued on a worldwide scale, in line with corporate governance, Group processes and policies, with particular focus on business areas currently under development: Asia and Brazil.

The Barilla Laboratory for Knowledge & Innovation devised and launched the Marketing Academy, the Barilla House of Food Marketing, through which all of Barilla's Consumer Marketing community can develop skills and abilities in order to achieve the best results and performance excellence. Training programs that support the business in implementing sustainability principles and spreading food culture continued during the year.

The Smart Working project was launched in 2013 in line with the business strategy. Smart Working signifies that Barilla People have greater autonomy in defining and adapting work methods according to personal and business needs.

The project was launched in five countries last June successfully involving various pilot areas that led to the decision to extend this concept to all managerial roles.

Research and development activities

The Group invested euro 40 million in 2013 (euro 42 million) on research and development activities on processes and products.

As part of developing the "Good for You, Good for the Planet" strategy, the Company continued its commitment in the field of nutrition that is put into effect through the adoption of Nutritional Guidelines developed in conjunction with international experts of the Nutrition Advisory Board.

All new Barilla products are developed taking into consideration the fat, sugar and salt levels established for each category. Many existing products, often brand pillars, have been reformulated to reduce certain nutrients.

Nutritional reformulation activities, which from 2010 have involved more than 100 of the company's products, are carried out with particular care not to alter a product's taste or structure as this could have a negative impact at consumer level. Core products undergo taste tests by panels of experts and consumer groups. The reformulated products, with reduced salt or fat content, are awarded the same, or often higher, ratings than the standard products. Important examples of this are the Flauti and Ringo products, where the creamy texture of the new filling was much appreciated, or the Plumcake, which is now softer following a reduction and change in the fat content.

Sustainable supply chain management and relations with the local territory

Barilla, which uses 1,200 suppliers worldwide, 800 types of raw material and 50 types of packaging materials, has for many years been committed to reducing the environmental impact, preferring to grow raw materials in the same country in which they are used in production and developing recyclable packaging. The mission is to contribute to the wellbeing of the territory in which it operates, not just in environmental terms but also by offering employment and opportunities to local people.

One example is the durum wheat supply chain where Barilla together with its manufacturing partners have achieved the objective of growing sustainable durum wheat using practices that reduce the environmental impact while at the same time guarantee greater control over production quality, balanced pricing strategies and improved financial sustainability for farmers. The rules are documented in the "Decalogue for Sustainable Cultivation of Durum Wheat" and are applied in association with web decision support systems (DSS) such as Granoduro.net. Partner supply chain agreements, which optimize the selection of varieties, seed multiplication, wheat farming and storage standards, covered approximately 44% of total purchases in Italy in 2013.

In 2013, 87% of durum wheat used in the various Barilla Group brands was farmed locally in the country in which the pasta was manufactured thus improving supply chain efficiency.

These efforts were recognized when in Brussels in June 2013 Barilla was awarded the European Corporate Social Responsibility Award funded by the European Commission. Barilla has entered into supply chain agreements to guarantee that only free-range eggs are used in the production of the Mulino Bianco, Pavesi and Le Emiliane brands. International agreements also ensure that 100% of cocoa and palm oil is supplied by members of international organizations responsible for guaranteeing sustainability and the respect of human and environmental rights.

Moreover, by 2015 100% of palm oil will be derived from sustainable farming that is RSPO certified (Roundtable of Sustainable Palm Oil).

Customer relations

Barilla's ambition is to help people live better by bringing wellbeing and the joy of healthy eating into their lives every day: the final aim is to offer wholesome, safe products that contribute to a nutritionally balanced diet while safeguarding the environment.

Communication and sharing information and values with people throughout the world is carried out using all of the traditional methods together with the latest developments in technology, with increasing focus on retail space.

In the course of the year we tried to raise people's awareness to help make informed decisions by constantly improving the quality of information on our packaging.

More effective use is made of retail space to communicate information and values. There is a tangible increase in the attention to renewable sources and reducing waste and the continuous quality improvement in our factories achieved by developing management systems has generated extremely positive results.

Risk management

In order to consolidate the corporate risk management activities, implementation of the Enterprise Risk Management project continued in 2013. This provides management with a tool to monitor the principal risks to which the Group is exposed in order to:

- ensure they are in line with the Group's risk profile;
- implement an annual risk identification and measurement process;
- establish adequate mitigation plans end ensure these have sufficient financial coverage;
- establish regular monitoring of corporate risk exposure and implement mitigation strategies.

For this purpose, in 2010 the Company voluntarily embarked on a process that culminated in the identification of its accepted exposure to risk (Financial & Reputational Risk Appetite) and common parameters to assess each event at Group level. Moreover, definition of the corporate risk register (Risk Register) enabled identification of those risk areas to which the Group is potentially exposed and assigned management responsibilities for each risk identified to the relevant organization departments (Risk Ownership).

The work performed in 2013 focused on risk assessment sessions with all departments in the organization: this provided a 360-degree view of the risks to which the organization is exposed, measured and classified using common standards aimed at prioritizing them and devising appropriate risk mitigation plans. The outcome of the mapping process was presented to top management which assured that sufficient resources are deployed to manage and mitigate the Group's key risks.

With regard to Information Technology risks, the Group has a disaster recovery service in place for the majority of its applications, in particular those critical to operations such as SAP and Dassault-Enovia MatrixOne (Product Lifecycle Management). The level of service implemented foresees, in the event of a disaster, that systems are rebooted within a maximum of 24 hours and without loss of data already input to the system. Trial simulation runs are carried out yearly in order to verify that both the process and system are working correctly. A similar disaster recovery plan was formulated for the Pedrignano (Corporate Headquarters in Parma) site's access to the network in order to guarantee connectivity to Datacenter. Finally, all integrated lines of communication have a back-up. In order to maintain a sufficient security level in relation to Information Technology at Group level, projects are executed each year in the field of IT security and third party experts perform regular vulnerability assessments. The corporate network is equipped with a sophisticated NAC (Network Access Control) infrastructure that only enables connection by automatically recognized authorized devices. During the year, a series of projects were developed subsequent to the outcome of the vulnerability assessments, in pursuit of the continuous improvement of the systems management procedures and operating standards.

Significant events after the balance sheet date

No significant events took place after 31 December 2013 that require disclosure.

Management outlook

At the time of preparation of this report, 2014 results are in line with budget, with the current trend stable compared to 2013 final quarter.

Other significant operating events

The following transactions took place in 2013:

- the Lieken group, which specializes in the manufacturing and sale of bakery products in the German market, was sold to Agrofert A.S.

Related party transactions

Transactions with Group companies and related parties are not considered uncharacteristic or unusual as they are carried out in the normal course of business of the Group companies. These transactions take place on an arm's length basis, taking into account market conditions.

The nature of the principal transactions with the above parties and the detailed information required by IAS 24 are disclosed in note 8 of the notes to the consolidated financial statements.

"Barilla has always linked its development
to people's wellbeing and to the communities in which it operates"
(Barilla Mission)

"Pietro Barilla Children's Hospital", opened in Parma in January 2013,
thanks also to the important contribution of Barilla.


OSPEDALE DEI BAMBINI

Consolidated financial statements for the year ended 31 December 2013

The annual general meeting of shareholders approved the consolidated financial statements for the year ended 31 December 2013 on 7 May 2014.

Consolidated statement of financial position

(euro thousands)

Assets	Note	12/31/2013	12/31/2012 Restated*
Current assets			
Cash and cash equivalents	6.1	111,694	119,914
Trade receivables	6.2	352,680	505,887
Tax credits	6.3	61,082	143,786
Other receivables due from parent company	6.4	1,688	4,759
Other receivables	6.5	54,856	79,143
Inventories	6.6	243,048	279,728
Derivative financial instruments	6.21	5,049	11,495
Assets held for sale	6.7	-	5,765
Total current assets		**830,097**	**1,150,477**
Non-current assets			
Property, plant and equipment	6.8	908,440	990,855
Goodwill	6.9	482,672	515,208
Other intangible assets	6.10	65,241	79,984
Trade and other receivables	6.11	1,644	7,389
Other receivables due from parent company	6.4	7,620	7,620
Deferred income tax assets	6.12	64,963	58,589
Available-for-sale financial assets	6.13	1,251	1,277
Derivative financial instruments	6.21	21,665	39,013
Total non-current assets		**1,553,496**	**1,699,935**
Total assets		**2,383,593**	**2,850,412**

(euro thousands)

Liabilities	Note	12/31/2013	12/31/2012 Restated*
Current liabilities			
Trade payables	6.14	584,875	769,373
Borrowings	6.15	17,153	156,577
Borrowings due to parent companies	6.15	5,000	-
Derivative financial instruments	6.21	810	17,566
Retirement benefit obligations	6.16	8,183	10,559
Current income tax liabilities	6.17	7,990	8,769
Other payables	6.18	167,345	189,912
Provisions for other liabilities and charges	6.19	64,789	40,950
Total current liabilities		**856,145**	**1,193,706**
Non-current liabilities			
Borrowings	6.20	441,065	558,818
Derivative financial instruments	6.21	21,532	11,596
Retirement benefit obligations	6.16	124,587	157,759
Deferred income tax liabilities	6.12	83,115	96,906
Other payables	6.22	4,237	4,477
Provisions for other liabilities and charges	6.19	19,281	31,760
Total non-current liabilities		**693,817**	**861,316**
Equity	6.23		
Share capital		131,000	131,000
Reserves:			
- Currency translation reserve		4,710	22,295
- Other reserves		479,925	472,696
Profit/(loss) for the year		92,455	50,499
Capital and reserves attributable to Group equity holders		**708,090**	**676,490**
Non-controlling interests		108,897	109,169
Profit/(loss) attributable to non-controlling interests		16,644	9,730
Total non-controlling interests		**125,541**	**118,899**
Total equity		**833,631**	**795,389**
Total equity and liabilities		**2,383,593**	**2,850,412**

** Following the adoption as January 1, 2013 of the amendments to IAS 19 on a retrospective basis, the comparative data for 2012 have been restated as required by IAS 1.*

Consolidated income statement

(euro thousands)

	Note	2013	2012 Restated*
Revenue	6.24	3,198,483	3,155,847
Cost of sales	6.25	(1,919,995)	(1,935,868)
Gross profit		**1,278,488**	**1,219,979**
Logistics costs	6.25	(285,384)	(297,249)
Selling costs	6.25	(143,580)	(146,104)
Marketing costs	6.25	(348,666)	(306,349)
Research and development costs	6.25	(25,751)	(26,988)
General and administrative expenses	6.25	(173,331)	(154,464)
Other income and (expenses)	6.26	(38,868)	(33,889)
Goodwill and intangible fixed assets impairment loss	6.9 - 6.25	(28,354)	-
Operating profit		**234,555**	**254,936**
Finance costs		(64,485)	(62,756)
Finance income		28,538	37,333
Finance costs-net	6.27	**(35,947)**	**(25,423)**
Profit before income tax		**198,608**	**229,513**
Income tax expense	6.28	(93,969)	(87,744)
Profit for the year from continuing operations		**104,639**	**141,769**
Profit/(Loss) of discontinued operations		**4,460**	**(81,540)**
Profit/(Loss) for the year		**109,099**	**60,229**
Profit/(Loss) attributable to non-controlling interests		**16,644**	**9,730**
Profit/(Loss) attributable to Group equity holders		**92,455**	**50,499**

Income statement of discontinued operations**

(euro thousands)

	2013	2012 Restated*
Revenue	338,562	844,881
Cost of sales	(333,023)	(899,332)
Recurring operating profit/(loss)	**5,539**	**(54,451)**
Finance costs-net	(511)	(1,334)
Income tax expense	-	(859)
Profit/(Loss) of discontinued operations	**5,028**	**(56,644)**
Gain/(Loss) on disposal net of directly attributable costs	(568)	(24,896)
Profit/(Loss) of discontinued operations	**4,460**	**(81,540)**

** Following the adoption as January 1, 2013 of the amendments to IAS 19 on a retrospective basis, the comparative data for 2012 have been restated as required by IAS 1.*

*** Profit for the year from continuing operations in the consolidated income statement does not include the results of businesses disposed of in 2013, which are disclosed separately in the income statement of discontinued operations.*

Statement of comprehensive income

(euro thousands)

	Note	2013	2012 Restated*
Profit/(Loss) for the year	**(a)**	**109,099**	**60,229**
Items that will not be reclassified to profit or loss:			
Actuarial gains/(losses) on future employee benefits	6.16	5,999	(22,807)
Fiscal effect	6.12	(1,726)	5,973
Total	**(b)**	**4,273**	**(16,834)**
Items that may be subsequently reclassified to profit or loss:			
Cash flow hedge reserve	6.21	(3,122)	(5,699)
Fiscal effect	6.12	967	1,875
Currency translation adjustment		(20,729)	4,629
Total	**(c)**	**(22,884)**	**805**
Other comprehensive income for the year	**(b+c)**	**(18,611)**	**(16,029)**
Total comprehensive income/(Loss) for the year	**(a+b+c)**	**90,487**	**44,198**
Of which:			
Income/(Loss) attributable to non-controlling interests		**13,687**	**7,591**
Income/(Loss) attributable to Group equity holders		**76,800**	**36,607**

** Following the adoption as January 1, 2013 of the amendments to IAS 19 on a retrospective basis, the comparative data for 2012 have been restated as required by IAS 1.*

Statement of changes in net equity

(euro thousands)

	12/31/2012	Effects of changes in accounting policies	12/31/2012 Restated	Appropriation of profit for the year	Dividends and reserve distribution	Total comprehensive income for the year	12/31/2013
Share capital	131,000	-	131,000	-	-	-	131,000
Currency translation reserve	22,295	-	22,295	-	-	(17,585)	4,710
IAS 19	(28,101)	-	(28,101)	-	-	7,112	(20,989)
Cash flow hedge	1,426	-	1,426	-	-	(2,654)	(1,228)
Deferred taxes	6,802	-	6,802	-	-	(645)	6,157
Retained earnings	493,307	(738)	492,569	50,499	(45,201)	(1,883)	495,984
Profit/(loss) for the year	50,437	62	50,499	(50,499)	-	92,455	92,455
Capital and reserves attributable to Group equity holders	**677,166**	**(676)**	**676,490**	**-**	**(45,201)**	**76,800**	**708,090**
Non-controlling interests	109,299	(130)	109,169	9,730	(7,045)	(2,957)	108,897
Profit/(loss) attributable to non-controlling interests	9,719	11	9,730	(9,730)	-	16,664	16,664
Total non-controlling interests	**119,018**	**(119)**	**118,899**	**-**	**(7,045)**	**13,687**	**125,541**
Total equity	**796,184**	**(795)**	**795,389**	**-**	**(52,246)**	**90,487**	**833,631**

(euro thousands)

	12/31/2011	Appropriation of profit for the year	Dividends and reserve distribution	Total comprehensive income for the Year	12/31/2012
Share capital	131,000	-	-	-	131,000
Currency translation reserve	18,386	-	-	3,909	22,295
IAS 19	(7,771)	-	-	(20,330)	(28,101)
Cash flow hedge	6,270	-	-	(4,844)	1,426
Deferred taxes	(126)	-	-	6,928	6,802
Retained earnings	477,457	62,670	(47,265)	445	493,307
Profit/(loss) for the year	62,670	(62,670)	-	50,437	50,437
Capital and reserves attributable to Group equity holders	**687,887**	**-**	**(47,265)**	**36,546**	**677,166**
Non-controlling interests	107,296	13,232	(9,090)	(2,139)	109,299
Profit/(loss) attributable to non-controlling interests	13,232	(13,232)	-	9,719	9,719
Total non-controlling interests	**120,528**	**-**	**(9,090)**	**7,580**	**119,018**
Total equity	**808,415**	**-**	**(56,355)**	**44,126**	**796,184**

Consolidated cash flow statement

(euro thousands)

