Annual Report 2014

Barilla
The Italian Food Company. Since 1877.

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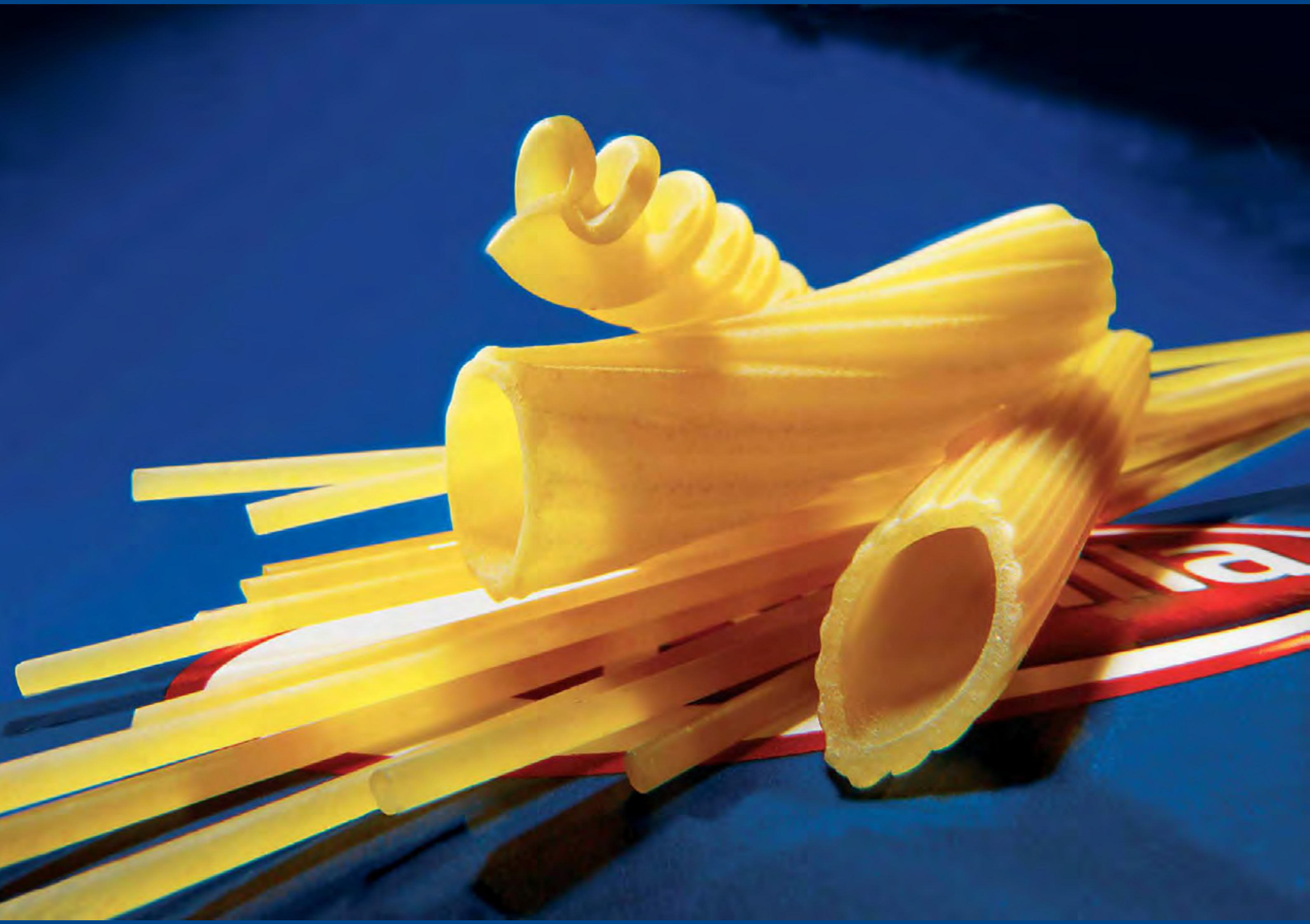


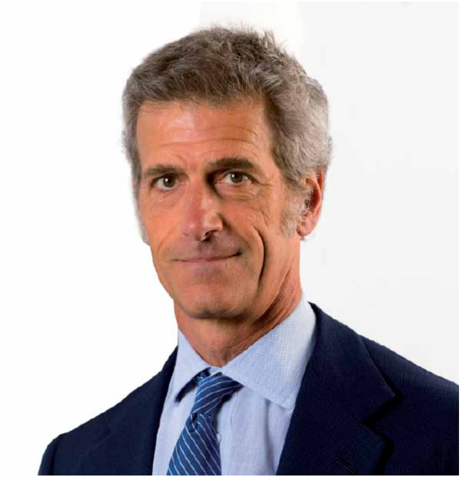
Pasta, the heart of Barilla's production in the world.

Summary

"Give people food that you would give your own children" (Pietro Barilla)

From the left: Paolo Barilla (Deputy chairman), Luca Barilla (Deputy chairman), Guido Maria Barilla (Chairman), Claudio Colzani (Chief executive officer).

Chairman's letter



In 2014, the global economic scenario remained very challenging. In Europe, the risk of deflation led to the adoption of unprecedented measures by the European Central Bank. America has yet to fully recover from a devastating financial crisis. Asia continues to slow down: the growth rate in China, on average above 10% between 2000 and 2010, is now below 7%. The price of durum wheat rose significantly, putting pressure on our margins.
In the first months of 2015, there have been some tentative signs of recovery, but global political instability weighs on the growth prospects for the world economy.
Despite such difficulties, we have solid roots that enable us to weather the storm, as shown by the 2014 results. Revenues stood at euro 3,254 million, up 2% from 2013 on a like-for-like basis and excluding the exchange rate effect. In 2014, earnings before interest, tax, depreciation and amortization (EBITDA), accounted on average for 13.1% of revenues, compared to 12.7 % in the previous year (euro 427 million vs. euro 409 million in 2013).
During 2014, the Barilla Group continued to invest strongly, giving priority to the expansion of its production and storage capacity: from new production lines for bread in France and for pasta in Russia, to new wheat silos in our main production plant in Parma.
In Italy, where the recovery from the economic downturn has been slower than in other countries, Barilla has managed to maintain its positions, with better results compared to the market average. In the rest of the world, sales are growing. These results are a confirmation of the effectiveness of our "Good for You, Good for the Planet" strategy and of loyalty to our brand. Our company has a strong presence in the markets in which it operates: it is accepted, respected and promoted by local communities, who recognize its reliability and values.
From an organizational point of view, the Group has found a proper balance between global and local, helping us to improve our ability to listen and understand, and to adapt our products to people's preferences, without altering their Italian identity. From common wheat egg pasta in Brazil, to pasta "Pronto" in China and the United States, as well as gluten-free pasta in our key markets.
Results were also achieved thanks to the success of our new bakery products, such as "Focaccelle" in Italy: in less than a year from its launch, more than 4 million people have purchased the product. In 2014, we also entered the British market in a structured way and the success of the first Academia Barilla restaurant in New York has paved the way for new openings.
In 2014, the Barilla Center for Food and Nutrition Foundation handed the Milan Protocol to the Italian Government, a document that inspired the Milan Charter, which aims to be the most significant legacy of the Universal Exposition taking place in Milan from May to October (EXPO 2015).
"Give people food you would give your own children". These are our father's words, which still inspire us every day. Our commitment is to achieve total quality, with excellent products in terms of taste, but also safe, balanced and with a lifecycle that respects - from a social and an environmental point of view - all the players of the supply chain as well as the planet's resources.
Quality and the right combination of tradition and innovation have always been the cornerstones of the Barilla Group's mission. The performance of 2014 and of the first few months of 2015 confirm, once again, that we have laid very solid foundations for further growth in the future.