		2013	2012 Restated*
Profit/(Loss) before income tax		203,068	147,868
Profit/(Loss) on disposal of investments		568	24,896
Finance costs-net, excluding gains on disposals of equity investments		35,947	25,423
Amortization and depreciation		150,848	174,970
(Profit)/Loss on disposal of property, plant and equipment, intangible and financial assets		2,719	3,756
Intangible and tangible fixed assets impairment losses		28,354	75,054
Change in trade receivables/payables		(65,417)	36,125
Change in inventories		21,379	2,190
Change in provisions (including employee provisions)		16,271	15,227
Changes in other assets and liabilities		83,177	(98,047)
Income taxes paid		(119,256)	(74,449)
Foreign exchange gains/(losses) and other minor differences		(7,826)	(3,014)
Net cash generated from operating activities	**(a)**	**349,832**	**329,999**
Purchases of property, plant and equipment		(103,844)	(126,923)
Purchases of software		(3,380)	(5,723)
Proceeds from sale of property, plant and equipment		297	682
Purchases of other intangible assets		(1,926)	(2,147)
Proceeds from sale of investments or businesses net of directly attributable costs		4,651	6,002
Proceeds due to change in scope of consolidation area		53,753	-
Proceeds from capital grants		177	544
Net cash generated from/(used in) investing activities	**(b)**	**(50,272)**	**(127,565)**
Net change in borrowings		(237,681)	(98,757)
Dividends paid		(52,246)	(56,355)
Interest paid		(19,919)	(26,389)
Net cash (used in) financing activities	**(b)**	**(309,845)**	**(181,501)**
Net (decrease)/increase in cash and cash equivalents and bank overdrafts	**(a+b+c)**	**(10,285)**	**20,932**
Cash and cash equivalents net of bank overdrafts at beginning of the year		114,083	93,746
Cash and cash equivalents net of bank overdrafts at end of the year		106,507	114,083
Exchange differences on cash and bank overdrafts		(2,709)	596
Net (decrease)/increase in cash and cash equivalents		**(10,285)**	**20,932**
Bank balances		111,694	119,914
Bank overdrafts		(5,187)	(5,831)
Total cash and cash equivalents net of bank overdrafts		**106,507**	**114,083**

** Following the adoption as January 1, 2013 of the amendments to IAS 19 on a retrospective basis, the comparative data for 2012 have been restated as required by IAS 1.*

Cash flows generated from discontinued operations

(euro thousands)

	2013	2012
Net cash generated from/(used in) operating activities	**2,666**	**21,242**
Net cash generated from/(used in) investing activities	**(3,673)**	**(31,951)**
Net cash generated from/(used in) financing activities	**-**	**22,556**

Our most fascinating challenge
is to continuously improve everything we do

Inauguration of the automated warehouse, Pedrignano (Parma), October 2013
at the ribbon cutting ceremony: Vincenzo Bernazzoli (President of Parma Province),
Guido Barilla (Chairman of Barilla Group), Flavio Zanonato (Minister for Economic Development),
Federico Pizzarotti (Mayor of Parma), Roberto Magnani (Barilla Logistics Director).

Illustrative notes

1. Group structure and business

Barilla Holding Società per Azioni (hereinafter "Barilla Holding"), a company incorporated in Italy with registered offices in Parma (Italy), is the parent company of the Barilla Holding Group (hereinafter "the Group"). The Group operates in the manufacture and sale of pasta, sauces, and bakery products, both in Italy and worldwide.

The entire share capital is owned by Guido Maria Barilla e F.lli S.a.p.A. through its subsidiaries CO. FI. BA. S.r.l. and Gelp S.p.A.

A list of the companies included in the scope of consolidation is provided in Appendix 1.

2. Significant events after the year end

Subsequent to 31 December 2013, the end of the reporting period, and until the date when the financial statements have been authorized for issue, there have been no significant events to report.

3. Declaration of compliance with International Financial Reporting Standards (IFRS) and transition to IFRS

The consolidated financial statements of the Group have been prepared in accordance with all of the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union (EU). IFRS comprise all of the International Financial Reporting Standards, International Accounting Standards (IAS), and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), previously named the Standing Interpretations Committee (SIC).

4. Basis of preparation - Accounting and valuation policies

In accordance with Regulation 1606 issued by the European Parliament and the European Council in July 2002, the Group's consolidated financial statements (hereinafter "the Financial Statements") have been prepared in accordance with International Financial Reporting Standards (IAS/IFRS) in force at 31 December 2013.

IFRS have been adopted in Italy and in other countries. A significant number of IFRS have recently been published or revised and for which no established practice relating to their interpretation and application exists. Consequently, the Financial Statements have been prepared based on the most recent information and technical guidance available in respect of IFRS. Any new or revised interpretation or practice will be reflected in future financial statements in accordance with the relevant accounting standards.

The Financial Statements for the year ended 31 December 2013 have been compared with the prior year financial statements (amounts included in brackets in the notes to the financial statements), and comprise the consolidated statement of financial position, consolidated income statement, statement of comprehensive income, statement of changes in equity, consolidated cash flow statement and the illustrative notes to the consolidated financial statements. Amounts are presented in thousands of euro, the functional currency of the Group, being the euro the currency in the economy where the parent and the major companies of the Group operate.

The Group has chosen to present the income statement using the classification of expenses by function while the balance sheet has been prepared with separate disclosure of current and non-current assets and liabilities.

Cost of sales includes all production costs of goods sold, comprising raw materials, components, internal and third party direct and indirect production labor costs, industrial depreciation and amortization and all other production expenses.

The cash flow statement has been presented applying the indirect method.

Principles of consolidation, translation of financial statements denominated in foreign currencies, accounting and valuation policies have been applied consistently over the years, with the exception of the amendments applicable from 1 January 2013 and not early adopted by the Group, as detailed below:

Accounting standards, amendments and interpretations adopted by the Group from 1 January 2013

IAS 1 - Presentation of financial statements

The amendment to IAS 1 improves the clarity in the presentation of items of other comprehensive income.

The main change to IAS 1 is that it requires to group together items within other comprehensive income that will eventually be reclassified to the profit or loss section of the statement to improve clarity in the presentation of an increasing number of other comprehensive income items.

The Group has changed the presentation of other comprehensive income items with no effects on the net financial statements as at 31 December 2013.

IAS 12 - Income Taxes

The amendment transposes at European level the improvements of IAS 12. IAS 12 assumes that deferred tax asset or liabilities arising on investments property at fair value will be fully recovered through use or sale.

The amendment introduced the presumption that recovery of the carrying amount of an investment property is normally through sale.

The adoption of this amendment had no impact on the financial statements as at 31 December 2013.

IAS 19 - Employee benefits

Effective from 1 January 2013 the Group has adopted the revised IAS 19 - Employee benefits. The revised standard introduces change in the recognition, measurement and presentation in the notes of liabilities (assets) for defined benefit plans.

Under revised IAS 19 past service costs are immediately recognized in the income statement. The standard requires the net interest to be determined on the net defined benefit liability or asset using the discount rate at the beginning of the period. As a consequence, the Group has chosen to classify the net interest within finance income/costs.

Additionally, the standard requires a sensitivity analysis for reasonable possible variations in actuarial assumptions and more extensive disclosure relating to characteristics of the plans, related risks, and disaggregation of plan assets into asset classes based on risk/nature.

For further details on the effects of the change on the amounts as at 31 December 2012, see the following table:

	Effects of changes in accounting policies		
	As previously reported*	Defined employee benefits	Restated
Operating profit	249,703	5,233	254,936
Finance costs - net	(20,299)	(5,124)	(25,423)
Profit before income tax	229,404	109	229,513
Fiscal effect	(87,712)	(32)	(87,744)
Reserves	736,028	(868)	735,160
Total Equity	796,184	(795)	795,389

** The amounts include the reclassification due to business disposed in 2013, which are disclosed separately in the income statement of discontinued operations.*

IFRS 13 - Fair value measurement
The IFRS 13, published on 22 December 2012 and applicable from 1 January 2013, provides a single IFRS framework for measuring fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The standard requires additional information regarding the fair value estimates. The Group has presented the additional required information (note 7. Financial instruments and net financial position).

IFRS 7 - Financial instruments: Disclosures
IFRS7 - Financial instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities, published on 29 December 2012 and applicable from 1 January 2013, transposes at European level disclosures that enables users to evaluate the exposures and risks of the Group in compensating financial assets and liabilities.

The adoption of this amendment had no impact on the financial statements as at 31 December 2013.

Accounting standards, amendments and interpretations not yet effective and not early adopted by the Group

The following accounting standards and amendments will be applicable for financial years beginning 1 January 2014:

IFRS 10 - Consolidated Financial Statements
The new standard identifies the principle of control as the basis for consolidation. IFRS 10 establishes a single model for assessing control over every entity for the preparation of the consolidated financial statements and includes application guidance for difficult control assessments.

IFRS 10 replaces SIC-12 and part of the IAS 27, which now has no reference to consolidated financial statements. The IASB determined effective date 1 January 2013, while on 1 December 2012 the European Commission has postponed the adoption at 1 January 2014.

The application of the standard is deemed to have no impact on the financial statements of the Group.

IAS 28 - Investments in associates and Joint Arrangements
The amendment was issued in May 2011 and partly modifies IAS 28 - Investments in associates, as published in 2003.

The new standard incorporates the new principles to account for joint ventures as discussed by the Board and set out in the Exposure Draft ED9.

The IASB determined effective date 1 January 2013, while on 11 December 2012 the European Commission has postponed the adoption to annual periods after 1 January 2014.

The application of the standard is deemed to have no impact on the financial statements of the Group.

IFRS 11 - Joint Arrangements
IFRS 11 outlines the accounting for jointly controlled entities and replaces IAS 31 - Interests in Joint Ventures and the interpretation SIC-13 Jointly controlled Entities - Non-monetary Contributions by Ventures.

The standard provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. Entities will account for the contractual rights and obligations arising from the joint arrangement for the joint venture. Proportional consolidation of joint ventures is no longer allowed.

IFRS 11 replaces SIC-13 and IAS 31. Earlier adoption is permitted but if doing so an entity must disclose the fact that it has early adopted the standard and also apply IFRS 10, IFRS 12, IAS 27 (as amended in 2011) and IAS 28 (as amended in 2011). The IASB determined effective date 1 January 2013, while on 1 December 2012 the European Commission has postponed the adoption to annual periods after 1 January 2014.

The application of the standard is deemed to have no significant impact on the financial statements of the Group.

IFRS 12 - Disclosure of Interests in Other Entities
The new standard, published on May 2011, refers to the disclosures concerning interests in other entities, including joint ventures associates, SPEs and other off balance sheet vehicles.

The accounting standard IFRS 12 sets out the disclosure requirements for subsidiaries, joint arrangements, associates and unconsolidated structured entities.

The IASB determined effective date 1 January 2013 while on 11 December 2012 the European Commission has postponed the adoption until the annual periods starting on 1 January 2014.

Following the new IFRS 12, the IASB amended IAS 27 and IAS 28.

The Group is evaluating the impact of application of this new standard.

IAS 32 - Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities
On December 2012 disclosures that enables users to evaluate the exposures and risks of the Group in compensating financial assets and liabilities.

The amendments to IAS 32 will be effective from 1 January 2014.

No significant effects are expected on the net financial statements of the Group.

The following accounting standard will be applicable for financial years beginning 1 January 2015:

IFRS 9 - Financial Instruments
IFRS 9, effective from 1 January 2015, is the first part of a new standard that will entirely replace IAS 39. IFRS 9 introduces new criteria for classification and measurement of financial assets and liabilities, and derecognition of financial assets.

IFRS 9 states that financial assets are classified on the basis of the entity’s business model for managing them and the cash flow characteristics of the financial instruments.

Financial assets are initially measured at fair value, considering transaction costs and subsequently measured at fair value or amortized cost. The new standard improves and simplifies the impairment methodology for financial assets and the hedge accounting requirements.

Main feature for financial liabilities relates to the accounting treatment of financial debt at fair value through profit or loss, with changes in fair value related to changes in the credit risk presented separately in Other Comprehensive Income.

The amendment was published on 16 December 2011 postponing the effective date and defining the application guidance for the early adoption.

The Group is evaluating the impact of application of this new standard.

Accounting and valuation policies

Basis of preparation

The Financial Statements are presented in euro and all amounts are stated in thousands of euro (unless otherwise stated). The Financial Statements have been prepared under the historical cost convention, as modified for impairment losses where applicable, with the exception of financial instruments measured at fair value. Uniform accounting policies are adopted by all Group companies. The purchase or sale of financial assets are recognized or derecognized using settlement date accounting.

Estimates and assumptions

Preparation of the Financial Statements requires management to use estimates based on subjective assumptions derived from historical experience that is considered reasonable and realistic in relation to the specific circumstances. These estimates affect the reported amounts of assets and liabilities, revenues and costs and the disclosures relating to contingent assets and liabilities at the balance sheet date.

Estimates and assumptions principally relate to evaluation of the recoverable amount of intangible assets, definition of the useful lives of property, plant and equipment, the recoverability of trade and other receivables and the recognition and measurement of provisions.

Estimates and assumptions are based on the best knowledge available at the date of preparation of the financial statements.

Critical accounting policies

A summary of the accounting policies that require management to exercise more critical judgment in forming estimates, and for which a change in the underlying conditions of the assumptions used could have a significant impact on the Financial Statements, is set out below:

a. Goodwill

The value of goodwill is tested for impairment on an annual basis in order to identify any potential impairment losses (impairment test). This assessment requires goodwill to be allocated to cash generating units (CGU) and determination of the recoverable amount, representing the higher of fair value and value in use.

Where the recoverable amount of the cash generating units is lower than the carrying amount, comprising allocated goodwill, an impairment loss is recognized. Allocation of goodwill to the CGU's and determination of their value in use requires estimates to be made that are based on subjective assumptions and factors that may change over time with potentially significant effects on the valuations carried out by management.

b. Depreciation

The cost of property, plant and equipment is depreciated systematically over the estimated useful lives of the related assets. The useful life of Group assets is determined by management at the acquisition date; this is based on historical experience for similar assets, market conditions and information regarding future events that could affect the useful life, for example changes in technology. As a result, the effective economic life of an asset may differ from the estimated useful life. The Group reviews changes in technology and business factors on a regular basis in order to update the useful lives. This update may result in a change in the depreciation period and an adjustment to the depreciation charge for future periods.

c. Impairment of fixed assets

The carrying amount of fixed assets is tested for impairment to identify any impairment losses, when there is any indication that the carrying value cannot be recovered through future use or sale.

The identification of any such impairment indicators requires management to carry out subjective valuations based on both internally and externally available information, and subjective assumptions based on historical experience. Moreover, where there is an indication of a potential impairment, this should be determined applying suitable valuation techniques. The proper identification of impairment indicators and the estimates used to determine the recoverable amounts depend on subjective assumptions and factors which may vary over time, affecting the valuations and management estimates.

d. Deferred income tax

Accounting for deferred income tax assets is based on expectations relating to the generation of future taxable income, and the evaluation of technical and institutional factors relating to the fiscal regime to which the taxes relate (for example: time limits for the recovery of tax losses). The estimate of future taxable income for the purpose of recording deferred tax assets depends on factors and assumptions that may vary over time and could have a significant impact on the valuation of deferred tax assets.

e. Provisions

Provisions are made to cover the potential liability relating to legal and tax risks. The measurement of the provisions recognized in the Financial Statements in relation to these risks, represents management's best estimate at the balance sheet date. This estimate requires assumptions to be made that depend on factors that may change over time and could therefore have a significant effect on the current estimates made by management in the preparation of the financial statements.

f. Determination of the fair value of financial instruments
The fair value of financial instruments is based on market quotations or, where unavailable, applying suitable valuation techniques that use updated financial variables used by market investors and, where possible, taking into account the prices of recent transactions on similar financial instruments. The fair value hierarchy introduces three levels of input:

- Level 1: quoted prices in active market;
- Level 2: prices calculated using observable market inputs;
- Level 3: prices calculated using inputs that are not based on observable market data.