Guido Barilla

The Prime Minister Matteo Renzi gives his support to the Milan Protocol on food and nutrition, launched by the Barilla Center for Food and Nutrition Foundation.

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

Director
Emanuela Barilla

Board of statutory auditors

Chairman
Luigi Capitani

Auditors
Alberto Pizzi
Augusto Schianchi

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

Independent auditors
KPMG S.p.A.

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.

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

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

1971

BARILLA BECOMES AMERICAN

THE AMERICAN INTERLUDE

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

"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 FUNDAMENTAL INGREDIENT OF ECONOMIC LIFE, BUT IN ORDER FOR IT TO BE REALIZED AND FOR SOCIAL HARMONY TO BE MAINTAINED THERE MUST BE MORAL RULES AND VALUES, AND WE MUST RESPECT THEM. THIS IS WHAT PAST GENERATIONS HAVE HANDED DOWN TO US AND THAT IS WHY IT IS OUR DUTY TO HONOR THEIR MEMORY. IN DOING SO, WE WILL HELP THE YOUTH OF TODAY TO UNDERSTAND HISTORY AND BE AWARE OF OUR COMMON ROOTS."

PIETRO BARILLA

"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

1975

THE MULINO BIANCO ERA BEGINS

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.

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.

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).

TODAY

2010

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.

2014

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

"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 CHILDREN HAVE A BAD OPINION OF ME, I LIKE TO THINK THAT THEY TRUST AND RESPECT ME; THAT THEY BELIEVE IN ME AND THAT THIS TRANSMISSION OF EXPERIENCES FROM FATHER TO CHILDREN IS IN EFFECT A TRUTH THAT CAN BE REALIZED. THE GOAL IS SUCCESSION, FOR THE FAMILY TO CONTINUE FOR ANOTHER GENERATION, WHICH MEANS 30-40 YEARS IN THE COMPANY'S LIFE. THEN THE NEXT GENERATION WILL PROVIDE... IF IT WILL PROVIDE... FOR THE SUCCESSION..."

PIETRO BARILLA

"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

Despite a difficult and uncertain economic environment, the Barilla Group continued its positive performance in 2014: Group sales volumes increased by 3% compared to the previous year and net revenue amounted to euro 3,254 million, a 2% increase on 2013 at constant scope of consolidation and exchange rates.

In Italy, which represents two thirds of total Group sales and a market in which all of the major fast moving consumer goods (FMCG) companies experienced a significant drop in sales volumes, Barilla managed to hold on to its market share; there was a growth in sales volumes in Europe, America, Asia and Australia. This performance is a result of particularly effective marketing policies and brand loyalty.

The increased volumes and revenue, together with progressive improvements in production efficiency and fixed overhead rationalization measures, generated resources for new marketing initiatives and innovation that contributed to strengthening market share that in turn led to a modest increase in gross margins.

The positive performance was also sustained by new product launches (such as gluten-free pasta and "Focaccelle" in the Bakery segment), the consolidation of pasta and sauces consumption in a number of major European countries and higher E-Commerce sales.

For 2015, the Group continues its strategy to increase sales volumes and revenue by: strengthening its presence in emerging markets (Brazil, Russia and China), undertaking a continuous personalization process in order to render Barilla products more appealing to local customers; adopting measures to consolidate the position of the strong historic brand Voiello in the premium pasta market segment; innovation and new product launches (commencing with the introduction of new variations in the gluten-free segment) with a strategic focus on ready-made sauces.

The Group also focuses on the finalization and execution of approved investment projects: the implementation of the new production line in Ames dedicated to manufacturing gluten-free pasta; rationalization of the Pedrignano (Italy) transport system involving the integration of a dedicated railway line and silos allocated to raw materials storage; the installation of new pasta production lines in Solne (Russia); the rationalization and increase in the production capacity of the La Malterie (France) plant production lines. The development of these projects paves the way to more efficient production that is closer to the end markets and represents, together with geographical diversification, the cornerstone of our medium-term development plan.

In its role as world leader of pasta production, Barilla aims to bring pasta back to the forefront of the food industry, endorsing the product's simplicity, extraordinary quality, natural and balanced nutritional content and compatibility with all diets and food traditions.

Given its extensive manufacturing network, Barilla also aspires to pursue a path of sustainable development to safeguard the planet. To this end the Group has defined a growth strategy that minimizes its manufacturing impact on the surrounding environment by employing environmental efficiency targets in line with corporate objectives. Moreover, the Group aims to share the benefits of its growth with the local communities in which it operates, in mutual respect for their commitments and responsibilities.

An ambitious growth plan would not be complete if not combined with adequate corporate cultural change. Barilla is fully aware that it could not achieve these objectives without the full support of its employees. A Diversity & Inclusion plan was launched some time ago as the company firmly believes that diversity enriches those that are in continuous contact with it. Barilla intends to invest in training its employees in this direction, as this represents the cultural framework on which to build change.

Barilla embraces technological innovation that improves the quality of life of both its consumers and employees.

Barilla*GoesDigital* is a new initiative with the ambitious aim of streamlining business processes and encouraging Group employees to use new digital technologies.

Transactions involving subsidiaries

The Group structure has remained largely unchanged. In accordance with IFRS 10 and 11, whereby accounting for joint arrangements is based on the rights and obligations of the participating parties rather than just the legal form of the entity, the Group has modified the accounting treatment in respect of its investments in Barilla Mexico S.A. de C.V. and Serpasta Pastificio S.A. de C.V., changing from the proportionate method of consolidation allowed by previous standards to consolidation on a line by line basis and disclosure of non-controlling interests. The previous year amounts were amended accordingly.

The following commentary provides a detailed review of the activities of the individual group 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 are stated.

Consolidated financial highlights

In terms of cash flows, operating profit from continuing operations, before depreciation, amortization and impairment of intangibles and property, plant and equipment (EBITDA), amounted to euro 427 million (euro 409 million), corresponding to an average 13.1% of revenue (12.7%).

Operating profit from continuing operations (EBIT) totaled euro 293 million (euro 270 million), representing 9.0% of revenue (8.4%).

Profit before income tax equaled euro 252 million (euro 201 million).

Consolidated profit for the year amounted to euro 150 million net of extraordinary income and expenditure, which compares to a profit of euro 111 million in 2013 that reflected the impairment losses recognized on fixed assets and the results of discontinued operations.

Consolidated profit attributable to owners of the parent (net of non-controlling interests) amounted to euro 126 million, compared to euro 92 million last year. Profit attributable to non-controlling interests amounted to approximately euro 25 million.

Current and deferred income taxes for the year totaled euro 102 million (euro 95 million); the effective tax rate, net of negative extraordinary items, is in line with the previous year at 40% (40%).

Net indebtedness amounted to euro 250 million (euro 347 million) and is detailed further in the notes to the financial statements.

The principal financial instruments in place to meet the Group's current financial requirements are:

- Bonds issued by Barilla France S.A.S. totaling USD 292 million placed with US institutional investors in December 2003 and July 2011 and divided into tranches (maturing between 2015 and 2023). The bonds, including the related hedging instruments valued at mark-to-market, amounted to euro 214 million at the year-end;
- A USD 150 million bond issued by Barilla G. e R. Fratelli Società per Azioni, that was placed with US institutional investors in December 2013 and matures in 2025. This bond, including the related hedging instruments valued at mark-to-market, amounted to euro 111 million at the year-end;
- A five-year revolving credit line of euro 700 million, secured in July 2014 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, which had not been drawn-down at 31 December 2014;
- A fixed-term amortizable loan of euro 50 million negotiated 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 principal amounted to euro 34 million at 31 December 2014.

(Further details are provided in the notes to the consolidate financial statements).

The Group's aim is to maintain a high level of medium-term debt in line with well-established financial policy, which prevents any credit restrictions as has occurred in recent years. These transactions, together with the positive cash flows generated from operations, ensured that the Group had sufficient resources both to meet its financial obligations and to fund future business opportunities.

As mentioned above the Group had an undrawn revolving credit facility of euro 700 million at 31 December 2014.

Antonio Banderas is the face of the Mulino Bianco brand in Italy.

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.

The leading pasta brand in Greece, Misko was established in 1927 and represents Greece's substantial pasta tradition; its logo depicts the monk Akakio on his donkey, going to buy pasta at the village market. Barilla acquired Misko in 1991.

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.

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 26 countries, exports its products to more than 100 countries and owns 30 production facilities across 9 countries.

Economic scenario

Italy did not experience economic growth yet again in 2014: average disposable income remained stagnant or was in decline, with consumption following the same trend. The continued uncertainty regarding potential future risks led to a tendency to save and further intensified the downturn in demand. In this current climate, despite some signs of improvement in the latter months of the year that continued with cautious signs of recovery in early 2015, companies' expectations regarding the future in respect of their investments are not positive.

New factors affecting international political instability are strongly hampering worldwide economic growth. In addition to the current war crisis situations that could directly impact the Group's raw material procurement, the economic recovery and growth program that is taking shape is also worrying. This trend mirrors that of the early 2000s with US consumers representing the driving force of the global economy while the others, particularly in Europe, only grow through exports and lack an autonomous support policy for domestic demand. A similar downturn is underway in China with continuous growth in exports but a strong decline in imports. US growth risks being financed by consumer debt that could lead to another financial crisis.

Another critical factor arose in the last quarter of 2014 with regard to the price of semolina. In the period August through October 2014, in total contrast to the price trend of other raw materials, the international wheat price increased from 438 to 698 USD/ton, closing at 600 USD/ton in December 2014. The price on the Italian market increased from 302 to approximately 390 euro/ton at the year-end.

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.

The organization structure is founded on achieving strategic and organizational balance across 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:

- Italy;
- Europe (excluding Italy);
- 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 Harrys brands.

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

Italy Region

Despite an economic and social climate that witnessed a slump in consumption and a downward trend in the sectors in which the Group operates, the Italy Region achieved growth in sales volumes compared to last year. All of the product market shares in terms of volume increased most notably in respect of the Bakery segment products while the Meal Solutions segment remained stable in this declining market.

The positive performance of the Bakery segment products is linked to sales of Rusks, Biscuits and Bread.The strong base products performance, the input of innovation (Focaccelle, Cornetti, and new biscuits), effective promotions and an improved marketing mix all contributed to revenue growth despite unfavorable commercial conditions.

After a difficult start, the Meal Solutions business results improved thanks to the success of the new "Gluten free pasta" and expansion of the "Whole Grain" and "Specialty" pasta ranges. The Sauces segment also performed well, recording continuous growth both in terms of volume and value, particularly in respect of meat based sauces and pesto varieties.

Europe Region

The macro-economic framework was positive in 2014, with positive growth in GDP across most developed economies (France +0.5%, Germany +1.6%, Sweden +2.0%). Our product categories showed a stable trend in Pasta and growth in sales volumes in the Sauces, Crispbreads, Bread and in France Breakfast products.

Barilla achieved outstanding results in 2014, recording significant growth in both volumes and revenue. This growth was generated through implementation of a predefined strategy, placing greater emphasis on countries with higher potential where the Group accelerated considerably its commercial and marketing investments (Poland, United Kingdom, Eastern Europe, Belgium, Spain, Portugal, Netherlands and Austria). The results in those countries where Barilla's presence is consolidated (France, Germany, Switzerland, Sweden, Norway and Greece) were very satisfying.

Western Europe cluster recorded strong results in terms of both volume and value thanks to excellent performance in France, the Iberian Peninsula and Belgium. Barilla also entered the UK market in 2014 through the Tesco chain.

Central Europe cluster grew both in terms of volumes and revenue compared to 2013, which was driven by Germany, Switzerland and the Netherlands in the Meal Solutions category, while the Pasta segment consolidated its position due to increased promotional activities and the progressive expansion of the Sauces category.

Northern Europe cluster recorded a marked rise in volumes but a slight fall in revenue due entirely to foreign exchange fluctuations. Performance was extremely positive in Sweden which saw market shares increase across all categories while results in Norway were negatively impacted by expenditure on promotions and particularly aggressive competitive pressure in the Crispbread category.

Eastern Europe cluster attained overall growth and a consolidation of revenue in Greece, where the increase in Sauces and the Bakery categories offset the country's widely known macro-economic structural problems and difficult commercial credit situation; growth was also recorded in the other countries as part of the Group's expansion policy that produced excellent results particularly in Poland and also Romania, Hungary and the Czech Republic.

America Region

Revenue increased in the America Region in 2014 due to a significant rise in both Brazil and Canada that substantially offset the decreases in Mexico and the United States.

Brazil achieved a 4.1% market share in value terms representing a 0.8% increase compared to last year, thanks to continued growth in the distribution of egg pasta made from local wheat that was launched in 2013 and imported durum wheat pasta. The increase was bolstered by investment in trade and marketing that focused on the Sao Paolo region where market share increased by 0.6% on the prior year to reach 16.1%.

The market share in value terms in Canada increased by 2% on last year to 10.6%, which was fostered by promotions, expansion of the distribution network of the pasta product range and the launch of gluten free pasta.

Mexico experienced a drop in market share in value terms, falling 1.4% on last year to 31.1% caused by a cut in pasta promotions.

The United States continues to represent the leading market and accounts for 83% of the region's net revenue. With regard to individual product categories, Sauces increased in both volume and revenue terms thanks to the expansion of the product range while Pasta, despite a fall of 0.3% in volume terms and 1.8% in value in this sector, achieved a marked increase compared to the prior year, bringing it successfully to a 28.9% market share as a result of entry to the premium sector and the launch of gluten free pasta.

Asia, Africa and Australia Region

The major economies in the Asia, Africa and Australia Region continued to grow in 2014 albeit at a slower pace, principally due to the downturn in growth in China and contraction of the Russian economy. The major currencies continued to devalue, in particular the Russian ruble, the Turkish lira and the Japanese yen. Despite this situation and the global inflation trend, particularly pronounced in Turkey, the Pasta segment continues to grow across the whole region.

The Group recorded another year of Barilla Brand growth: market share increased in all key markets, with particular success in Russia where the outstanding performance compared to last year led to a significant increase in the Group's market share. Market share also increased in other areas with positive developments in Turkey, Southeast Asia (Singapore and Malaysia) and the consolidation of the Chinese market.

Volumes in this region increased by 6% in 2014 thanks to the Meal Solutions business that more than offset the closure of the Soft Cake business in Russia. Revenue increased by 13% on last year (net of the foreign exchange impact) with strong performance in Russia, Turkey and Australia.

Investment in key markets continued, through increased advertising expenditure in Russia, Turkey and Australia and expanding Barilla brand visibility in China.

Academia Barilla and Restaurants

In the course of 2014, Academia Barilla maintained distribution of its products through major national and overseas chains and continued to pursue its role as an ambassador of Italian cuisine throughout the world.