The fair value of financial instruments in level 2 is determined by using standard valuation techniques. Barilla has developed a model based on market practices, commonly based on similar financial instruments indicators, cash flow analysis and pricing models based on observable market data. In the determination of the valuation, the Group maximizes the use of market data compared to internal specific estimates.

As at 31 December 2013 the Group does not hold financial instruments in level 3 of the fair value hierarchy.

Principles of consolidation

The Financial Statements comprise the financial statements of the parent company Barilla Holding, and the subsidiaries in which Barilla Holding holds, either directly or indirectly, a controlling interest. In addition to subsidiaries, the scope of consolidation also includes associates and joint ventures.

Subsidiaries represent those companies over which Barilla Holding exercises control as it has the power, either directly or indirectly, to govern the entity's financial and operating policies so as to obtain benefits from its activities. Generally, subsidiaries are those companies in which Barilla Holding owns more than 50% of the voting rights. The financial statements of the subsidiaries are consolidated on a line-by-line basis from the date on which the parent gains effective control up to the date on which control ceases. The impact of all transactions between the subsidiaries and the Group are eliminated. The reporting date of all Group companies is 31 December.

Investments in joint ventures are consolidated applying the proportional method of consolidation. The effect of intra-Group transactions is eliminated to the extent to which they did not occur with third parties.

Foreign currency transactions

All transactions are measured using the currency of the primary economic environment in which each Group company operates (the functional currency). Transactions denominated in currencies different from the functional currency of the Group companies are translated at the rate of exchange prevailing on the date of the transactions. Monetary assets and liabilities are translated using year-end exchange rates and exchange differences are recognized in the income statement. Non-monetary assets and liabilities, which are measured at historical cost and denominated in foreign currency, are converted at the exchange rate prevailing on the dates of the transactions.

Translation of financial statements denominated in foreign currencies

The financial statements of subsidiaries denominated in non-euro functional currencies, are translated as follows:

- assets and liabilities are translated at the year-end rate;
- revenue and expenses are translated at average exchange rates for the period;
- all resulting translation differences are reported as a separate component of total equity.

On disposal of those entities that gave rise to exchange differences, the cumulative amount of exchange differences deferred in a separate component of equity are recognized in the income statement.

Intangible assets

Intangible assets with a finite useful life are valued at cost, net of amortization and impairment losses, while those with an indefinite useful life are reviewed annually for impairment. Cost does not include capitalized borrowing costs. Amortization commences from when the asset is available for use.

Goodwill

The positive difference between the purchase price and the Group's share of the fair value of assets, liabilities and contingent liabilities acquired as part of a business combination, is recorded as goodwill and is classified as an intangible asset with an indefinite useful life.

Goodwill is not amortized but is subjected to an annual impairment test. For the purpose of this assessment, goodwill is allocated to groups of cash generating units ("CGU") that generally represent an operating segment (Business Unit). Goodwill impairment losses may not be reversed.

Trademarks and licenses

Trademarks and licenses are valued at cost less amortization and impairment losses. Trademarks are amortized over their useful life while licenses are amortized over the lesser of the contract period and their useful life.

Software

The cost of software licenses, including other incremental costs, is capitalized and recorded in the Financial Statements net of amortization and impairment losses.

Research and development costs

The research costs relating to new products and/or processes are expensed when incurred. Given the nature of the Group's business, no development costs, qualified for capitalization, are incurred.

The useful lives of intangible assets are as follows:

Trademarks	5 to 20 years
Software	3 to 5 years

Property, plant and equipment

Property, plant and equipment is stated at acquisition or production cost, including directly attributable expenses, less accumulated depreciation and accumulated impairment losses, with the exception of land, which is not depreciated but valued at cost less accumulated impairment losses. Cost does not include borrowing costs.

Depreciation is recorded from the month in which the asset is available for use, or that it is able to provide economic benefits.

Depreciation is calculated systematically on a monthly basis applying rates that allocate the depreciable amount of the asset over its useful life or, where the asset is disposed of, up until the last month of use.

The useful lives are as follows:

Category	Useful life
Buildings	33 years
Plant and machinery:	
- generic	13 years
- specific	10 - 20 years
- highly technological	5 - 8 years
Industrial and commercial equipment:	
- furniture and fittings	8 years
- electronic machinery	3.5 years
Motor vehicles	5 years
Other equipment	2.5 years

Government grants relating to property, plant and equipment are recorded as a reduction in the value of the related asset and are recognized as income over the depreciation period.

Leasehold improvements are classified in property, plant and equipment in line with the nature of the cost incurred. The depreciation period is the lower of the residual useful life of the asset and the residual period of the lease contract.

Spare parts that are significant in value are capitalized and depreciated over the useful life of the asset to which they relate; the cost of other spare parts is expensed in the income statement as incurred.

Leasing

Property, plant and equipment acquired under finance leases, whereby all of the risks and rewards relating to the assets are transferred to the Group, are recognized at current value or, where lower, the current value of the minimum payment lease obligations, including any amounts to be paid on redemption. The corresponding liability due to the lessor is classified in financial payables. The assets are depreciated applying the rates presented above in respect of "Property, plant and equipment", except where the lease term is lower than the estimated useful life and it is not reasonably certain that ownership of the leased asset will be transferred on maturity of the contract; in this case the depreciation period corresponds to the lease term.

Lease contracts in which the lessor substantially maintains the risks and rewards arising from ownership of the assets are classified as operating leases. The costs incurred in respect of operating leases are charged to the income statement on a systematic basis over the term of the lease contract.

Impairment of property, plant and equipment and intangible assets

In the presence of specific indicators that an asset may be impaired, an impairment test should be carried out on property, plant and equipment and intangible assets.

The impairment test consists in the measurement of the recoverable value of the assets and comparison with the related carrying amount.

If the recoverable amount of an asset is lower than its carrying amount, the latter should be reduced to the recoverable amount. This reduction represents an impairment loss and should be recognized as an expense in the income statement. With regard to assets that are not amortized, property, plant and equipment that are no longer used and intangible assets and property, plant and equipment not yet available for use, the impairment test is carried out on an annual basis, irrespective of whether specific indicators exist.

During the year, the Group assesses whether there is any indication that property, plant and equipment and intangible assets with a finite useful life may be impaired. For this purpose both internal and external sources of information are taken into consideration. With regard to internal sources the following indicators are considered: obsolescence or physical deterioration of the asset, significant adverse changes in the extent to which an asset is used and deterioration in the expected level of the asset's performance. With regard to external sources these include: performance of the market price of the asset, significant adverse changes in the technological, market, and legal environment, the trend in market rates of return and the discount rate used in valuing investments.

The recoverable value of an asset is defined as the higher of the fair value less costs to sell and value in use. The value in use is determined as the current value of expected future cash flows calculated applying a discount rate that reflects the current market valuation of the time value of money and the risks inherent in the asset. Where it is not possible to estimate the recoverable value of a single asset, the Group estimates the recoverable value of the cash generating unit or group of cash generating units to which it belongs. Where the conditions that led to the reduction in value no longer exist, the carrying value of the asset or the cash generating unit is restated to the new estimated recoverable value, which may not exceed the carrying value that would have been recognized had the original impairment not incurred. This restatement is recorded in the income statement.

Purchased goodwill that is allocated to units or groups of cash generating units during the year is subjected to an impairment test prior to the end of the financial period in which the purchase and allocation took place.

In order to assess its recoverability, the goodwill is allocated from the purchase date to each of the CGU's or groups of CGU's that are expected to benefit from the acquisition.

Where the carrying value of the CGU (or groups of CGU's) is higher than the respective recoverable amount, an impairment loss is recognized as an expense in the income statement.

The impairment loss is initially recorded as a reduction in the carrying amount of the goodwill allocated to the CGU (or group of CGU's) and secondly to other assets in the CGU on a pro-rata basis considering the relative carrying amount of each asset in the CGU up to the recoverable amount of individual assets with a finite useful life.

The future cash flows derive from business plans approved by the board of directors (or a similar body), which normally cover a period not exceeding five years. The long-term growth rate used for the purpose of estimating the terminal value of the CGU (or group of CGU's) does not generally exceed the average long-term growth rate for the industry, the country or the market in which the CGU (or group of CGU's) operates.

The future cash flows are estimated with reference to current conditions of the CGU's and do not consider benefits that may arise from future restructuring to which the company is not yet committed, or future investments intended to improve or enhance the performance of the CGU.

The Group has identified the cash generating units at production line.

For the purpose of the impairment test, goodwill is allocated to groups of CGU's, which generally represent the operating segments. The Group operating segments correspond to the following Business Units: Region Europe, Region America, Region Asia, Africa & Australia, for the Categories Meal Solutions and Bakery.

Amortized cost method of measuring financial assets and liabilities

The amortized cost method requires calculation of the effective interest rate at the time the transaction is entered into. The effective interest rate is the rate that exactly discounts the future cash flows to the net carrying amount at initial recognition.

Any changes in future cash flows, if not attributable to changes in market conditions, result in the restatement of the carrying value of financial assets and liabilities with a corresponding entry to the income statement.

Financial assets

On initial recognition, financial assets are measured at fair value and designated in one of the following categories depending on their nature and the purpose for which they were acquired:

(a) Financial assets "at fair value through profit or loss";
(b) Loans and receivables;
(c) Available-for-sale financial assets.

The purchase and sale of financial assets are recognized when the entity becomes party to the contractual provisions of the instrument. They are derecognized when the contractual rights to the financial asset have expired or the Group has substantially transferred all of the risks and rewards relating to the asset.

Following initial recognition in the Financial Statements, financial assets are measured as follows:

(a) At fair value through profit or loss
This includes financial assets, represented by equity securities, acquired principally with the intention of short-term profit making. These securities are classified as current assets.

The financial assets in this category are initially measured at fair value and the directly attributable costs are expensed in the income statement; all of the financial assets that are not included in this category are initially measured at fair value including costs directly attributable to acquisition.

Gains or losses relating to changes in the fair value of the financial assets at fair value through profit or loss are included in the income statement within finance income/costs in the period in which they are incurred.

(b) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payment terms, principally trade receivables, which are not quoted in an active market. Trade receivables and loans are included in current assets, with the exception of those that mature over twelve months after the balance sheet date, which are classified as non-current assets.

These assets are initially measured at fair value and are subsequently measured at amortized cost based on the effective interest rate, net of any impairment losses. Impairment losses on financial assets are recognized in the financial statements where there is objective evidence that the Group will not be able to recover the amount due from the counterparty based on contractual conditions. The objective evidence that a financial asset or Group of financial assets has incurred impairment loss includes observable data that comes to the attention of the Group regarding the following loss events:

(a) significant financial difficulty of the issuer or obligor;
(b) the disappearance of an active market for the asset because of financial difficulties;

(c) it becomes probable that the borrower will enter bankruptcy or other financial reorganization.

Trade receivables due in less than one year, are measured at fair value, which generally approximates the face value. Securitized or factored receivables, either with or without recourse, which do not meet all of the conditions that permit de-recognition, are maintained in the balance sheet; a corresponding financial liability is recognized as "Payables for advances on the sale of receivables".

Receivables that are sold and meet all of the de-recognition criteria for financial assets, are removed from the balance sheet at the time of sale. Gains or losses arising from the sale of these assets are recognized when the assets are derecognized from the balance sheet.

(c) Available-for-sale financial assets

This heading includes equity securities and other debt securities not held-for-trading. These are classified as non-current assets where management does not intend to sell the assets within 12 months of the balance sheet date. These are measured at fair value and any change in fair value is recorded in a separate heading in equity. The recognition of "gains or losses relating to changes in the fair value of financial assets" only occurs when the financial asset is sold or otherwise disposed of.

The Group assesses at each balance sheet date whether objective evidence exists that the financial assets have incurred an impairment loss. With regard to equity investments classified as available-for-sale financial assets, a significant or prolonged decline in the fair value of an investment below its cost is considered an impairment indicator. Where this evidence exists for available-for-sale financial assets, the cumulative loss - determined as the difference between the acquisition cost and the fair value at the balance sheet date less any impairment loss on that financial asset previously recognized in profit or loss - is recycled from equity and recognized in the income statement.

The restatement of the value of financial assets represented by capital instruments, for which an impairment loss was recognized in the income statement, is recorded directly in equity.

Any dividends relating to equity investments included in available-for-sale financial assets are included as dividend income in the income statement under the heading "Dividends" only when the Group has acquired the right to receive this payment.

Financial liabilities

Financial liabilities are initially recorded at fair value adjusted for transaction costs, and subsequently are measured at amortized cost applying the effective interest rate. The difference between amortized cost and the amount to be repaid is recognized in the income statement over the term of the liability.

Financial liabilities are classified as current liabilities except where the Group, at the balance sheet date, has an unconditional right to extend the maturity of the loan to at least more than twelve months after the balance sheet date. Trade and other payables with normal trading terms, generally less than one year, are recorded at fair value, which normally approximates the nominal value.

Inventories

Inventories are stated at the lower of cost, measured applying the FIFO (first in - first out) method, and net realizable value.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank and post office deposits and short-term highly liquid investments that are readily convertible to cash (three months or less from the date of acquisition), which are measured at nominal value as they are not subject to significant fluctuations in value.

Employee benefits

(a) Pension funds

Group companies operate both defined contribution and defined benefit plans.

A *defined contribution plan* is a plan where the Group pays fixed contributions to a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee services in the current and prior periods. With regard to defined contribution plans, the Group pays contributions, either voluntary or specified in the plan rules, to public and private insurance pension funds. Contributions are recognized as payroll costs applying the accrual basis.

The *defined benefit* obligation recorded in the Financial Statements corresponds to the present value of the obligation at the balance sheet date, less, where applicable, the fair value of any plan assets. The defined benefit obligations are determined on an annual basis by an independent actuary using the projected unit credit method. The present value of the defined benefit plan is determined discounting future cash flows by a rate equal to that of high-quality corporate bonds of equivalent currency and term to the benefit obligations. Remeasurements of actuarial gains and losses arising on the above adjustments and changes in the actuarial assumptions are reflected in the statement of comprehensive income.

Service costs and net interest related to the time value in the actuarial calculation (classified within Finance income and costs) are recognized in profit and loss.

(b) Termination benefits
Termination benefits are those payable on termination of an employment before the normal retirement date, or when an employee accepts voluntary redundancy. The Group recognizes termination benefits when a demonstrable commitment exists that is governed by a detailed formal plan specifying details of the employment termination, or when payment of the benefit is the result of an offer made to encourage voluntary redundancy.

Provisions for other liabilities and charges

Provisions are recorded to cover the Group's legal, contractual or constructive obligations that derive from a past event. A provision is recognized where it is probable that an outflow of resources will be required and a reliable estimate of the amount may be made. Where it is estimated that these obligations will arise more than twelve months after the balance sheet date and that they will have a material impact on the financial statements, they are recorded at present value applying a discount rate that reflects current market assessments of the time value of money and the risks specific to the liability. Any adjustment to the estimated provision is recognized in the income statement in the period in which the adjustment occurred. Where discounting is used, any increase in the provision to reflect the passage of time and the impact of changes in the discount rate are recognized as borrowing costs.

Restructuring provisions are recognized when there is a constructive obligation, which takes place when the Group has a detailed formal plan and has informed those affected by the plan or when the Group has announced the plan in sufficient detail to raise valid expectation in those affected by the plan that the restructuring will be carried out.

Provisions for tax risks are recognized following assessments notified to the Group but not yet settled at the balance sheet date.

Derivative financial instruments

Accounting for derivative financial instruments
Derivative financial instruments are measured at fair value, with any difference charged to profit or loss, with the exception of cash flow hedges, where gains or losses are recognized in the statement of comprehensive income.

Derivatives that qualify for hedge accounting
In all cases where derivatives are designated as hedging instruments, the Group formally documents, from inception of the hedge, the relationship between the hedging instrument and the related hedged item or transaction, the risk management objective and the hedging strategy adopted.

The Group also documents the hedging instrument's effectiveness to compensate changes attributable to the hedged risk based on changes in the fair value of the hedging instruments compared to changes in the fair value of the hedged item. This assessment is carried out at inception and on a continuous basis throughout the life of the hedge.