The Academia Barilla restaurant opened in Manhattan, New York, in December 2013 and has just completed its first year of business. The results are encouraging with growing sales and very positive customer reviews. Steps were taken during the year to open a new location in Manhattan in 2015 in an area famous for both businesses and a significant tourist presence.

Capital expenditure

Barilla Group's expenditure on property, plant and equipment amounted to approximately euro 116 million in 2014, corresponding to 4% of revenue.

The resources were invested principally in the following Group areas:

- increase in production capacity in France;
- construction of a manufacturing plant with two pasta production lines in Solne, Russia;
- increasing wheat storage capacity in the Pedrignano and Novara plants in Italy;
- expenditure for production of the new Focaccelle product at the Melfi plant in Italy:
- changes to the packaging of pasta at the Pedrignano site and in Caserta for the Voiello brand (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 specifically, 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 (the "Decree") are tailored to the company's specific needs. The Organization, Management and Control Model comprises a general section and special sections together with the Code of Ethics. These define the types of corporate crimes, the business areas considered at risk of a crime being committed, the procedures, systems and protocols aimed at preventing crimes and the set of principles and values that Barilla Group companies identify with and that the directors, statutory auditors, employees, external collaborators, suppliers and customers are required to 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 2014 Annual Report.

The Board of Statutory Auditors oversees compliance with the law and the articles of association and 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 2017. 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 Supervisory Boards present half-yearly reports on their activities to the relevant Boards of Directors. Testing activities have been defined and implemented with an extremely positive outcome.

In the course of 2014, the Supervisory Boards carried out their role of preventing the commission of corporate crimes pursuant to the Decree (and ensuing updates/amendments) by verifying the adequacy and implementation of the provisions of the Organization, Management and Control Model and the Code of Ethics adopted by the Company.

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 individual operating structure and, in respect of overseas entities, takes into consideration local legislation.

Knowledge sharing and sustainability of the Barilla business

The Group business strategy 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, from the field to the table.

"Good for You, Good for the Planet" is envisaged by Barilla as the only means to grow 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, for their communities and the planet. In particular, for Barilla the "goodness" associated with its way of conducting business is reflected in a common objective undertaken by all individuals who work within the Group and the continuous involvement of the key external stakeholders.

This is summarized in:

Good for You

- offer simple products that standout in the market due to their taste, quality and safety;
- promote nutritionally balanced diets.

Good for the Planet

- 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.

Good for the Community

- educate young people to lead healthy lifestyles;
- understand and evaluate 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;
- foster the professional development of Group employees, encouraging their commitment, embracing diversity and promoting intellectual curiosity so that they become ambassadors of Barilla's identity, values and food culture throughout the world.

In 2009 Barilla established a multi-disciplinary think tank that has now become a foundation, the Barilla Center for Food and Nutrition, BCFN (www.barillacfn.com), which was founded to share the outcome of the best worldwide research on four areas: Food for Health, Food for Sustainable Growth, Food for All and Food for Culture. The research work of the BCFN contributes extensively to investigating matters regarding people, their lifestyles and the environment. The studies developed by the center are incorporated into the Barilla Group's business strategy, one example being the Double Pyramid.

The main activity of the foundation in 2014 involved drafting the Milan Protocol for Food and Nutrition which was presented to the Italian Government during the Barilla Center for Food and Nutrition's 6th International Forum, and is aimed at providing a tangible contribution to the "Feeding the Planet, Energy for Life" theme of the Milan EXPO 2015. The Milan Protocol was shared with international institutions, government representatives, universities, non-governmental bodies and over 70 organizations confirmed their support by officially signing the document.

Environmental management

All of the Group's European bakeries, pasta factories and mills have implemented the Barilla Integrated Environmental Management System, which has been developed in accordance with international standard ISO 14001. This signifies that 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). Although the Sauces factory in Rubbiano is not required to meet regulations, it will voluntarily present the request to obtain the Integrated Environmental Authorization.

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. In 2014, 73% of production volumes held an environmental impact declaration.

After years of work a method has been identified to recycle the paper layer of packaging that protects the Mulino Bianco and Pavesi brands biscuits. Thanks to this and similar 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 Italian pasta factories 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 program to reduce energy consumption continued. Following the improvement plans rolled out across all of the factories, implementation of the Energy Management System, developed in compliance with the recently introduced international standard ISO 50001, is currently underway. Subsequent to the certification of the Castiglione delle Stiviere (Italy) factory, which joins the two Wasa factories in Celle (Germany) and Filipstad (Sweden), the Altamura (Italy) mill obtained the same certification in 2014.

The two plants in Parma and Foggia covered by the Emissions Trading Scheme are certified periodically by an independent third party.

The 2014 Mulino Bianco Tour, for the second year running, adopted and certified an Event Sustainability Management System in compliance with ISO 20121. This standard, which specifies the sustainable and responsible management of an event, 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.

During 2014 a procedure for the definition, validation and publication of environmental labels and declarations was prepared and certified by a third party in accordance with international standards ISO 14020 and 14021.

Health & Safety

The long-term project to roll-out the Barilla Integrated Safety-at-Work Management System, developed in accordance with international standard OHSAS 18001 (Occupational Health and Safety Assessment Series), aimed at guaranteeing improved health and safety standards for employees, is almost complete: the remaining two factories that have not yet been certified will obtain the certification during 2015.

Approximately 83% of total product volumes is manufactured in factories that employ a Health and Safety at work management system certified pursuant to OHSAS 18001.

In Italy alone, more than 30,000 training hours on the subject of Health and Safety at work and fire prevention took place in 2014, involving more than 5,000 people.

Execution of the global Audit plan covering safety, the environment and fire prevention continued: more than 80 specific checks took place across all of the pasta factories, bakeries and mills in 2014 together with the support of specialist enterprises.

No critical accidents involving employees occurred in the workplace in 2014 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 2014 was 8,136 (8,238), comprising 4,037 (4,134) in Italy and 4,099 (4,104) overseas. An analysis of employees compared to the previous year is illustrated below:

	12/31/2014	12/31/2013
Managers and white-collar staff	2,587	2,598
Blue-collar staff	5,549	5,640
Total	**8,136**	**8,238**

A process to reorganize and revise the operating model was launched in 2014 as a fundamental stimulus in executing the new objectives defined in the strategy, strengthening the geographical areas to define and implement local strategy in line with global strategy.

The new organization derived from the operating model is based on two cornerstones:

1. Region/Market - are assigned the objective of guaranteeing business growth and profitability through customer/channel development, a solid brand portfolio and product categories that satisfy end users, in accordance with corporate guidelines.
2. Process Unit - represents the Capabilities Centre responsible for executing global processes, ensuring that standards, policies and excellence models are met through capability development.

A number of key processes were redefined in line with the new organization structure among which the Human Resources (HR) processes, allocating greater responsibility to regions at local level and centralizing more integrated processes.

A new leadership model was established as a core element of all of the HR systems; this was launched in conjunction with training activities involving all Group employees.

Barilla Learning & Development pursued its aim to build functional skills together with the Barilla House of Food Marketing and the newly established Finance Academy and Sales Academy. Training programs designed to accompany the business in implementing the principles of sustainability and disseminating food culture continued.

On the initiative of the Diversity & Inclusion Board, an internal body aided by an independent Advisory Board, Barilla established concrete goals to take a more active role on the subject of diversity, inclusion and social responsibility. Diversity, inclusion and equality play an integral role in Barilla's corporate culture, values and code of conduct and represent a core element of our growth model and our way of doing business.