Categories of derivatives
Hedging instruments are categorized as follows:

i) Derivatives designated as cash flow hedge: if the hedge is designated to cover the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction, the gains or losses on the effective portion of the hedging instrument are recognized in the statement of comprehensive income; the ineffective portion of the gain or loss on the hedging instrument is recognized in the income statement. Depending on the nature of the hedge, financial or commodity related, the ineffective portion is classified in either finance income/costs on financial transactions or operating costs/income, respectively.

The amounts recognized directly in the statement of comprehensive income are recognized in the income statement in the period in which the hedged item affects profit or loss.

When a hedging instrument reaches maturity or is sold, or no longer meets the conditions required to be classified as a hedge, the related fair value adjustments accumulated to date will be retained until the hedged item affects profit or loss, and only at that time will it be recognized in the income statement applying the accounting treatment relevant to the hedged item. If the forecast transaction that was subject to the hedge is no longer expected to affect the income statement, the accumulated fair value adjustments are immediately recognized in the income statement.

For the valuation of the financial liabilities hedged by cash flow hedges, please refer to the devoted paragraph.

ii) Derivatives designated as fair value hedges are classified as current or non-current assets or liabilities based on their contractual maturity.

The gain or loss arising on changes in the fair value of these instruments is recognized in the income statement. Depending on the nature of the hedge, financial or commodity related, the variation of fair value is classified in either finance income/costs on financial transactions or operating costs/income, respectively.

For the valuation of the financial liabilities hedged by fair value hedges, please refer to the devoted paragraph.

iii) Derivative financial instruments at fair value through profit or loss that are not designated as hedges are classified as current or non-current assets or liabilities based on their contractual maturity.

The gain or loss arising on changes in the fair value of these instruments is recognized in the income statement. Depending on the nature of the hedge, financial or commodity related, the variation of fair value is classified in either finance income/costs on financial transactions or operating costs/income, respectively.

Determination of the fair value of a hedging instrument
The fair value of an interest rate swap is determined based on the present value of the expected future cash flows. The fair value of forward foreign exchange contracts is determined using the forward rate at the balance sheet date.

The fair value of other hedging instruments quoted on an active market is based on the market prices prevailing at the balance sheet date. The fair value of instruments that are not quoted on an active market is determined using valuation techniques, based on a series of methods and assumptions, and market information at the balance sheet date.

Non-current assets and liabilities held for sale and discontinued operations

A non-current asset, or group of non-current assets and liabilities, is classified as held for sale when the carrying amount is to be recovered primarily from a sale transaction rather than through continuing use. The assets (or groups of assets) held for sale are measured at the lower of their carrying amount and their fair value, less estimated costs to sell.

The results and the carrying amount of a component of an entity that represents a separate major line of business or geographical area of operations are classified separately in the income statement and in the balance sheet at the time of the sale or when they meet the conditions to be classified as held for sale or discontinued.

Total equity

Costs directly attributable to share capital increases are recorded as a deduction from total equity.

Revenue recognition

Revenue is recognized at the fair value of the amount received for the sale of products or services, net of returns or discounts.

Sale of products
Revenue from product sales is recognized when all of the following conditions are met, which normally takes place on delivery to the customer:

- the significant risks and rewards arising from ownership of the goods are transferred to the buyer;
- effective control over the goods ceases;
- the amount of revenue can be reliably measured;
- it is probable that the economic benefits associated with the transaction will flow to the entity;
- the costs incurred or to be incurred in respect of the transaction can be reliably measured.

Finance income
Interest is recorded on an accruals basis and is calculated applying the effective interest rate.

Dividends
Dividends are recognized when the right to receive payment is established.

Government grants

Revenue based government grants are recognized in the income statement when the right to receive the payment is established.

Finance income and costs

Finance income and costs comprise: interest payable matured on all borrowings, interest income on cash and cash equivalents and similar securities, dividends, foreign exchange gains and losses and the financial impact arising from hedging the exposure to interest rate and foreign exchange risk, which are taken to the income statement.

Taxation

Taxation includes both current and deferred income taxes. Current income taxes are based on the estimate which the Group expects to pay calculated by applying to taxable income the enacted tax rates, or those substantively enacted, at the balance sheet date in each of the relevant tax jurisdictions.

Deferred income tax assets and liabilities are determined applying the liability method, whereby all of the temporary differences between the tax bases of assets and liabilities and the carrying amounts at the balance sheet date, except for goodwill, are calculated. Deferred income tax assets and liabilities are measured using the tax rates that are expected to apply to the period when the asset is expected to be realized or the liability is expected to be settled, based on tax rates that have been enacted by the balance sheet date. Income taxes arising on the distribution of dividends are recognized on distribution.

For the purpose of recognizing deferred tax assets, the Group assesses the likelihood that sufficient future taxable income will be available to recover these assets. Tax assets and liabilities, both current and deferred, may only be offset where the amounts relate to the same tax jurisdiction, where the reversal period is the same and there is a legally enforceable right to offset the recognized amounts.

Distribution of dividends

Dividends payable to shareholders are recognized when the right to receive payment is established.

Transactions with non-controlling interests

The acquisition and disposal of non-controlling interests in companies in which control already exists are classified as transactions with Group shareholders. Any differences between the carrying value and the purchase price paid or received are recorded in equity.

5. Change in the scope of consolidation

The scope of consolidation area, compared to 31 December 2012, is changed for the disposal of Lieken group to Agrofert A.S., in May 2013; following the detail:

Companies out of consolidation scope

- Barilla Iniziative S.r.l. & Co. K.G.;
- Lieken AG;
- Logi – K Gmbh;
- Lieken IT Service Gmbh;
- Lieken Brot- und Backwaren Gmbh;
- Scherpel Gmbh;
- Zimmermann Gmbh;
- Konrmark Gmbh;
- Julia Grundstuecksvverwaltungsgesellaschft Gmbh & Co. Vermietungs – KG.

During 2013 new companies have been founded, consequently the scope of consolidation area, compared to 31 December 2012, and changed as follows:

New companies in scope of consolidation area

- Barilla Hrvatska D.o.o., trade company operating in Croatia;
- Italian Kitchen USA Inc. e IKRG – Midtown LLC, companies operating in the restaurants business;
- Barilla (SHANGHAI) Trading Company Limited, trade company operating in China.

6. Notes to the consolidated financial statements

Consolidated statement of financial position

6.1 Cash and cash equivalents

Cash and cash equivalents, which amounted to euro 111,694 (euro 119,914), comprise bank and post office deposit accounts, cheques and other cash on hand.

The change in cash and cash equivalents recorded during the year is reported in the consolidated cash flow statement.

6.2 Trade receivables

	12/31/2013	12/31/2012
Trade receivables	397,914	549,845
Allowance for doubtful accounts	(45,234)	(43,958)
Total	**352,680**	**505,887**

Trade receivables consist of amounts due from customers in relation to the sale of goods and provision of services, net of allowances for doubtful accounts.

The charges to and utilization of the allowance for doubtful accounts are included in other income and expenses in the income statement under the sub-headings, Impairment and losses on receivables and Utilization of risk provisions, respectively.

The fair value of trade receivables approximates their carrying value at the balance sheet date. This also represents the maximum exposure to credit risk.

Receivables for which allowances have been recorded may be analyzed as follows:

	2013	2012
Not yet overdue	217,011	264,297
Less than 3 months	38,213	41,891
Between 3 and 6 months	3,133	2,843
Between 6 and 12 months	807	3,139
More than 12 months	4,856	7,710
Total	**264,020**	**319,880**

Trade receivables that were not yet overdue and not impaired at 31 December 2013 amounted to euro 133,894 (euro 229,965).

Movements in the allowance for doubtful accounts were as follows:

	2013	2012
Opening balance	**43,958**	**50,930**
Charges	5,336	3,921
Utilization	(1,838)	(6,744)
Released	(706)	(869)
Change in scope of consolidation	(1,330)	(3,280)
Exchange difference	(186)	-
Closing balance	**45,234**	**43,958**

The Change in scope of consolidation relates to the balances of Lieken group companies, sold during the year. Prior year, the balance related to Number 1 Logistics Group S.p.A.

6.3 Tax credits

Tax credits represent amounts due from tax authorities in the various countries in which the Group operates and principally relate to income tax installments and VAT recoverable.

These credits may be analyzed as follows:

	12/31/2013	12/31/2012
Income tax	13,836	19,581
VAT	47,246	124,205
Total	**61,082**	**143,786**

During the year VAT receivables were settled for 112 million of euro.

The fair value of tax credits substantially approximates the carrying value.

6.4 Other receivables due from parent company

The balance of euro 9,308 (euro 12,379) relates to the amount due from the parent company CO. FI. BA. S.r.l., that is the result of the Group's participation in the Group consolidated tax regime where CO. FI. BA S.r.l. is the consolidating company.

The balance includes a current portion, due within one year, for euro 1,688 (euro 4,759), and a non-current portion, for euro 7,620 (euro 7,620).

6.5 Other receivables

Other receivables comprised:

	12/31/2013	12/31/2012
Amounts due from factoring entities	31,003	20,948
Supplier advances	6,176	6,316
Amounts due from employees	3,774	3,646
Amounts due from social security authorities	2,876	2,863
Guarantee deposits	512	656
Other receivables	3,230	32,085
Accrued income and prepayments	7,285	12,629
Total	**54,856**	**79,143**

The amounts due from factoring entities comprise receivables due from factoring companies in respect of trade receivables sold but not yet paid.

The change compared to the previous year is due to the fact that advances were requested on trade receivables sold to factoring companies.

The change in Other Receivables refers to Bakkersland group receivable cashed during the year, for euro 23,850.

Accrued income and prepayments comprise prepaid rent, insurance premiums and accrued interest income.

6.6 Inventories

Inventories may be analyzed as follows:

	12/31/2013	12/31/2012
Raw materials and semi-finished goods	109,296	140,012
Finished goods	133,468	139,153
Advances	284	563
Total	**243,048**	**279,728**

Movements in the inventory obsolescence provision may be detailed as follows:

	2013	2012
Opening balance	**10,285**	**6,541**
Charges	2,301	5,904
Utilization	(1,221)	(1,258)
Change in scope of consolidation	-	(900)
Exchange differences	(475)	(2)
Closing balance	**10,890**	**10,285**

6.7 Assets held for sale

Previous period the amount referred to property, plant and equipment held for sale of the Lieken group.

6.8 Property, plant and equipment

The net movement of euro 82,415 in the net book value of property, plant and equipment compared to 31 December 2012, is principally due to depreciation and impairment losses for the year that amounted to euro 131,631, net disposal of euro 2,989, change in scope of consolidation area due to Lieken group disposal for euro 40,097, the positive effect of additions for euro 103,844 and retranslating amounts denominated in foreign currency for euro 11,365.

Movements in property, plant and equipment were as follows:

	Land	Buildings	Plant and machinery	Industrial and retail equipment	Other assets	Assets under construction	Total
Movements during 2012							
Net book amounts at 01/01/2012	**59,941**	**382,277**	**556,648**	**24,538**	**20,576**	**63,548**	**1,107,528**
Capital expenditure	-	-	-	-	-	126,923	126,923
Capitalizations	100	25,305	98,321	13,063	11,531	(148,320)	-
Grants received	-	(19)	(422)	-	(103)	-	(544)
Disposals - Cost	(1,164)	(4,298)	(64,737)	(6,244)	(11,395)	-	(87,838)
Disposals- Utilization of accumulated depreciation and impairment losses	1,146	2,357	63,214	4,953	10,914	-	82,584
Depreciation and impairment losses	-	(84,958)	(126,503)	(8,692)	(8,878)	-	(229,031)
Change in consolidation scope	-	(2,472)	(7,382)	-	-	-	(9,854)
Foreign exchange differences	(84)	467	609	51	38	6	1,087
Net book amounts at 12/31/2012	**59,939**	**318,659**	**519,748**	**27,669**	**22,683**	**42,157**	**990,855**
Historical cost	59.939	753,730	2,461,392	118,358	145,230	42,157	3,580,806
Accumulated depreciation and impairment losses	-	(435,071)	(1,941,644)	(90,689)	(122,547)	-	(2,589,951)
Movements during 2013							
Capital expenditure	-	-	-	-	-	103,844	103,844
Capitalizations	24	14,011	77,023	3,295	4,015	(98,370)	-
Grants received	-	-	(177)	-	-	-	(177)
Disposals - Cost	-	(887)	(29,627)	(2,948)	(1,031)	(40)	(34,533)
Disposals - Utilization of accumulated depreciation	-	533	27,032	2,867	1,112	-	31,543
Depreciation and impairment losses	-	(18,074)	(93,684)	(8,044)	(11,828)	-	(131,631)
Change in consolidation scope	(30,688)	-	-	(281)	(7,314)	(1,814)	(40,097)
Foreign exchange differences	(405)	(5,375)	(4,688)	(181)	(226)	(490)	(11,365)
Net book amounts at 12/31/2013	**28,870**	**308,866**	**495,628**	**22,378**	**7,411**	**45,287**	**908,440**
Historical cost	28,870	602,028	2,138,403	96,905	61,893	45,287	2,973,386
Accumulated depreciation and impairment losses	-	(293,162)	(1,642,775)	(74,527)	(54,482)	-	(2,064,945)

Finance leases

The net book amounts of assets held under finance leases amounted to euro 33,258 (euro 38,055) and comprised:

	Land	Buildings	Plant and machinery	Other assets	Total
At 12/31/2013	**191**	**4,485**	**28,309**	**273**	**33,258**
At 12/31/2012	**191**	**4,717**	**32,993**	**154**	**38,055**

Details of the principal lease contracts outstanding at 31 December 2013 are provided below:

- Barilla G. e R. Fratelli has two finance lease contracts relating to the cogeneration plants in Italy, which will expire in 2020 and 2022, and for which purchase options exist at the end of the lease term, amounting to euro 25,515.
- Barilla France has entered into a number of finance lease contracts with a maximum expiry date of November 2015, which purchase options at the end of the lease term. The main contracts relate to property leases, which expire in January and November 2015. The net book value of these assets amounted to euro 3,672.
- Barilla Deutschland has entered into a finance lease contract for a mill that matures in August 2028. The net book value at 31 December 2013 amounted to euro 2,553.

The present value of future lease payments and the related payment periods are as follows:

	12/31/2013	12/31/2012
Not later than 1 year	5,582	8,102
Later than 1 year and not later than 2 years	5,184	5,333
Later than 2 years and not later than 3 years	5,052	4,931
Later than 3 years and not later than 4 years	5,052	4,798
Later than 4 years and not later than 5 years	5,052	4,798
Later than 5 years	12,615	14,719
Total present value of future lease payments	**38,538**	**42,681**

The reconciliation between the minimum future lease payments and the present value of the lease payments is as follows:

	12/31/2013	12/31/2012
Total minimum future lease payments	38,538	42,681
Interest	(7,075)	(7,468)
Present value of lease payments	**31,463**	**35,213**

Operating leases

The minimum future lease payments under operating leases and the related repayment period are as follows:

	2013	2012
Not later than one year	10,663	22,632
Later than 1 year and not later than 5 years	12,304	33,284
Later than 5 years	-	4,439
Total minimum future lease payments	**22,967**	**60,355**

The decrease in operating leases resulting from the change in the scope of consolidation is due to the disposal of Lieken group.

Total operating lease payments recognized in the income statement amounted to euro 16,627 (euro 15,982).

6.9 Goodwill

Movements in goodwill were as follows:

	Goodwill
Movements in 2012	
Opening balance at 1/1/2012	**508,117**
Foreign exchange differences	7,091
Total at 12/31/2012	**515,208**
Movements in 2013	
Impairment	(28,354)
Foreign exchange differences	(4,182)
Total at 12/31/2013	**482,672**

The discontinued operation divested during the year did not decrease the value of goodwill, due to the impairment of the total value allocated to the operation in previous years.

An analysis of goodwill by segment for the purpose of per forming impairment test at 31 December 2013 is summarized in the table below:

Operating Segments - Business Units	Amount
Europe Region - Bakery	481,588
Other minor	1,084
Total	**482,672**

The annual impairment test on goodwill consists in estimating the recoverable amount of the groups of cash generating units to which the goodwill is allocated and comparison with the carrying value of the related assets including goodwill. The recoverable amount of the groups of cash generating units was determined based on the value in use, calculated as the present value of expected future cash flows relating to the groups of cash generating units.

The cash flows utilized to determine value in use cover a five year period plus a terminal value. The plans are prepared in varying detail depending on requirements and the relevance of the selected variables, commencing with a series of key macroeconomic indicators (e.g. foreign exchange rates, inflation rates, market assumptions) and economic-financial targets.

The qualitative and quantitative content of the plan is approved by Group management. The flows generated by the groups of cash generating units at the end of the plan period correspond to the perpetual return calculated based on the normalized final year of the plan.

The key assumptions used to perform the impairment test at 31 December 2013 were as follows:

Operating Segments Business Units	Discount rate		Growth rate	
	2013	2012	2013	2012
Europe Region - Bakery	5%	6.6%	1.9%	1.9%

Based on the above assumptions, and considering the worsening in the future profitability, the recoverable value of the Europe Region - Bakery has been impaired for the original amount allocated to the Russia Bakery segment, amounting to euro 28,354.

The accumulated impact of fluctuations in exchange rates on goodwill denominated in foreign currencies, comprising Swedish Krona and Norwegian Krone, amounted to positive euro 2,791.

6.10 Other intangible assets

Other intangible assets consisted of the following:

	Licenses and software	Trademarks	Other	Assets under construction	Total
Movements in 2012					
Opening balance at 1/1/2012	**22,322**	**70,296**	**64**	**3,906**	**96,588**
Acquisitions and capitalizations	4,905	1,496	14	1,705	8,120
Disposals	(251)	-	-	-	(251)
Change in scope of consolidation	(623)	-	-	(2,914)	(3,537)
Foreign exchange differences	10	45	1	-	56
Amortization and impairment losses	(9,729)	(11,255)	(8)	-	(20,992)
Total at 12/31/2012	**16,634**	**60,582**	**71**	**2,697**	**79,984**
Of which:					
Historical cost	90,029	359,504	22,090	2,697	474,320
Accumulated amortization and impairment losses at 12/31/2012	(73,395)	(298,922)	(22,019)	-	(394,336)
Movements in 2013					
Acquisitions and capitalizations	5,207	1,135	24	(1,060)	5,306
Change in scope of consolidation	(589)	(19)	-	(156)	(764)
Foreign exchange differences	(31)	(37)	-	-	(67)
Amortization and impairment losses	(7,799)	(11,409)	(9)	-	(19,218)
Total at 12/31/2013	**13,423**	**50,251**	**86**	**1,481**	**65,241**
Of which:					
Historical cost	90,355	265,519	219	1,481	357,574
Accumulated amortization and impairment losses at 12/31/2013	(76,932)	(215,268)	(134)	-	(292,333)

Trademarks relate to Harry’s. The trademarks of Barilla G. e R. (Barilla, Mulino Bianco) have not been recognized in the Financial Statements as they were developed internally.

Assets under construction principally relate to the acquisition of new “Enterprise Resources Planning” (ERP) software, in respect of an accounting, finance, management and control system, for a total of euro 3,380 (euro 5,723).

6.11 Trade and other receivables

Other non-current receivables comprised:

	12/31/2013	12/31/2012
Guarantee deposits	280	917
Other non-current assets	1,364	6,472
Total	**1,644**	**7,389**

The fair value of trade receivables and other receivables approximates the carrying value reported in the financial statements.

6.12 Deferred income tax assets and liabilities

Deferred income tax assets and liabilities are recognized separately in the statement of financial position, exclusively in relation to temporary differences between the carrying value of assets and liabilities in the balance sheet and their tax bases. Deferred tax assets on tax losses carried forward are only recognized where it is probable that sufficient future taxable profits will be earned to allow recovery of these assets.

Deferred income taxes have not been recognized on the undistributed earnings of subsidiaries, as the Group is not able to control the timing of these distributions and it is probable that they will not be distributed in the near future.

The composition and movements in deferred income tax assets and liabilities analyzed by the balance sheet headings on which they arise are illustrated in the table below:

	At 12/31/2012	Reversals/charges through income statement	Impact on equity	Foreign exchange impact	At 12/31/2013
Property, plant and equipment	(71,508)	1,207	-	533	**(69,767)**
Leasing	(5,266)	9,252	-	8	**3,994**
Intangible assets	1,627	369	-	8	**2,005**
Financial liabilities and derivatives	(1,359)	(10)	967	23	**(379)**
Inventories	(5,894)	3,237	-	(6)	**(2,663)**
Spare parts	7,773	293	-	(17)	**8,049**
Provisions for other liabilities and charges	5,748	17,652	-	142	**23,542**
Pension funds	13,334	(5,774)	(1,726)	(233)	**5,599**
Tax losses carried forward	6,507	(863)	-	(551)	**5,093**
Other	10,720	(3,775)	-	(571)	**6,374**
Total	**(38,318)**	**21,589**	**(759)**	**(665)**	**(18,153)**
Deferred income tax assets	58,589				64,963
Deferred income tax liabilities	(96,907)				(83,115)
Total	**(38,318)**				**(18,153)**

6.13 Available-for-sale financial assets

Available-for-sale financial assets principally comprise equity investments in BRW S.p.A., amounting to euro 1,109 and other non-current financial assets that total euro 1,251 (euro 1,277).

The Group does not evaluate the investment at equity method because the Group does not exercise a significant influence on BRW S.p.A., despite holding an interest of between 20% and 50%.

BRW S.p.A. operates in the advertising and communication business and the Group does not intend to sell this investment.

6.14 Trade payables

Trade payables, which amounted to euro 584,875 (euro 769,373), represent amounts due in relation to the purchase of goods and services. Trade payables are recorded at nominal value, which substantially approximates their fair value. All amounts are payable within one year.

The total includes euro 1,762 (euro 1,505) due to BRW S.p.A.

The balance comprises amounts due to co-packers, which are governed by medium/long-term supply contracts negotiated at arm's length, which do however establish guaranteed minimums that are disclosed in contractual commitments for finished goods supplies.

6.15 Borrowings

Current borrowings comprise amounts due within one year. Following the balance detail, that includes "Financial debt due to bank and other financiers" for euro 17,153 and "Borrowings due to parent companies" for euro 5,000:

	12/31/2013	12/31/2012
Bank overdrafts and the short-term portion of leasing obligations	10,835	11,758
Current portion of long-term bank loans	6,318	8,657
Bonds	-	136,162
Financial debt due to parent companies	5,000	-
Total borrowings	**22,153**	**156,577**

Bank overdrafts and the short-term portion of leasing obligations comprise bank overdrafts amounting to euro 5,187 (euro 5,831), the short-term portion of amounts due to leasing companies of euro 3,981 (euro 3,746), loans for export financing of euro 1,667 (euro 1,169).

Previous year, the short-term portion of the loan due to leasing companies of the Lieken group amounted to euro 1,014.

The current portion of medium/long-term bank borrowings is not guaranteed by property, plant and equipment. In January 2012 an amortizing loan with the European Investment Bank (BEI) has been subscribed for euro 50,000, expiry 2020. At 31 December 2013, the current balance amounts to euro 6,211 (euro 6,202).

The previous year balance included euro 136,162, which referred to a bond emitted by subsidiary Barilla France S.A.S. in December 2003, that matured and was reimbursed 9 December 2013. Further details are provided in the note 6.20.

Financial debt due to parent companies, for euro 5,000, refers to a borrowing received during the year from parent company CO.FI.BA. S.r.l. It has maturity date on 1 July 2014 and variable interest rate linked to Euribor.

The carrying value of short-term borrowings approximates their fair value.

6.16 Retirement benefit obligations

Retirement benefit obligations comprise amounts paid to employee defined benefit plans, including the staff leaving indemnity fund (TFR), equivalent plans and pension schemes.

Total obligations relating to future benefits payable to employees amounted to euro 132,770 (euro 168,318), of which amounts due within one year are euro 8,183 (euro 10,559) and due after more than one year are euro 124,587 (euro 157,759), net of plan assets for euro 4,538 (euro 6,137).

In Italy, the staff leaving indemnity (TFR) represents the deferred compensation payable by companies to employees on termination of employment, in accordance with article 2120 of the Italian Civil Code.

Following changes introduced to Italian law, the TFR provision matured up to 31 December 2006 is still considered a defined contribution plan.

The principal specific risks related to this plan refers to the accrued benefit that is payable to the members as a lump sum when retiring or leaving the company. According to the law, it is also possible to receive advance from the total accumulated benefit. Therefore, there is the risk that members leave the plan sooner than expected or request advance payments in a greater measure than expected, generating an actuarial loss in the plan due to cash flow acceleration. Other risks to which the plans are exposed are limited to inflation, to which the accrued benefits are linked, and discount rate.

Abroad the plans and pension schemes relate to companies operating in France, Greece, Germany, Sweden, Turkey, Norway, Mexico and Switzerland.

The principal features of the more significant plans are as follows:

- In France, there are the "Retirement Indemnity Plan" and the "Seniority Awards Plan". The first plan confers the right to receive a sum of money on termination of employment, in proportion to the number of years of service, final salary levels and whether termination was voluntary or not. For example, based on the terms of a contract for the commerce sector, an employee with more than 20 years' service with a company, on voluntary termination of employment, has the right to receive three months' salary (calculated based on the average earnings or the 12 months prior to leaving), plus 1/5 of this amount for each additional year over 20. The specific plan are related to the fact that Retirement Indemnity Plans are mandatory by lay and are defined by national bargaining agreements. The main risks on these plans are the legislation risk, with effect on withdrawal rate, linked on plans average duration.

"The Seniority Awards plans" pay benefits any defined anniversary of working life with regard to the service in the company. The awards paid at this occasion are exempt of payroll taxes within the value of one month salary. The main risks on these plans would be the fiscal legislation risk that characterizes the plans that would require additional costs.

- In Greece, the "Retirement Indemnity Plan" provides that the employer is required to pay an indemnity where the employee has reached pensionable age or employment is terminated involuntarily. The indemnity depends on a number of factors including years of service, the equivalent monthly salary in the last year of service (including bonuses) and the reason for termination. A scale of multiples is also defined in order to define the number of months to be paid in relation to years of service, also taking into consideration the reason for termination.
- In Germany, the "Pension Plan" provides for the payment of an ongoing pension and not a one-off lump sum. The plan is based on a pre-determined percentage of annual salary and foresees that payment be made on reaching pensionable age and for invalidity, and may be paid in favor of the spouse. For the Pension Plan, there is a risk related to pension increase, established by local law.
- In Sweden, "IPT2 Plan" is the pension scheme for white collar employees based on the collective bargaining agreement. The risks are linked to any changes on collective bargaining agreement. The retirement benefit obligations are determined applying actuarial calculations carried out by an independent expert or company, and are adjusted for events that require changes to be reflected therein.

The last actuarial valuation was performed at 31 December 2013 using the projected unit credit method, under which the present value of future retirement obligations is determined.

	12/31/2013	12/31/2012
Opening balance	**168,318**	**149,089**
Services costs	2,789	3,420
Settlement	(2,166)	-
Finance costs	4,176	6,682
Actuarial (gains)/losses	(5,999)	22,808
Exchange differences for the year	(1,374)	729
Benefits paid	(6,515)	(10,389)
Change in scope of consolidation	(26,459)	(4,021)
Closing balance	**132,770**	**168,318**
Of which:		
Due within one year	**8,183**	**10,559**
Due after one year	**124,587**	**157,759**

Services costs relate to the charges for the year.

The main differences compared to previous year refer to the plans in United States, closed in 2013, and the disposal of Lieken group; they have been classified as "Settlement" and "Change in scope of consolidation" respectively.

Significant actuarial gains were recorded in 2013, which is due to the general increase of the discount rate applied.

The assumptions adopted in determining retirement benefit obligations may be summarized as follows:

2013	Discount rate	Expected rate of return on plan assets	Estimated salary growth	Inflation rate
Italy	3.00%	n.a.	3.21%	2.00%
Germany	0.70% - 3.35%	3.33%	2.50%	2.00%
France	2.75% - 3.30%	3.28%	2.50%	2.00%
Greece	3.45%	n.a.	2.00%	2.00%
Mexico	7.75%	n.a.	4.50%	3.50%
Norway	4.00%	3.90%	3.75%	2.00%
Sweden	4.00%	n.a.	3.00%	2.00%
Turkey	9.70%	n.a.	7.90%	6.40%
Switzerland	2.00%	2.00%	2.00%	1.00%

2012	Discount rate	Expected rate of return on plan assets	Estimated salary growth	Inflation rate
Italy	3.00%	n.a.	3.21%	2.00%
Germany	0.60% - 3.60%	0.60% - 3.60%	2.50%	2.00%
France	2.55% - 3.30%	3.30%	2.50%	2.00%
Greece	3.20%	n.a.	2.00%	2.00%
Mexico	6.25%	n.a.	4.50%	3.50%
Norway	3.90%	3.90%	3.50%	1.75%
Sweden	3.00%	n.a.	3.00%	2.00%
Turkey	7.42%	n.a.	6.50%	5.00%
Switzerland	1.75%	1.75%	2.00%	1.00%
United States	3.75%	n.a.	n.a.	n.a.

The cost of future employee retirement benefits recognized in the income statement is classified under the following headings:

	12/31/2013	12/31/2012*
Cost of sales	732	1,626
Logistics costs	92	102
Selling costs	154	374
Marketing costs	128	101
General and administrative expenses, technical and development costs	1,683	1,217
Total	**2,789**	**3,420**

** 2012 values have been reclassified excluding financial costs, coherently with the new classification.*

The plan assets composition is as follows:

	2013	2012
Listed shares and bonds	2,234	2,244
Cash and cash equivalents	282	382
Total listed assets	**2,516**	**2,626**
Insurance contracts	1,490	1,330
Not listed - other	532	886
Discontinued operation - other	-	1,295
Total assets	**4,538**	**6,137**

The weighted duration of defined benefit obligations is equal to 11.9 years split as follows by plan:

	Average	Italy	Germany	France	Sweden
Weighted duration	11.9	9.6	14	14.2	14.8
Average future working lifetime	12.2	12.4	8.6	17.3	13.4

The effect on the retirement benefit obligation of a likely to occur change in the actuarial assumption considered in computing the defined benefit obligation is provided below:

Effect	Increase actuarial assumption	Decrease actuarial assumption
Discount rate (0.5% movement)	(7,495)	8,256
Rate of salary increase (0.5% movement)	1,616	(1,429)
Inflation rate (0.25% movement)	3,372	(3,424)
Mortality expect (1 year variation)	2,038	n.a.

6.17 Current income tax liabilities

Current income tax liabilities amounted to euro 7,990 (euro 8,769) and comprise the provision for current taxes on profit for the year.

With regard to the Italian entities that participate in the group consolidated taxation regime, the current tax liability relates to the balance of IRAP (trade income tax). The IRES (corporation tax) liability was transferred to the parent company CO. FI. BA S.r.l. under the group taxation regime.

6.18 Other payables

Other payables consisted of the following:

	12/31/2013	12/31/2012
Amounts due to parent companies	10,331	18,936
Amounts due to employees	98,074	103,107
Social security payables	23,808	22,291
Withholding taxes from employees, consultants and freelance workers	11,260	12,947
VAT payable	162	5,312
Other taxes	4,667	4,713
Amounts due to customers	5,859	5,620
Other payables	8,451	9,445
Accruals and deferred income	4,734	7,541
Total	**167,345**	**189,912**

Amounts due to parent companies comprise the balances due under the group taxation regime.

Accruals and deferred income largely relate to accrued interest payable.

The fair value of other payables approximates the carrying value.