A diversified workforce and inclusive culture foster involvement and facilitate a more in-depth knowledge of the society, buyers, consumers and customers and lead to more effective decision making.

Four important initiatives were launched:

1. Assessment of leadership styles in order to understand and adjust to the current situation.
2. Training: a wide number of Barilla People were involved in training activities in what we define as "cultural dexterity" or in other professional skills that promote effective collaboration and communication between employees across various levels of diversity.
3. Smart Working: it has been demonstrated that greater flexibility in the workplace and a results based approach increase productivity and contribute to creating a more inclusive working environment, allowing each employee to manage their own time as necessary. The Smart Working project was rolled out across all company management in 2014, involving 1,600 employees around the world. In practical terms, Smart Working means that Group employees have greater autonomy in defining and adapting work methods to personal and business needs.
4. Revision of the rules and processes to guarantee equality.

A supplementary agreement was signed in Italy that outlined important changes in the areas of safety, training, organization and people, professional development and defined a production bonus based on targets.

Research and development activities

The Group invested euro 39 million (euro 40 million) on research and development activities on processes and products in 2014.

Barilla's work has always been centered on creating wholesome, nutritionally balanced products. The care taken in selecting raw materials, technological innovation and the quest to find new solutions form part of the corporate culture; however in recent years more attention has been devoted to a number of topics:

- The development of new products or the reformulation of existing products in line with Nutritional Guidelines developed with international experts on Barilla's Nutrition Advisory Board. Since the Nutritional Guidelines were introduced in 2009, each new Barilla product is created taking into account the levels of fat, sugar and salt established for each category. A nutritional reformulation program was also introduced in 2010 that has successfully reduced salt and both total and saturated fat levels without altering the taste and texture of the products. The decrease in salt content by between 15 and 25% has had a particular impact on soft and dry breads, sauces and tortellini. The decrease in fats has impacted certain snacks and biscuits (e.g. Flauti, Pangoccioli, Saccottini and Tarallucci).

- Research activities performed in collaboration with universities and research institutions both in Italy and overseas. Continuous research is carried out aimed at identifying the benefits of eating cereal based products (pasta, bread and crispbread) on certain health matters, in particular the glucose and lipid metabolism. These products represent the foundations of the Mediterranean Diet who inspires Barilla.
- Nutritional education activities aimed at Barilla Group employees through the "sì.mediterraneo" project that is adopted in all of the canteens of Barilla's manufacturing locations and offices. Consumers, including Barilla employees, desire honest and reliable nutritional facts. The Company has developed a program to provide healthy dietary advice through information panels, educational booklets, and practical tips, in conjunction with studies on the menus on offer in the company's canteens. The project was launched in 2011 at the Pedrignano headquarters and was gradually rolled out to all factories and offices both in Italy and overseas, involving more than 7,000 employees.

Sustainable supply chain management and relations with the local territory

Barilla uses 1,200 suppliers worldwide, 800 types of raw material and 50 types of packaging materials, and for many years has 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. Its 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.

2014 marked a year of important developments as new and more advanced sustainability standards, both available on the market and developed in-house, were adopted by Barilla in a number of countries throughout the world and in some of its supply chains.

One example is the durum wheat supply chain where Barilla has always involved its manufacturing partners in the quest to promote sustainable coltivation employing techniques that reduce the environmental impact while at the same time guarantee greater control over production quality, balanced pricing strategies and more financial sustainability for farmers. The agreements with supply chain partners, which optimize the selection of varieties, seed multiplication, wheat farming and storage protocols, accounted for approximately 44% of total purchases in Italy in 2014. For the first time a portion of the 2014 harvest, some 85,000 tons, were cultivated in compliance with the provisions of the Decalogue for Sustainable Cultivation of Durum Wheat in association with web decision support systems (DSS) such as Granoduro.net.

A similar process was launched in Greece in 2014 resulting in Barilla receiving the "Environmental Awards 2015" sponsored by the Greek government and held in Athens in December 2014.

76% of durum wheat used in 2014 in the manufacture of the numerous Barilla Group brands was farmed locally, in the country in which the pasta was produced thus improving supply chain efficiency.

With regard to the Mulino Bianco, Pavesi and Le Emiliane brands, Barilla continued to use the supply chain agreements established to ensure that only eggs from free-range hens reared exclusively on vegetable based feed are used, while international agreements guarantee that 100% of cocoa and palm oil is sourced from members of international organizations responsible for sustainability and safeguarding human and environmental rights.

By the end of 2014, 32% of palm oil derived from sustainable farming certified under RSPO (Roundtable of Sustainable Palm Oil) and is on track to meeting the 100% target by the end of 2015.

Moreover, commencing 2014, 20% of tomatoes used in Barillla sauces produced in Italy derive from Global Gap certified farming, the aim being to reach 100% by 2020.

Finally, 98% of all packaging used is technically recyclable.

Customer relations

"Give people food you would give your own children": inspired by the words of Pietro Barilla we strive to achieve continuous improvements in product quality, safety and sustainability from the field to the table, through the quest for excellence in every activity undertaken.

This year we finalized a project to modify the labelling on our packaging to make it clearer and more effective; we developed and adapted our products locally in line with our geographical and channel expansion. These initiatives enable us to get closer to our customers and satisfy their needs wherever they may be.

The journey we embarked on this year, to improve how we listen to people across more countries and a greater number of channels, will be at the forefront of our work over the coming years.

Our aim is to be the first choice of brand and product for our people and customers, focusing not only on the quality and safety of our products, but on trust built on transparent and close relations.

Risk management

Barilla's Enterprise Risk Management system project became a fully-fledged process in 2014. It aims to provide management with a tool to monitor the major risks to which the Group is exposed in order to ensure the following objectives are met:

- the corporate risk profile is appropriate and compatible with the Group's risk propensity;
- the creation of a structured and periodic (every two years) process for identifying, measuring and prioritizing risk events;
- the definition of adequate mitigation plans and ensure sufficient financial coverage;

- establish regular monitoring of corporate risk exposure and implementation of the defined mitigation plans;
- present and share critical risks with top management on a regular basis (twice yearly) and assess the effectiveness of the mitigation plans in place.

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 risk 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).

Work performed in 2014 focused on risk assessment sessions with all departments throughout the organization: this facilitated a 360 degree mapping of the major risks to which the business is exposed, which were measured and classified using common standards aimed at prioritizing risk and defining appropriate risk mitigation plans. The outcome of the mapping exercise, together with the mitigation plans in place, was presented to top management which has taken it on board to assure that sufficient resources are allocated to manage and mitigate the Group's key risks. The risk profile will be updated and discussed by the Group Leadership Team twice yearly in order to monitor critical risk exposure and implementation of the planned control measures.

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 2014 that require disclosure.

Management outlook

2015 results are currently in line with budget, with a stable trend compared to 2014 final quarter.

Other significant operating events

The following transaction took place in 2014:

- Barilla Singapore Pte Ltd incorporated a new Dubai based company, Barilla Middle East FZE, to strengthen the Group's presence in the Asian market.

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 disclosures required by IAS 24 are set out in note 8 of the notes to the consolidated financial statements.

Barilla launches pasta "Pronto", an innovative product for the Chinese and American market.

The Barilla Group inaugurates a new production line at its plant in Plaine de L'Ain (France) for Harrys 100% Mie bread, the brand's flagship product and leader in this segment.

Consolidated financial statements for the year ended 31 December 2014

The annual general meeting of shareholders approved the consolidated financial statements for the year ended 31 December 2014 on 5 May 2015.

Consolidated statement of financial position

(euro thousands)

Assets	Note	12/31/2014	12/31/2013 Restated*	1/1/2013 Restated*
Current assets				
Cash and cash equivalents	6.1	183,728	112,011	120,261
Trade receivables	6.2	389,141	360,743	514,668
Tax credits	6.3	85,002	62,190	144,429
Other receivables due from parent company	6.4	1,269	1,688	4,759
Other assets	6.5	52,982	54,869	79,317
Inventories	6.6	286,407	245,891	283,754
Derivative financial instruments	6.20	6,277	5,049	11,495
Assets held for sale		-	-	5,765
Total current assets		**1,004,806**	**842,441**	**1,164,448**
Non-current assets				
Property, plant and equipment	6.7	911,891	914,349	994,937
Goodwill	6.8	474,698	483,755	516,347
Other intangible assets	6.9	54,482	65,928	80,791
Trade and other receivables	6.10	1,882	1,645	7,390
Other receivables due from parent company	6.4	7,620	7,620	7,620
Deferred income tax assets	6.11	60,929	65,642	59,041
Available-for-sale financial assets	6.12	1,551	1,251	1,277
Derivative financial instruments	6.20	64,633	21,665	39,013
Total non-current assets		**1,577,686**	**1,561,855**	**1,706,416**
Total assets		**2,582,492**	**2,404,296**	**2,870,864**

(euro thousands)

Liabilities and equity	Note	12/31/2014	12/31/2013 Restated*	1/1/2013 Restated*
Current liabilities				
Trade payables	6.13	668,746	587,568	772,238
Borrowings	6.14	140,393	17,153	156,577
Borrowings due to parent companies	6.14	-	5,000	-
Derivative financial instruments	6.20	2,477	810	17,566
Retirement benefit obligations	6.15	11,042	8,183	10,559
Current income tax liabilities	6.16	7,405	7,989	8,769
Other liabilities	6.17	167,074	167,472	190,321
Provisions for other liabilities and charges	6.18	54,839	64,789	40,950
Total current liabilities		**1,051,976**	**858,964**	**1,196,980**
Non-current liabilities				
Borrowings	6.19	361,648	441,065	558,817
Derivative financial instruments	6.20	-	21,532	11,596
Retirement benefit obligations	6.15	145,191	124,727	157,936
Deferred income tax liabilities	6.11	48,402	83,692	97,500
Other payables	6.21	4,253	4,239	4,477
Provisions for other liabilities and charges	6.18	18,963	19,288	31,768
Total non-current liabilities		**578,457**	**694,543**	**862,094**
Equity	6.22			
Share capital		131,000	131,000	131,000
Reserves:				
- Currency translation reserve		34,070	4,710	22,295
- Other reserves		504,683	479,925	472,696
Profit/(loss) for the year		125,519	92,455	50,499
Capital and reserves attributable to Group equity holders		**795,272**	**708,090**	**676,490**
Non-controlling interests		132,249	124,433	122,779
Profit/(loss) attributable to non-controlling interests		24,538	18,266	12,521
Total non-controlling interests	6.23	**156,787**	**142,699**	**135,300**
Total equity		**952,059**	**850,789**	**811,790**
Total liabilities and equity		**2,582,492**	**2,404,296**	**2,870,864**

** Following the adoption as January 1, 2014 of IFRS 11 "Joint arrangements" on a retrospective basis, the comparative data for 2013 have been restated as required by IAS 1.*

Consolidated income statement

(euro thousands)

	Note	2014	2013 Restated *
Revenue	6.24	3,254,095	3,229,973
Cost of sales	6.25	(1,948,608)	(1,939,727)
Gross profit		**1,305,487**	**1,290,246**
Logistics costs	6.25	(294,270)	(285,420)
Selling costs	6.25	(141,804)	(143,580)
Marketing costs	6.25	(358,231)	(350,592)
Research and development costs	6.25	(25,103)	(25,754)
General and administrative expenses	6.25	(176,653)	(180,412)
Other income and (expenses)	6.26	(19,519)	(39,441)
Goodwill and intangible fixed assets impairment loss	6.9 - 6.25	-	(28,354)
Operating profit		**289,907**	**236,693**
Finance costs		(75,826)	(64,511)
Finance income		38,173	28,602
Finance costs - net	6.27	**(37,653)**	**(35,909)**
Profit before income tax		**252,254**	**200,784**
Income tax expense	6.28	(102,197)	(94,523)
Profit for the year from continuing operations		**150,057**	**106,261**
Profit/(Loss) of discontinued operations		**-**	**4,460**
Profit/(Loss) for the year		**150,057**	**110,721**
Profit/(Loss) attributable to non-controlling interests		**24,538**	**18,266**
Profit/(Loss) attributable to Group equity holders		**125,519**	**92,455**

** Following the adoption as January 1, 2014 of IFRS 11 "Joint arrangements" on a retrospective basis, the comparative data for 2013 have been restated as required by IAS 1.*

Income statement of discontinued operations

(euro thousands)

	2014	2013
Revenue	-	338,562
Cost of sales	-	(333,023)
Recurring operating profit/(loss)	**-**	**5,539**
Finance costs – net	-	(511)
Income tax expense	-	-
Profit/(Loss) of discontinued operations	**-**	**5,028**
Gain/(Loss) on disposal net of directly attributable costs	-	(568)
Profit/(Loss) of discontinued operations	**-**	**4,460**

Statement of comprehensive income

(euro thousands)

	Note	2014	2013 Restated *
Profit/(loss) for the year	**(a)**	**150,057**	**110,721**
Items that will not be reclassified to profit or loss:			
Actuarial gains/(losses) on future employee benefits	6.16	(24,143)	6,035
Fiscal effect	6.12	6,702	(1,721)
Total	**(b)**	**(17,441)**	**4,314**
Items that may be subsequently reclassified to profit or loss:			
Cash flow hedge reserve	6.21	(688)	(3,122)
Fiscal effect	6.12	252	967
Currency translation adjustment		34,789	(21,636)
Total	**(c)**	**34,353**	**(23,791)**
Other comprehensive income for the year	**(b+c)**	**16,912**	**(19,477)**
Total comprehensive income/(loss) for the year	**(a+b+c)**	**166,969**	**91,244**
Total profit/(loss) for the year attributable to:			
- Non-controlling interest		**24,538**	**18,266**
- Group equity holders		**125,519**	**92,455**
Total		**150,057**	**110,721**
Total comprehensive income/(loss) attributable to:			
- Non-controlling interest		**27,276**	**14,444**
- Group equity holders		**139,693**	**76,800**
Total		**166,969**	**91,244**

** Following the adoption as January 1, 2014 of IFRS 11 "Joint arrangements" on a retrospective basis, the comparative data for 2013 have been restated as required by IAS 1.*

Statement of changes in net equity

(euro thousands)

For the year ended 31 December 2014

	Restated balance at 31 December 2013 *	Destination of the profit	Dividends and reserves distribution	Total comprehensive income			Balance at 31 December 2014
				Profit	Other comprehensive income	Total	
Share capital	131,000	-	-	-	-	-	131,000
Translation reserve	4,710	-	-	-	29,358	29,358	34,068
Actuarial gain (losses) reserve	(20,989)	-	-	-	(20,507)	(20,507)	(41,496)
Hedging reserve	(1,228)	-	-	-	(584)	(584)	(1,812)
Deferred taxes reserve	6,157	-	-	-	5,907	5,907	12,064
Retained earnings	495,984	92,455	(52,511)	-	-	-	535,928
Profit	92,455	(92,455)	-	125,519	-	125,519	125,519
Total	**708,090**	**-**	**(52,511)**	**125,519**	**14,174**	**139,693**	**795,272**
Non controlling interests	**142,699**	**-**	**(13,188)**	**24,538**	**2,738**	**27,276**	**156,787**
Total equity	**850,789**	**-**	**(65,699)**	**150,057**	**16,912**	**166,969**	**952,059**