6.19 Provisions for other liabilities and charges

The current and non-current portions of provisions for other liabilities and charges may be detailed as follows:

	12/31/2012	Charges	Decreases/ utilization/ reclassification	Change in scope of consolidation	Foreign exchange impact	12/31/2013
Employee risk provision	12,375	550	(4,813)	(837)	(11)	**7,264**
Restructuring provision	31,387	18,553	(2,479)	(8,484)	(17)	**38,960**
Tax risk provision	198	61	(35)	-	-	**224**
Premium dealing risk	1,146	736	(1,145)	-	(1)	**736**
Returns and unsold goods provision	2,286	-	-	-	-	**2,286**
Revocatory provision	8,074	-	(784)	(2)	-	**7,288**
Litigation provision	469	168	(17)	(221)	(51)	**348**
Other provisions	16,775	14,343	(1,336)	(2,761)	(57)	**26,964**
Total	**72,710**	**34,411**	**(10,609)**	**(12,305)**	**(137)**	**84,070**
Of which:						
Due within one year	**40,950**					**64,789**
Due after more than one year	**31,760**					**19,281**

The employee risk provision and the restructuring provision have been recognized in relation to reorganization programs that include, inter alia, redundancy incentives and other future employee obligations.

The provisions due after more than one year have not been discounted due to the uncertainty of the period of utilization.

6.20 Borrowings

Medium/long-term borrowings may be analyzed as follows:

	12/31/2013	12/31/2012
Bonds	327,283	240,391
Bank borrowings and leasing obligations	113,782	318,427
Total	**441,065**	**558,818**

Previous period, the tranche of the US Private Placement due in December 2013 has been reclassified in the Current liabilities (Note 6.15).

Details of outstanding bonds are summarized below:

	Nominal value in currency (thousands)	Nominal coupon in $	Maturity	Carrying value	Hedging transaction		Effective interest rate in euro
					Nominal value in euro	Annual rate paid	
Senior notes 2003	$ 92,000	5.69%	9 Dec 2015	66,706	78,700	4.10% (F)	4.19%
Senior notes 2011	$ 75,000	4.14%	15 July 2018	57,657	50,460	2.92% (F)	3.07%
Senior notes 2011	$ 75,000	4.76%	15 July 2021	58,070	50,562	1.59% (V)	1.69%
Senior notes 2011	$ 50,000	4.86%	15 July 2023	38,631	33,718	1.48% (V)	1.56%
Senior notes 2013	$ 150,000	4.43%	13 Dec 2025	106,219	115,050	1.37% (V)	1.41%
Total notes	**$ 442,000**			**327,283**	**328,490**		

(F) Fixed interest rate
(V)Variable interest rate

In December 2013, a new bond was issued by the subsidiary Barilla G. e R. Fratelli S.p.A. for 150 million of U.S. dollars, in the form of notes subscribed by institutional investors (US Private Placement) and expiry 2025. At 31 December 2013, this bond, including hedging derivatives mark-to-market value, amounts to euro 114,130.

The interest rate and foreign exchange risks relating to the US Private Placements are hedged by Cross Currency and Interest Rate Swaps, details of which are provided in note 7.

Bank borrowings and medium/long-term leasing obligations include euro 52,000 (euro 230,000) related to the amount drawn down on the euro 850,000 five year committed revolving credit facility, negotiated during 2011 with a pool of 12 leading international banks. Interest on this credit facility is variable and linked to Euribor plus a spread that depends on the ratio of the Barilla Iniziative group's net financial position to EBITDA. The interest rate risk is partially hedged by interest rate swaps, details of which are provided in note 6.21.

The same line item includes an amortizing loan with the European Investment Bank (BEI), that has been subscribed in January 2012 for euro 50,000, expiry 2020. At 31 December 2013, the residual balance amounted to euro 34,265 (euro 40,476).

The portion of medium/long-term leasing obligations relating to the finance leases on the cogeneration plants in Italy fell to euro 24,761 (euro 28,115). Previous year, the item included also leasing obligations of the Lieken group for euro 16,447.

As at 31 December 2013, the Group had undrawn irrevocable credit facilities of euro 798,000 that mature in 2016. A complete analysis of the interest rate risk management policy is provided in the note 7.

The maturity dates of medium/long-term borrowings are illustrated in the table below:

	2 to 5 years	Over 5 years	Total
Bonds	124,363	202,920	327,283
Bank borrowings and leasing obligations	93,070	20,712	113,782
Total medium/long-term bank borrowings	**217,433**	**223,632**	**441,065**

An analysis of bank borrowings, including derivative financial instruments, by maturity date and type of interest rate is as follows:

Borrower	Description	Interest rate	At 12/31/2013	Maturity
Barilla France	Bonds (including cross currency and interest rate swaps)	fixed-variable	212,427	2015 – 2023
Barilla Iniziative - Barilla France	Revolving credit facility (including interest rate swap)	variable	53,988	2016
Barilla G.e R. Fratelli group	Bonds (including cross currency and interest rate swaps)	variable	114,130	2025
Barilla G.e R. Fratelli group	BEI loan	variable	40,476	2020
Barilla G.e R. Fratelli group	Banks	variable	8,168	2014 - 2016
Barilla G.e R. Fratelli group	Leasing companies	fixed	31,463	2014 - 2028
Total bank borrowings due within one year and after more than one year			**460,653***	

Borrowings due within one year and after more than one year are denominated in the following currencies:

Currency	Carrying value 2013	Carrying value 2012
Euro	127,101	334,911
USD (American Dollar)	329,783	366,693
Other	3,769	6,003
Total borrowings due within one year and after more than one year	**460,653***	**707,607**

The analysis of borrowings by date of interest rate renegotiation is as follows:

Period	Carrying value 2013	Carrying value 2012
Within 1 year	344,069	477,566
1 to 5 years	95,872	201,844
Over 5 years	20,712	28,197
Total borrowings due within one year and after more than one year	**460,653***	**707,607**

** Total financial payables at 12/31/2013, due within one year and after one year include negative derivatives and are expressed net of the positive value of interest rate swaps, for euro 19,856 (euro 36,949), forward exchange contracts for euro 399 and the derivative amounts related to the bonds entered into in 2011, which are classified in Derivative financial instruments - non-current assets - Cash flow hedge for euro 6,181 and Fair value hedge for euro 13,276. Further details are disclosed in paragraph 6.21.*

The effective interest rates on borrowings amounted to 2.9% (3%).

The comparison between the carrying value and fair value of borrowings is disclosed in note 7.

Financial covenants and other contractual obligations
The bonds issued and loan contracts (the "Loans") require compliance with a series of contractual obligations and financial covenants (the "Covenants").

The principal covenants, defined in one or more contracts, which are in line with practice in the reference market for similar transactions, are as follows:

Financial covenants
- Ratio of net borrowings and EBITDA;
- Ratio of EBITDA and net interest on borrowings;
- Ratio of borrowings of operating companies plus borrowings secured by real guarantees (except where permitted contractually) and total assets in the Financial Statements.

Other restrictions and contractual obligations
- Change of control;
- Obligation not to subordinate borrowings for debt operations (*pari passu*) and/or grant pledges in favor of third parties (except where permitted contractually);
- Maintenance of fundamental elements of business assets (including trademarks, licenses and intellectual property);
- Utilization of gains on disposals, acquisition policies and dividends (except where permitted contractually).

Default events (loss of benefits arising from the terms)
Principal default events, which are not applied to minor Group companies, are summarized as follows:
- Failure to repay loan installments;
- Non-compliance with financial covenants and other material restrictions and contractual obligations;
- Cross default (loss of benefits arising from the terms for other loans that exceed certain pre-determined limits);
- Insolvency, bankruptcy and other administration procedures;
- Significant change in the Group's business.

Where a default event occurs, which is not rectified within contractual time limits, the lenders have the right to request repayment of all or part of sums lent in accordance with the specific loan conditions, together with interest and any other sums due contractually.

No defaults arose either during the year or at the year end.

6.21 Derivative financial instruments

	12/31/2013		12/31/2012	
	Assets	Liabilities	Assets	Liabilities
Cash flow hedge - interest rate derivatives	6,181	12,809	9,991	10,320
Fair value hedge - interest rate derivatives	13,276	7,911	-	1,276
Held for trading - interest rate derivatives	-	812	26,959	-
Cash flow hedge commodities	2,208	-	2,063	-
Total non-current portion	**21,665**	**21,532**	**39,013**	**11,596**
Cash flow hedge - interest rate derivatives	-	-	-	16,667
Cash flow hedge - commodities	-	51	1,569	-
Held for trading - forward exchange contracts	399	759	269	899
Held for trading - commodities	4,650	-	9,657	-
Total current portion	**5,049**	**810**	**11,495**	**17,566**
Total derivative financial instruments	**26,714**	**22,342**	**50,508**	**29,162**

The Group designated the following hedging type:

- Currency and interest rate swap contract designed as cash flow hedge to cover fluctuations in interest rates and foreign exchange rates in respect of the US Private Placement signed in 2003, with a residual amount of USD 92 million. The related fair value at 31 December 2013 amounted to euro 10,821 and the effect charged to profit and loss for exchange difference amounted to euro 2,438;
- Currency and interest rate swap contract for a tranche of US private placement bond issued in 2011, with a nominal value of USD 75 million that expires on 18 July 2018, which has been designated as a cash flow hedge. The positive fair value at 31 December 2013 amounted to euro 6,181 and the effect charged to profit and loss for exchange difference amounted to euro 3,221;
- Currency and interest rate swap contract for the tranches of US private placement bond issued in 2011, with a nominal value of USD 125 million that expires on 15 July 2021 and 15 July 2023, which has been designated as a fair value hedge. The positive fair value at 31 December 2013 amounted to euro 13,276, that was recognized in the income statement;
- Currency and interest rate swap contract for the tranches of US private placement bond issued in 2013 by Barilla G. e R. Fratelli S.p.A., with a nominal value of USD 150 million that expires on 13 December 2025, which has been designated as a fair value hedge. The negative fair value at 31 December 2013 amounted to euro 7,911, that was recognized in the income statement;
- Interest rate swap contract in relation to the committed revolving credit facility, with a nominal value of euro 50,000 that expires on 31 May 2016, designated as a cash flow hedge. The negative fair value at 31 December 2013 amounted to euro 1,988;
- Interest rate swap contract with a nominal value of euro 50 million that expires on 31 May 2016, designated as held for trading. The negative fair value at 31 December 2013 amounted to euro 812, that was recognized in the income statement.

Derivatives on commodities mainly comprise forward contracts to hedge electricity costs and derivative contracts on the price of wheat.

Movements in the cash flow hedge reserve were as follows:

	2013		2012	
	Gross reserve	Tax effect	Gross reserve	Tax effect
Opening balance	**1,678**	**(364)**	**7,377**	**(2,317)**
Change in fair value	(8,781)	3,010	(9,243)	3,232
Exchange difference recognized in income statement	5,659	(2,043)	3,544	(1,279)
Closing balance	**(1,444)**	**603**	**1,678**	**(364)**
of which attributable to the Group	(1,228)	513	1,426	(310)

The cash flow hedge reserve includes the effective portion of interest rate hedges.

The notional value of the Cross Currency and Interest Rate Swap contracts at 31 December 2013 amounts to euro 129,160 in respect of the bonds that expire in 2015 and 2018, and euro 50,000 on the revolving credit facility.

The financial risk management policy is disclosed in note 7.

6.22 Other payables

Other payables that amounted to euro 4,237 (euro 4,477) largely represent the liability in respect of social contributions.

6.23 Equity

Share capital

Fully paid share capital at 31 December 2013, as of 31 December 2012, comprised nr. 13,100,000 ordinary shares with a nominal value of euro 10 each, consisting of nr. 11,790,000 ordinary shares and nr. 1,310,000 B shares. The B shares have the same voting rights as ordinary shares in the ordinary and extraordinary shareholders' meetings not be lower than the dividend assigned to ordinary shares.

It should be noted that the company does not have holdings in its own shares, either directly or indirectly through its subsidiaries or associates.

The shareholders' meeting of 21 June 2013 approved the payment of a dividend of euro 45,202 allocated as follows:

- to B shares a total of euro 26,043;
- to ordinary shares a total dividend of euro 19,159.

These dividends were paid on 9 July 2013.

Dividends amounting to euro 7,045 were paid to the minorities by the subsidiary Barilla Iniziative S.r.l. on 9 July 2013.

Commitments and guarantees

Contractual commitments at the year-end that are not recognized in the Financial Statements amounted to euro 581,880 (euro 578,584) and comprise:

- commitments for finished goods purchases, wheat, other raw materials and packaging for euro 511,523 (euro 533,607);
- commitments for capital expenditure for euro 2,357 (euro 4,977);
- commitments for energy purchases for euro 68,000 (euro 40,000).

Third party guarantees

Comprise guarantees provided by banks and/or insurance companies to government agencies in connection with VAT refunds on behalf of the subsidiary Barilla G. e R. Fratelli S.p.A., for euro 268,617 (euro 203,612).

Contingent liabilities

The Group has contingent liabilities in respect of legal and tax claims arising in the normal course of Group business. It is not anticipated that any material liabilities will arise from contingent liabilities other than those already provided in the Financial Statements.

Consolidated income statement

6.24 Revenue

Revenue may be analyzed as follows:

	2013	2012
Total sales of finished goods	3,121,227	3,067,472
Sales of by-products	49,517	54,401
Sales of packaging and other materials	22,383	27,120
Revenue from product distribution and franchising services	5,356	6,854
Total	**3,198,483**	**3,155,847**

6.25 Detail of costs by nature

The composition of costs by nature in relation to cost of sales, logistics expenses, selling expenses, marketing expenses, technical and development costs and administrative expenses, is illustrated in the table below:

	2013	2012
Purchase of raw materials, semi-finished goods, finished goods, materials and change in inventories	1,319,870	1,311,801
Purchase of other materials	19,681	18,717
Employee costs	466,442	458,751
Depreciation of property, plant and equipment and amortization of intangible assets	138,610	140,906
Goodwill and intangible fixed assets impairment loss	28,354	-
Transport and warehousing services	274,562	284,355
Promotional and advertising services	274,764	241,929
Maintenance costs	28,532	25,490
Services	60,318	59,624
Consultancy costs	35,440	38,915
Third party manufacturing costs	59,000	61,729
Sales commissions	46,419	44,986
Utilities	87,422	91,607
Travel and expenses	18,986	20,621
Property leases, rentals and operating leases	16,627	15,982
Directors' and statutory auditors' emoluments	4,955	4,998
Insurances	7,128	7,195
Other taxes	9,281	8,786
Employee training costs	3,539	4,217
Postage and telephone expenses	7,510	7,897
Customs duties	4,776	4,834
Factoring services	1,758	1,652
Others	11,086	12,030
Total	**2,925,061**	**2,867,022**

Depreciation on property, plant and equipment and amortization of intangible assets are classified under the following income statement headings:

	2013	2012
Cost of sales	106,658	109,061
Logistics costs	7,002	5,616
Selling costs	488	311
Marketing costs	54	40
General and administrative expenses, technical and development costs	24,408	25,878
Total	**138,610**	**140,906**

6.26 Other income and expenses

Other income and expenses comprised:

	2013	2012
Income and expenses from continuing operations:		
- Gains/(Losses) - net on disposals of property, plant and equipment	(2,719)	(3,719)
- Insurance repayments	1,323	2,956
- Net charges to/utilization of provisions	(27,850)	(19,205)
- Charge to allowance for doubtful accounts	(5,742)	(2,239)
- Property and other taxes	(6,333)	(6,217)
- Third party donations on behalf of employees	(2,314)	(2,560)
- Membership fees	(2,043)	(1,915)
- Employee incentives	(4,318)	(4,406)
- Income/(Expenses) relating to other accounting periods	11,612	2,213
- Bank commissions	(940)	(1,017)
- Net services rendered and other minor amounts	5,484	(314)
Total income/(Expenses) from continuing operations	**(33,838)**	**(36,424)**
Net restructuring income/(Expenses)	(5,030)	2,535
Total income and expenses from discontinued operations	**(5,030)**	**2,535**
Total other income and expenses	**(38,868)**	**(33,889)**

6.27 Finance costs - net

Finance costs - net consisted of the following:

	2013	2012
Net costs relating to the net financial position:		
Interest income on bank accounts	1,051	1,937
Interest expense on short-term bank borrowings	(1,383)	(1,236)
Interest expense on medium/long -term bank borrowings	(2,880)	(6,749)
Interest expense on bonds	(12,011)	(11,306)
Interest expense on finance leases	(1,812)	(1,944)
Commissions on subscription and draw down of irrevocable credit facilities	(1,309)	(1,599)
Total net finance costs relating to the net financial position	**(18,344)**	**(20,897)**
Other finance income/(costs)		
Amortized costs and re-measurement of net costs on bank borrowings		
Foreign exchange gains/(losses)	(12,067)	1,276
Commissions on undrawn amounts	(2,384)	(1,942)
Interest costs on pension liabilities	(4,176)	(5,123)
Other income and costs	1,024	1,263
Total other finance income/(costs)	**(17,603)**	**(4,526)**
Total finance costs-net	**(35,947)**	**(25,423)**

Interest expense on bonds include the variation of fair value of the related hedging instruments.