For the year ended 31 December 2013

	Balance at 1 January 2013	Impact of change in accounting policy	Restated balance at 1 January 2013 *	Destination of the profit	Dividends and reserves distribution	Total comprehensive income			Restated balance at 31 December 2013 *
						Profit	Other comprehensive income	Total	
Share capital	131,000	-	131,000	-	-	-	-	-	131,000
Translation reserve	22,295	-	22,295	-	-	-	(17,585)	(17,585)	4,710
Actuarial gain (losses) reserve	(28,101)	-	(28,101)	-	-	-	7,112	7,112	(20,989)
Hedging reserve	1,426	-	1,426	-	-	-	(2,654)	(2, 654)	(1,228)
Deferred taxes reserve	6,802	-	6,802	-	-	-	(645)	(645)	6,157
Retained earnings	492,569	-	492,569	50,499	(45,201)	-	(1,883)	(1,883)	495,984
Profit	50,499	-	50,499	(50,499)	-	92,455	-	92, 455	92,455
Total	**676,490**	**-**	**676,490**	**-**	**(45,201)**	**92,455**	**(15,655)**	**76,800**	**708,090**
Non controlling interests	**118,898**	**16,402**	**153,300**	**-**	**(7,045)**	**18,266**	**(3,822)**	**14,444**	**142,699**
Total equity	**795,388**	**16,402**	**811,790**	**-**	**(52,246)**	**110,721**	**(19,477)**	**91,244**	**850,789**

** Following the adoption as January 1, 2014 of IFRS 11 "Joint Arrangements" on a retrospective basis, the comparative data for 2013 have been restated as required by IAS 1.*

Consolidated cash flow statement

(euro thousands)

		2014	2013 Restated *
Profit/(loss) before income tax		252,254	205,244
Profit/(loss) on disposal of investments		-	568
Finance costs – net, excluding gains on disposals of equity investments		37,653	35,909
Amortization and depreciation		134,094	151,636
(Profit)/loss on disposal of property, plant and equipment, intangible and financial assets		2,822	2,719
Property, plant and equipment and Intangible asset impairment losses		-	28,354
Change in trade receivables/payables		28,714	(64,866)
Change in inventories		(40,516)	22,562
Change in provisions (including employee provisions)		(13,877)	16,341
Changes in other assets and liabilities		(12,193)	83,425
Income taxes paid		(132,249)	(120,284)
Foreign exchange gains/(losses) and other minor differences		36,841	(8,607)
Net cash generated from/(used in) operating activities	**(A)**	**293,541**	**352,328**
Purchases of property, plant and equipment		(111,216)	(106,530)
Purchases of software		(4,503)	(3,380)
Proceeds from sale of property, plant and equipment		939	306
Purchases of other intangible assets		(2,108)	(1,830)
Net proceeds from sale of investments or businesses		-	4,651
Proceeds due to change in scope of consolidation area		-	53,753
Investment in available for sale financial assets		(300)	-
Proceeds from capital grants		240	177
Net cash generated from/(used in) investing activities	**(B)**	**(116,948)**	**(52,853)**
Net change in borrowings		(64,603)	(237,680)
Dividends paid and reserves distribution		(65,699)	(52,246)
Interest paid		(13,890)	(19,881)
Net cash generated from/(used in) financing activities	**(C)**	**(144,192)**	**(309,807)**
Net (decrease)/increase in cash and cash equivalents and bank overdrafts	**(A+B+C)**	**32,401**	**(10,332)**
Cash and cash equivalents net of bank overdrafts at beginning of the year		106,824	114,430
Cash and cash equivalents net of bank overdrafts at end of the year		139,865	106,824
Exchange differences on cash and bank overdrafts		(640)	(2,726)
Net (decrease)/increase in cash and cash equivalents		**32,401**	**(10,332)**
Bank balances		183,728	112,011
Bank overdrafts		(43,863)	(5,187)
Total cash and cash equivalents net of bank overdrafts		**139,865**	**106,824**

** Following the adoption as January 1, 2014 of IFRS 11 'Joint Arrangements' on a retrospective basis, the comparative data for 2013 have been restated as required by IAS 1.*

Cash flows generated from discontinued operations

(euro thousands)

	2014	2013
Net cash generated from/(used in) operating activities	-	**2,666**
Net cash generated from/(used in) investing activities	-	**(3,673)**
Net cash generated from/(used in) financing activities	-	-

Pasta World Championship: Paolo Barilla presents the award to the winner of the 2014 edition, Luca Torricelli, chef of the restaurant "L'Argentino" in Lugano (Switzerland).

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" or "Barilla"). 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 Annex 1.

2. Significant events after the year-end

Subsequent to 31 December 2014, 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)

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 2014.

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 2014 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 with 31 December 2013, with the exception of the amendments applicable from 1 January 2014 and not early adopted by the Group, as detailed below.

Accounting standards, amendments and interpretations adopted by the Group from 1 January 2014

IFRS 10 and IFRS 11 - Consolidated Financial Statements and joint arrangement

Following the adoption of the IFRS 10, the Group has modified the model previously utilized for assessing control over investees and the subsequent requirement for consolidation. IFRS 10 introduces a new model for assessing control over every entity based on the power over the relevant activities, or based on the exposure or the rights to variable returns from its involvement with the investee, and on the ability to affect those returns through its power over the investee.

In accordance with the transitional provisions of IFRS 10, the Group has reconsidered the assessment of control over investees, and changed the basis for consolidation for Barilla Mexico S.A. de C.V. and Serpasta Pastificio S.A. de C.V., previously considered joint ventures and accounted for with the proportionate method; starting from this year the investees are consolidated line by line and the non-controlling interests are measured at their proportionate share of the net assets.

IFRS 11 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 the contractual rights and obligations arising from the joint arrangement.

For further details on the effects of the restatement of the amounts as at 1 January 2013 and 31 December 2013, see the following table:

1 January 2013	Effects of changes in accounting policies		
	As previously reported	Restatement effect	Restated
Total assets	2,850,412	20,452	2,870,864
Total liabilities	2,055,024	4,050	2,059,074
Total non-controlling interests	118,898	16,402	135,300
Total equity attributable to the Group equity holders	676,490	-	676,490

For the year ended 31 December 2013	Effects of changes in accounting policies		
	As previously reported	Restatement effect	Restated
Total assets	2,383,593	20,703	2,404,296
Total liabilities	1,549,962	3,545	1,553,507
Total non-controlling interests	125,543	17,156	142,699
Total equity attributable to the Group equity holders	708,090	-	708,090
Operating profit	234,555	2,138	236,693
Finance costs - net	(35,947)	38	(35,909)
Profit before income tax	198,608	2,176	200,784
Fiscal effect	(93,969)	(554)	(94,523)
Profit for the year	109,099	1,622	110,721
- of which attributable to non-controlling interests	16,644	1,622	18,266
- of which attributable to Group equity holders	92,455	-	92,455

IAS 28 - Investments in associates and joint ventures

The new standard incorporates the new principles for joint ventures discussed by the Board and set out in the Exposure Draft 9. The application of the standard had no impact on the Consolidated Financial Statements of the Group.

IFRS 12 - Discosure 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 Group has modified the information provided in the notes.