Commission on the subscription to and draw down of the irrevocable credit facilities refers to Committed Revolving Credit Facility.

The above-mentioned facility bear interest at a variable rate linked to Euribor plus a spread dependent on Barilla Iniziative group's ratio of net financial debt to EBITDA.

Other income and costs comprise interests on extended commercial credit and debit terms.

Foreign exchange gains/(losses) consisted of the following:

	2013	2012
Net realized exchange gains/(Losses) - commercial and financial	(7,152)	1,395
Net unrealized exchange gains/(Losses) - commercial and financial	(4,915)	(119)
Total net exchange gains/(Losses)	**(12,067)**	**1,276**

6.28 Income tax expense

The total charge of euro 93,969 (euro 87,744) comprises current taxes of euro 115,558 (euro 87,930) and deferred income taxes of euro 21,589 (euro 186).

The reconciliation between the theoretical tax charge and the tax charge in the Financial Statements is provided below.

The effective tax rate on profit before income tax, net of non-recurring costs that largely relate to fixed assets impairment, amounts to 38.8% (37.3%).

	Year ended 31 December 2013
Profit before income tax	198,607
Theoretical tax charge	66,455
Unrecognized deferred tax assets	5,765
Difference in taxable income for IRAP (trade income tax) purposes	5,614
Net non-deductible expenses/(income) (not subject to tax)	13,527
Use of deferred tax assets not recognized in prior periods and re-measurement of deferred taxes	2,608
Effective tax charge	**93,969**

The higher effective tax charge compared to the theoretical amount, calculated as the weighted average of the tax rates in the countries in which the Group operates, is largely due to the fact that deferred income tax assets were not recognized on tax losses incurred by a number of subsidiaries and costs that are not deductible.

The nominal tax rates in the countries in which the principal Group companies operate are as follows:

Europe		North America	
Italy	31.40%	USA	35.00%
Germany	30.06%		
Sweden	22.00%	**Other**	
France	33.33%	Russia	20.00%
Austria	25.00%	Brazil	34.00%
Turkey	20.00%	Mexico	30.00%
Greece	26.00%	Australia	30.00%

Tax losses carried forward and unrecognized deferred income tax assets are summarized as follows:

Company	Tax losses	Period for which losses may be carried forward	Rate %	Recognized deferred income tax assets	Unrecognized deferred income tax assets
Barilla Gida A.S.	1,505	5 years	20.00%	301	-
Academia Barilla S.p.A. - Socio Unico	13,605	Unlimited	31.40%	-	4,272
Barilla America Inc.	18,845	20 years	10.00%	1,846	-
Barilla Do Brazil LTDA	6,017	Unlimited	34.00%	2,705	-
Barilla Sverige AB	973	Unlimited	22.00%	241	-
Harry's Cis LLC	52,811	10 years	20.00%	-	10,562
Barilla Danmark A/S	1,882	Unlimited	23.00%	-	433
Barilla Canada Inc.	7,574	20 years	31.00%	-	2,348
Barilla Belgium S.A.	3,678	Unlimited	33.99%	-	1,250
Barilla Poland Sp. Z.o.o.	2,195	5 years	19.00%	-	417
Finba Bakery Holding GmbH	95,878	Unlimited	15.83%	-	13,735
Total	**204,963**			**5,093**	**33,018**

7. Financial instruments and net financial position

Risk management policies

The Group's activities expose it to a variety of financial risks, among which: market risks (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

As part of its risk management policy and in order to minimize the impact of these market risks, the Group uses hedging instruments (no speculative instruments are used or held). The Group manages almost all hedging transactions centrally. Guidelines have been issued that govern risk management and procedures have been introduced to control all transactions relating to derivative instruments.

(a) Market risk

(i) Interest rate risk

The exposure to market risk arising from changes in rates is principally linked to changes in euro interest rates, which represents the currency in which almost all Group borrowings are denominated. Group policy is to maintain a balance between the fixed and variable rate exposure.

At 31 December 2013 approximately 47% (60%) of gross indebtedness was denominated, either directly or through specific derivative financial instruments, at fixed or capped rates.

The Group analyses its interest rate exposure on a dynamic basis. In particular, the Group simulates its financing requirements and estimated cash flows applying varying assumptions based on economic expectations, existing positions and potential renewals, alternative financing, hedging policy and potential refinancing.

Sensitivity analysis

The potential post-tax effects on the income statement and total equity of a +0.5/-0.25 percentage point change in interest rates, linked to euro, with all other conditions remaining unchanged, applied to the Group's variable rate borrowings at 31 December would have amounted to:

Income/charge - (cost/increase)	2013		2012	
	+0.5%	-0.25%	+0.5%	-0.25%
Effect on Net Result	(294)	149	(686)	284
Effect on Other Comprehensive Income	414	(211)	510	(258)

The tax effects were calculated applying the Group's effective tax rates at 31 December 2013 and 2012.

(ii) Foreign exchange risk

As the Group operates an international business, it is exposed to the risk that exchange rate fluctuations have on its assets, liabilities and cash flows generated outside the euro area. In general the Group is not heavily exposed to foreign exchange risk: the risk that arises in the normal course of business is managed through a policy of compensating assets and liabilities, using where necessary derivative contracts (principally forward foreign exchange contracts).

Sensitivity analysis

The analyses included receivables and payables denominated in foreign currencies and derivative financial instruments.

At 31 December 2013 and 2012 the potential post-tax effects on the income statement of a strengthening/devaluation of the euro against the other foreign currencies, mainly U.S. dollar, with all other conditions remaining equal, would have amounted to:

Income/charge - (cost/increase)	2013		2012	
	+10%	-10%	+10%	-10%
Effect on Net Result	8,378	(8,378)	8,000	(8,000)
Effect on Other Comprehensive Income	133	(133)	622	(622)

(iii) Price risk
The Group manages the mitigation of risks relating to trends in the prices of commodities used in the production process, mainly through medium-term supplier purchasing contracts, using also to a limited extent derivative contracts on wheat. Hedging contracts are entered into in respect of the Swedish electrical energy market using the "Nord Pool" mechanism.

Sensitivity analysis
The analysis considers derivatives on commodities, mainly related to derivative contracts on wheat and energy.

At 31 December 2013 and 2012, the potential post-tax effects on the income statement and total equity of a strengthening/devaluation of commodities prices, with all other conditions remaining equal, would have amounted to:

Income/charge - (cost/increase)	2013		2012	
	+5%	-5%	+5%	-5%
Effect on Net Result	1,546	(1,275)	1,127	(1,279)
Effect on Other Comprehensive Income	298	(298)	311	(311)

(b) Credit risk

Credit risk represents the risk that one of the parties to a transaction does not fulfill the financial obligations undertaken. This risk relates to outstanding trade receivables, securities and cash and cash equivalents, and operations with banks and other financial institutions comprising: deposits and other transactions, derivative instruments and the ability to meet the covenants on the irrevocable credit facilities.

The Group's retail counterparties are concentrated in the modern trade channel.

The Group periodically assesses the credit quality of its counterparties and utilizes credit limits that are regularly monitored.

Insurance policies have been entered into in respect of a portion of commercial receivables in order to cover losses arising from non-recovery.

With regard to credit risk on bank deposits and the investments in bonds, the Group has established exposure limits for each bank (that evolves continuously depending on the rating, the level of Credit Default Swaps and market information).

(c) Liquidity risk

The Group's policy is to render liquidity risk reasonably remote. This is achieved through the constant availability of funding through undrawn irrevocable credit facilities, which allows reasonably foreseeable, future financial commitments to be met, also taking into account the Group's significant cash flows.

At 31 December 2013, the Group held undrawn credit facilities maturing in 2016 of approximately euro 798,000 in addition to cash and cash equivalents in excess of euro 111,694.

An analysis of financial liabilities by maturity is provided in the table below. The maturity dates were based on the period between the year end date and the contractual maturity of the obligations. The amounts in the table represent the undiscounted cash flows including interest estimated applying year-end exchange rates.

	Less than 1 year	1 to 5 years	Over 5 years	Total
At 31 December 2013				
Borrowings with banks, other lenders and finance leases	34,629	274,738	268,622	577,989
Derivative financial instruments through profit or loss	360	-	-	360
Trade and other payables	760,211	4,238	-	764,449
Total	**795,200**	**278,976**	**268,622**	**1,342,798**

	Less than 1 year	1 to 5 years	Over 5 years	Total
At 31 December 2012				
Borrowings with banks, other lenders and finance leases	196,734	389,170	194,024	779,928
Derivative financial instruments through profit or loss	899	-	-	899
Trade and other payables	968,054	4,477	-	972,531
Total	**1,165,687**	**393,647**	**194,024**	**1,753,358**

Categories of financial instruments

In order to provide full financial risk disclosures, the reconciliation between the categories of financial assets and liabilities as reported in the Group financial position and the categories of financial assets and liabilities identified in accordance with IFRS 7, as well as the information of fair value evaluation level, is presented below, provided for by IFRS 13:

31 December 2013	Financial assets at fair value through profit or loss	Receivables and financial receivables	Available for-sale financial assets	Financial liabilities at fair value through profit or loss	Financial liabilities at amortized cost	Hedging derivatives assets	Hedging derivatives liabilities	Fair value	Fair value evaluation Level
Available-for-sale financial assets not quoted on an active market	-	-	1,251	-	-	-	-	n.a.	-
Derivatives (assets)	-	-	-	-	-	2,208		2,208	Level 1
Derivatives (assets)	399	-	-	-	-	24,107	-	24,506	Level 2
Trade and other receivables	-	479,571	-	-	-	-	-	479,571	-
Cash and cash equivalents	-	111,694	-	-	-	-	-	111,694	-
Borrowings with banks and other lenders				-	458,218	-	-	466,055	-
Trade payables	-	-	-	-	584,875	-	-	584,875	-
Other payables	-	-	-	-	179,574	-	-	179,574	-
Derivatives (liabilities)	-	-	-	-	-	-	51	51	Level 1
Derivatives (liabilities)	-	-	-	1,571	-		20,720	22,291	Level 2
Total	**399**	**591,265**	**1,251**	**1,571**	**1,222,667**	**26,315**	**20,771**	**-**	**-**

31 December 2012	Financial assets at fair value through profit or loss	Receivables and financial receivables	Available for-sale financial assets	Financial liabilities at fair value through profit or loss	Financial liabilities at amortized cost	Hedging derivatives assets	Hedging derivatives liabilities	Fair value	Fair value evaluation Level
Available-for-sale financial assets not quoted on an active market	-	-	1,327	-	-	-	-	n.a.	-
Derivatives (assets)	-	-	-	-	-	3,632	-	3,632	Level 1
Derivatives (assets)	9,931	-	-	-	-	36,945	-	46,876	Level 2
Trade and other receivables	-	748,568	-	-	-	-	-	748,568	-
Cash and cash equivalents	-	119,914	-	-	-	-	-	119,914	-
Borrowings with banks and other lenders	-	-	-	-	715,395	-		734,380	-
Trade payables	-	-	-	-	769,373	-	-	769,373	-
Other payables	-	-	-	-	203,158	-	-	203,158	
Derivatives (liabilities)	-	-	-	2,180			26,982	29,162	Level 2
Total	**9,931**	**868,482**	**1,327**	**2,180**	**1,687,926**	**40,577**	**26,982**	**-**	**-**

During 2013, there were no transfer of financial assets or liabilities from level 1 to level 2 of the fair value hierarchy.

For the valuation techniques of the financial instruments in the level 2, refer to chapter 'Accounting and valuation policies', previously explained.

In 2013, there were no financial asset/liability for which the valuation method has changed (from fair value to amortized cost or vice versa).

The market value of borrowings with banks and other financial institutions was determined as follows:

- with regard to the variable rate syndicated loan, considering the same credit rating, the nominal repayment value was used, as the adjustment of future lending rates in line with Euribor determined by the markets ensures the substantial alignment in values;
- with regard to the US dollar fixed rate US Private Placement, the net present value of future coupon and capital flows, calculated using the current market IRS rate increased by the spread between coupons and the IRS rate at the time of issuance, with all amounts converted to euro at the current exchange rate;
- for all other borrowings, given the low value and the fact that these largely relate to short-term and/or variable rate instruments, the carrying value is considered to correspond to their fair value.

With regard to equity investments in unquoted companies included in the category available-for-sale financial assets, the fair value cannot be reasonably determined. These investments are recognized at cost. Further details are provided in note 6.13.

Net financial position (alternative indicator of performance not required by accounting standards)

The net financial position of the Group at the year-end represents the sum of financial receivables and payables that originated respectively from borrowings and deposits, cash, bank, and postal accounts, securities classified as financial assets at fair value through profit or loss. The net indebtedness of the Group at 31 December 2013 amounted to euro 347,152, compared to euro 574,135 in 2012, which included the foreign exchange and interest-rate derivatives that are marked-to-market.

Derivatives entered into to hedge the risk relating to commodities used in the production process, included in the above total, have a positive mark-to-market of euro 6,807 (2012 - euro 13,290).

The Group's net financial position may be summarized as follows:

	12/31/2013	12/31/2012
Cash and cash equivalents	111,694	119,914
Current financial assets at fair value	5,049	11,495
Banks and other borrowings (including derivatives)	(22,963)	(174,143)
Short-term net financial position	**93,780**	**(42,734)**
Non-current financial assets at fair value	21,665	39,013
Borrowings (including derivative)	(462,597)	(570,414)
Medium/long-term net financial position	**(440,932)**	**(531,401)**
Total net financial position	**(347,152)**	**(574,135)**

Capital risk management

The Group's objectives with regard to capital risk management are to safeguard the ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Group also aims to maintain an optimal capital structure in order to reduce the cost of debt.

The Group monitors capital on the basis of the ratio between the net financial position and EBITDA (an alternative performance indicator).

This ratio is an indicator of the ability to repay borrowings and is normalized in order to exclude non-recurring items.

Analysis of operating profit from continuing operations (EBIT-EBITDA):

	2013	2012
Operating profit*	**240,085**	**170,356**
Goodwill and intangible fixed assets impairment losses	28,354	-
Expenses and losses on discontinued operations	4,886	87,884
Operating profit from continuing operations (EBIT)	**273,325**	**258,240**
Amortization and impairment losses of intangible fixed assets (continuing operations)	19,218	20,991
Depreciation and impairment losses of tangible fixed assets (continuing operations)	132,221	153,976
Operating profit from continuing operations before depreciation, amortization and impairment losses on fixed assets (EBITDA)	**424,764**	**433,207**

** Includes discontinued operations.*

This ratio at 31 December 2013 and 31 December 2012 was as follows:

	2013	2012
Net financial position	347,152	574,135
EBITDA	424,764	433,207
EBITDA/net financial position ratio	**0.82**	**1.33**

8. Disclosures in accordance with IAS 24 for related party transactions and key management compensation

8.1 Key management compensation

Key management with authority and responsibility for planning, directing and controlling the Group's activities are the executive and non-executive directors, represented by the Managing Directors and Finance Directors of Barilla Holding and the principal Group operating subsidiaries.

Total compensation paid to these individuals is presented below:

Key management compensation (euro thousands)

	2013	2012
Short-term benefits	14,248	15,457
Post-employment benefits	549	106
Other long-term benefits	110	4,897
Total	**14,907**	**20,460**

8.2 Related parties

Transactions with other Group companies and related parties are not considered to be uncharacteristic or unusual as they are carried out in the normal course of business. These transactions take place on an arm's length basis, where possible taking into account market conditions.

KPMG S.p.A. has been engaged to perform the audit of the consolidated financial statements of Barilla Holding Group, for the years from 2013 to 2015, as required by Italian law (Article n. 14 - Legislative Decree 39 of the 2010 and articles n. 2409-bis et seq. of the Italian Civil Code). The 2013 fees in respect of the audit of the consolidated financial statements amount to euro 635.

8.3 Relationships with company bodies

The emoluments of the directors of Barilla Holding Società per Azioni for 2013 amounted to euro 4,043.

The remuneration of the Board of Statutory Auditors of Barilla Holding in relation to Group engagements amounted to a total euro 398 in 2013.

Stephan El Shaarawy

Annexes

Annex 1 - List of consolidated companies

Company, headquarter and activity	Currency	Share Capital (nominal values)	% Group ownership	Through %
Barilla Iniziative S.r.l. Via Mantova, 166 - Parma (Italy) Financial company	EURO	101,000,000	85.00	85.000 Barilla Holding Società per Azioni
Italian Kitchen S.r.l. - Socio Unico Via Mantova, 166 - Parma (Italy) Financial company	EURO	100,000	85.00	100.000 Barilla Iniziative S.r.l.
Italian Kitchen USA. Inc. 2711 Centerville Road, Suite 400, Wilmington County of New Castle, Delaware 19808 (USA) Restaurants coordination	USD	10,000	85.00	100.000 Italian Kitchen S.r.l. - Socio Unico
IKRG - Midtown LLC c/o Funaro & Co. P.C. 350 Fifth Avenue 41st Floor. New York NY 10118 (USA) Restaurant	USD	10,000	85.00	100.000 Italian Kitchen USA. Inc.
Finba Bakery Holding GmbH Prinzenallee 1.1 - Düsseldorf (Germany) Financial company	EURO	25,000	85.00	100.000 Barilla Iniziative S.r.l.
Barilla G. e R. Fratelli Società per Azioni - Socio Unico Via Mantova, 166 - Parma (Italy) Production and trade	EURO	180,639,990	85.00	100.000 Barilla iniziative S.r.l.
Barilla Servizi Finanziari S.p.A. - Socio Unico Via Mantova, 166 - Parma (Italy) Leasing	EURO	30,000,000	85.00	100.000 Barilla G. e R. Fratelli Società per Azioni - Socio Unico
Academia Barilla S.p.A. - Socio Unico Via Mantova, 166 - Parma (Italy) Trade	EURO	1,000,000	85.00	100.000 Barilla G. e R. Fratelli Società per Azioni - Socio Unico
F.I.R.S.T. Retailing S.p.A. - Socio Unico Via Mantova, 166 - Parma (Italy) Trade	EURO	5,000,000	85.00	100.000 Barilla G. e R. Fratelli Società per Azioni - Socio Unico
F.I.R.S.T. Commerciale S.r.l. - Socio Unico Via Mantova, 166 - Parma (Italy) Trade	EURO	10,000	85.00	100.000 F.I.R.S.T. Retailing S.p.A. - Socio Unico
Barilla Hellas S.A. 26 Pappou & Akragantos Str. - Athens (Greece) Production and trade	EURO	5,634,440	85.00	100.000 Barilla G. e R. Fratelli Società per Azioni - Socio Unico
Barilla America Inc. 1200 Lakside Drive 60015-1243 Bannockburn, Illinois (USA) Production and trade	USD	1,000	85.00	100.000 Barilla G. e R. Fratelli Società per Azioni - Socio Unico
Barilla Do Brasil LTDA A.V. Pinzon, 144 - 7° Andar CJ 71e 72 Vila Olimpia - São Paulo (Brazil) Trade	BRL	26,227,667	85.00	99.990 Barilla G. e R. Fratelli Società per Azioni - Socio Unico 0.010 Barilla Servizi Finanziari S.p.A. - Socio Unico
Barilla Japan K.K. Minami - Aoyama Minato - ku, Tokyo (Japan) Trade	JPY	10,000,000	85.00	100.000 Barilla G. e R. Fratelli Società per Azioni - Socio Unico

Company, headquarter and activity	Currency	Share Capital (nominal values)	% Group ownership	Through %
Barilla Austria GmbH Grabenweg 64, 6020 Innsbruck (Austria) Trade	EURO	436,000	85.00	100.000 Barilla G. e R. Fratelli Società per Azioni - Socio Unico
Barilla Mexico S.A. de C.V. Calzada San Bartolo Naucalpan 360 Col. Argentina Ponente Deleg. M. Hildalgo. 11230 Mexico City (Mexico) Production and trade	MXN	227,348,096	42.50	50.000 Barilla G. e R. Fratelli Società per Azioni - Socio Unico
Serpasta Pastificio S.A. de C.V. Calzada San Bartolo Naucalpan 360 Col. Argentina Ponente Deleg. M. Hildalgo. 11230 Mexico City (Mexico) Production and trade	MXN	2,050,000	42.50	2.000 Barilla G. e R. Fratelli Società per Azioni - Socio Unico 96.000 Barilla Mexico S.A. de C.V.
Barilla Singapore PTE. Ltd. 80 Robinson Road, Singapore (Singapore) Trade	SGD	1,000,000	85.00	100.000 Barilla G. e R. Fratelli Società per Azioni - Socio Unico
Barilla (SHANGHAI) Trading Company Limited Room 4703-35. 300 Huaihai Zhong Road. Huangpu District, Shanghai 200021 China Trade	USD	1,620,000	85.00	100.000 Barilla Singapore PTE. Ltd.
Barilla España S.L. Zurbano. 43 - Madrid (Spain) Trade	EURO	3,100	85.00	100.000 Barilla G. e R. Fratelli Società per Azioni - Socio Unico
Barilla Canada Inc. 26, Yonge Street, 1500 Toronto ON M5C 2W7 (Canada) Trade	USD	10,000	85.00	100.000 Barilla G. e R. Fratelli Società per Azioni - Socio Unico
Barilla Gida A.S. Kosifler Plaza, serin Sk. No: 9, A Blok. Kat: 6 İçerenköy 34752 Istanbul (Turkey) Production and trade	TRL	2,940,000	84.996	99.995 Barilla G. e R. Fratelli Società per Azioni - Socio Unico
Barilla Switzerland A.G. Ruetistrasse, 32 - 8702 Zollikon (Switzerland) Trade	CHF	1,000,000	85.00	100.000 Barilla Netherlands B.V.
Barilla Sverige AB 80 Commune - Stockholm (Sweden) Production and trade	SEK	5,000,000	85.00	100.000 Barilla G. e R. Fratelli Società per Azioni - Socio Unico
Barilla Norge AS Sandvikavegen 55- 2312 Ottestad N - 2301 Hamar (Norway) Trade	NOK	1,950,000	85.00	100.000 Barilla Sverige AB
Barilla Danmark A/S Mileparken, 18 DK - 2740 Skovlunde (Denmark) Trade	DKK	500,000	85.,00	100.000 Barilla Sverige AB
Barilla Poland Sp. Z.o.o. Ul. Poleczki, 23 - 922 Warsaw (Poland) Trade	PLN	14,050,000	85.00	100.000 Barilla Sverige AB
Barilla Deutschland GmbH Ettore Bugatti StraBe, 6 - 14. D - 51149 Cologne (Germany) Production and trade	EURO	51,100	85.00	100.000 Barilla Sverige AB

Company, headquarter and activity	Currency	Share Capital (nominal values)	% Group ownership	Through %
Barilla Australia PTY Ltd George Street - NSW Sydney (Australia) Trade	AUD	26,050,000	85.00	100.000 Barilla G. e R. Fratelli Società per Azioni - Socio Unico
Barilla Netherlands B.V. Lange Dreef, 13i - 4131 NJ Vianen (Netherlands) Trade	EURO	90,000	85.00	100.000 Barilla G. e R. Fratelli Società per Azioni - Socio Unico
Barilla Adriatik d.o.o. Trzaska cesta, 315 - Ljubljana (Slovenia) Trade	EURO	50,000	85.00	100.000 Barilla G. e R. Fratelli Società per Azioni - Socio Unico
Barilla Hrvatska D.o.o. Trg Drage Iblera 10 - Grad Zagreb (Croatia) Trade	HRC	75,200	85.00	100.000 Barilla G. e R. Fratelli Società per Azioni - Socio Unico
Barilla America N.Y. Inc. Livington County, New York (USA) Production and trade	USD	1,000	85.00	100.000 Barilla G. e R. Fratelli Società per Azioni - Socio Unico
Harry's CIS LLC Butyrski Tupik 1 Solnechnogorsk 141500 Moscow (Russia) Production and trade	RUB	500,000,000	85.00	100.000 Barilla G. e R. Fratelli Società per Azioni - Socio Unico
ZAO KONDI 132 Mendelleva - Ufa (Russia) Production	RUB	10,198,050	85.00	100.000 Harry's CIS
Barilla France SAS 103 Rue de Grenelle - 75007 Paris (France) Production and trade	EURO	126,683,296	85.00	100.000 Barilla G. e R. Fratelli Società per Azioni - Socio Unico
Harry's Restauration SAS 72 Route de Chauny - 02430, Gauchy (France) Production and trade	EURO	153,000	85.00	100.000 Barilla France SAS
Barilla Belgium S.A. 19 Boulevard de France 1420 Braine - l'Alleud (Belgium) Trade	EURO	693,882	85.00	71.200 Barilla Netherlands B.V. 28.800 Barilla France SAS

Annex 2 - List of investments in associated and other companies

Company, headquarter and activity	Currency	Share Capital (nominal values)	% Group ownership	Through %
BRW S.p.A. Via Savona, 97 Milan (Italy) Advertising	EURO	6,306,121	24.65	29.000 Barilla G. e R. Fratelli Società per Azioni - Socio Unico
Fiere di Parma S.p.A. Via delle Esposizioni, 393/A, Baganzola - Parma (Italy) Fair activities	EURO	23,248,620	0.264	0.310 Barilla G. e R. Fratelli Società per Azioni - Socio Unico
C.E.P.I.M. Piazza Europa, Fontevivo - Parma (Italy) Warehousing	EURO	6,642,928	0.323	0.380 Barilla G. e R. Fratelli Società per Azioni - Socio Unico
Immobiliare Caprazucca S.p.A. Strada al Ponte Caprazucca, 6 Parma (Italy) Other	EURO	7,517,948	0.00002	0.00003 Barilla G. e R. Fratelli Società per Azioni - Socio Unico
SI.GRA.D. Scrl Via Domenico Chelini, 7 Rome (Italy) Farmer's union	EURO	40,000	2.125	2.500 Barilla G. e R. Fratelli Società per Azioni - Socio Unico
SOGEAP - Aeroporto di Parma Società per la gestione S.p.A. Via dell'Aeroporto, 44/a Parma (Italy) Other	EURO	19,454,528	0.05	0.060 Barilla G. e R. Fratelli Società per Azioni - Socio Unico
Pallino Pastaria Company 1207 208st Avenue S.E. - Sammamish 98075 Washington (USA) Production and trade	USD	501,500	9.401	11.060 Barilla G. e R. Fratelli Società per Azioni - Socio Unico
Italy del Gusto - Consorzio Export La gastronomia di marca Viale Mentana, 41 - Parma (Italy) Trade	EURO	97,500	4.361	5.130 Barilla G. e R. Fratelli Società per Azioni - Socio Unico
COMIECO Via Litta Pompeo, 5 Milan (Italy) Other	EURO	32,020	0.031	0.037 Barilla G. e R. Fratelli Società per Azioni - Socio Unico
CO.NA.I. Via Tomacelli, 132 - Rome (Italy) Other	EURO	12,941,029	0.077	0.090 Barilla G. e R. Fratelli Società per Azioni - Socio Unico
FASTIGHETSAKTIEBOLAGET TAREDOM Pumpgatan 5, Karlstad, 65221, Sweden Other	SEK	796,700	0.17	0.200 Barilla Sverige AB
STOREBRAND ABA Professor Kohts vei 9, 1366 Lysaker, Norway Other	NOK	2,250,000,000	0.00002	0.00003 Barilla Norge AS
TÅGÅKERIET I BERGSLAGEN AB Kristinehamn, Sweden Other	SEK	3,000,000	8.50	10.000 Barilla Sverige AB

Annex 3. Currency rates of exchange

Main rates of exchange used to convert consolidated financial statement are set below:

		Average 2013	Year end 12/31/2013
AUD	Australian Dollar	1.378	1.542
BRL	Brazilian Real	2.869	3.258
CAD	Canadian Dollar	1.368	1.467
CHF	Swiss Franc	1.231	1.228
CNY	Chinese Yuan	8.165	8.349
DKK	Danish Krone	7.458	7.459
HRC	Croatian Kuna	7.579	7.627
JPY	Japanese Yen	129.663	144.720
MXN	Mexican Pesos	16.964	18.073
NOK	Norwegian Krone	7.807	8.363
PLN	Polish Zloty	4.197	4.154
RUB	Russian Rouble	42.337	45.325
SEK	Swedish Krone	8.652	8.859
SGD	Singapore Dollar	1.662	1.741
TRL	Turkish Lira	2.534	2.961
USD	American Dollar	1.328	1.379

Barilla believes in the Italian nutritional model that puts together superior quality ingredients and simple recipes, creating unique five-sense experiences.

Mikaela Shiffrin

Report of Independent Auditors

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(Translation from the Italian original which remains the definitive version)

Report of the auditors in accordance with article 14 of Legislative decree no. 39 of 27 January 2010

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

1 We have audited the consolidated financial statements of the Barilla Holding Group as at and for the year ended 31 December 2013, comprising the statement of financial position, income statement, statement of comprehensive income, statement of changes in equity, cash flow statement and notes thereto. The parent's directors are responsible for the preparation of these financial statements in accordance with the International Financial Reporting Standards endorsed by the European Union. Our responsibility is to express an opinion on these financial statements based on our audit.

2 We conducted our audit in accordance with the auditing standards issued by the Italian Accounting Profession and recommended by Consob, the Italian Commission for Listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement and are, as a whole, reliable. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by directors. We believe that our audit provides a reasonable basis for our opinion.

The consolidated financial statements present the prior year corresponding figures for comparative purposes. As disclosed in the notes, the parent's directors restated some of the corresponding figures included in the prior year consolidated financial statements. Other auditors audited such financial statements and issued their report thereon on 22 April 2013. We have examined the methods used to restate the prior year corresponding figures and related disclosures for the purposes of expressing an opinion on the consolidated financial statements at 31 December 2013.

3 In our opinion, the consolidated financial statements of the Barilla Holding Group as at and for the year ended 31 December 2013 comply with the International Financial Reporting Standards endorsed by the European Union. Therefore, they are clearly stated and give a true and fair view of the financial position of the Barilla Holding Group as at 31 December 2013, the results of its operations and its cash flows for the year then ended.

4 The directors of Barilla Holding S.p.A. are responsible for the preparation of a directors' report on the financial statements in accordance with the applicable laws. Our responsibility is to express an opinion on the consistency of the directors' report with the financial statements to which it refers, as required by the law. For this purpose, we have performed the procedures required by the Italian Standard on Auditing 001 issued by the Italian Accounting Profession and recommended by Consob. In our opinion, the directors' report is consistent with the consolidated financial statements of the Barilla Holding Group as at and for the year ended 31 December 2013.

Parma, 11 April 2014

KPMG S.p.A.

(signed on the original)

Lino Barbieri
Director of Audit

Corporate information and contacts

Barilla Holding - Società per Azioni

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