IAS 32 - Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities
The application of the standard had no impact on the Financial Statements of the Group.

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 2016:
Amendment to IFRS 11 - *Accounting for Acquisition of Interests in Joint Operations*
Amendment to IAS 16 and IAS 38 - *Classification of Acceptable Methods of Depreciation and Amortization*

The following accounting standard will be applicable for financial years beginning 1 January 2017:
IFRS 15 - *Revenue from Contracts with Customers*

The following accounting standard will be applicable for financial years beginning 1 January 2018:
IFRS 9 - *Financial Instruments*

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 for other liabilities and charges.

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 residual 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 management valuations and estimates.

d. Deferred income tax assets
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 for other liabilities and charges
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 with 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 for identical assets or liabilities;
- 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.

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.

Subsidiaries represent those companies over which Barilla Holding exercises control as it has the power, either directly or indirectly, or it is exposed to variable returns from its involvement with the subsidiary, or it has the rights to variable returns based on the ability to affect those returns through its power over the investee.

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 is eliminated. The reporting date of all Group companies is 31 December.

Non-controlling interests
Non-controlling interests are measured at their proportionate share of the net assets from the date of the acquisition.

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 as financial items. 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 in the statement of comprehensive income.

On disposal of those entities that gave rise to exchange differences, the cumulative amount of exchange differences deferred in a separate component of the statement of comprehensive income 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 lives while licenses are amortized over the lower of the contract period and their useful lives.

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 entirely 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 are 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 generally include capitalized borrowing costs.

Depreciation is recorded from the month in which the asset is available for use, or when 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 entire 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 net of selling costs 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 been 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 level.

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 Italy, 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.

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 within 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 derecognition, are maintained in the balance sheet; a corresponding financial liability is recognized as "Bank borrowings".

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 other comprehensive income. 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 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 other comprehensive income.

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 face value.

Inventories

Inventories are stated at the lower of cost, measured applying the FIFO (first in - first out) method, and net realizable value. To account for obsolete or slow-moving inventory provisions are recognized, that are reversed if the circumstances of the abovementioned provisions are no longer applicable.

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 from the date of acquisition) and 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 the income statement.

(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 income statement, 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 selling costs.

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 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 take 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.

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 are recorded on an accrual basis and 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 2013, is changed for the incorporation of the trade company Barilla Middle East FZE, located in Dubai (United Arab Emirates).

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 183,728 (euro 112,011), 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

	12/31/2014	12/31/2013
Trade receivables	434,874	405,977
Allowance for doubtful accounts	(45,733)	(45,234)
Total	**389,141**	**360,743**

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 year-end. This also represents the maximum exposure to credit risk.

Detail of receivables by maturity, net of allowances for doubtful accounts, is as follows:

	2014	2013
Not yet overdue	359,779	321,723
Less than 3 months	26,384	36,280
Between 3 and 6 months	2,491	2,683
Between 6 and 12 months	487	57
Total	**389,141**	**360,743**

Trade receivables that were not yet overdue nor impaired at 31 December 2014 amounted to euro 186,028 (euro 141,957).

Movements in the allowance for doubtful accounts were as follows:

	2014	2013
Opening balance	**45,234**	**43,958**
Charges	4,804	5,336
Utilization	(3,701)	(1,838)
Released	(571)	(706)
Change in scope of consolidation	-	(1,330)
Exchange difference	(33)	(186)
Closing balance	**45,733**	**45,234**

"Change in scope of consolidation" related to the balances of Lieken group companies, sold in 2013.

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:

	12/31/2014	12/31/2013
Income tax	15,012	13,860
VAT	69,990	48,330
Total	**85,002**	**62,190**

During the year VAT receivables were settled for euro 50 million.

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

6.4 Other receivables due from parent company

The balance of euro 8,889 (euro 9,308) relates to the amount due from the parent company CO.FI.BA. S.r.l., as a result of the Group's participation in the Group consolidated tax regime.

The amount is due within one year for euro 1,269 (euro 1,688), and after one year for euro 7,620 (euro 7,620).

6.5 Other assets

The balance is detailed as follows:

	12/31/2014	12/31/2013
Amounts due from factoring entities	18,628	31,003
Supplier advances	11,852	6,176
Amounts due from employees	3,708	3,775
Amounts due from social security authorities	4,710	2,876
Guarantee deposits	538	512
Other receivables	4,596	3,227
Government grants	340	-
Accrued income and prepayments	8,610	7,300
Total	**52,982**	**54,869**

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.

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

6.6 Inventories

Inventories may be analyzed as follows:

	12/31/2014	12/31/2013
Raw materials and semi-finished goods	141,177	110,285
Finished goods	144,629	135,322
Advances	601	284
Total	**286,407**	**245,891**

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

	2014	2013
Opening balance	**10,890**	**10,285**
Charges	1,871	2,301
Utilization	(3,083)	(1,221)
Exchange differences	43	(475)
Closing balance	**9,721**	**10,890**

6.7 Property, plant and equipment

The net movement of euro 2,458 in the net book value of property, plant and equipment compared to 31 December 2013, is mainly due to depreciation of the period of euro 116,047, net disposal of euro 3,761, the positive effect of additions for euro 111,216, government grants cashed for euro 240 and retranslating amounts denominated in foreign currency for euro 6,374.

Movements in property, plant and equipment were as follows:

	Land	Buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under construction	Total
Movements during 2013							
Net book amounts at 1/1/2013	**60,226**	**319,273**	**522,385**	**27,716**	**22,683**	**42,654**	**994,937**
Capital expenditure	-	-	-	-	-	106,530	106,530
Capitalizations	24	14,011	77,097	3,301	4,015	(98,448)	-
Grants received	-	-	(177)	-	-	-	(177)
Disposals - Cost	-	(887)	(29,627)	(2,948)	(1,030)	(40)	(34,532)
Disposals- Utilization of accumulated depreciation and impairment losses	-	533	27,031	2,866	1,030	-	31,460
Depreciation and impairment losses	-	(18,130)	(94,302)	(8,070)	(11,828)	-	(132,330)
Change in scope of consolidation	(30,688)	-	-	(281)	(7,314)	(1,814)	(40,097)
Foreign exchange differences	(419)	(5,402)	(4,780)	(182)	(145)	(514)	(11,442)
Net book amounts at 12/31/2013	**29,143**	**309,398**	**497,628**	**22,402**	**7,411**	**48,367**	**914,349**
Historical cost	29,143	603,063	2,145,248	97,031	61,892	48,367	2,984,744
Depreciation and accumulated impairment losses	-	(293,665)	(1,647,620)	(74,629)	(54,481)	-	(2,070,395)
Movements during 2014							
Capital expenditure	-	-	-	-	-	111,216	111,216
Capitalizations	112	12,926	91,948	4,530	2,944	(112,460)	-
Grants received	-	(4)	(236)	-	-	-	(240)
Disposals - Cost	(22)	(2,163)	(30,929)	(2,392)	(428)	-	(35,934)
Disposals- Utilization of accumulated depreciation	-	1,133	28,481	2,141	418	-	32,173
Depreciation	-	(17,502)	(88,228)	(6,309)	(4,008)	-	(116,047)
Foreign exchange differences	765	(903)	6,200	(555)	402	465	6,374
Net book amounts at 12/31/2014	**29,998**	**302,885**	**504,864**	**19,817**	**6,739**	**47,588**	**911,891**
Historical cost	29,998	608,467	2,194,922	96,452	64,809	47,588	3,020,670
Depreciation and accumulated impairment losses	-	(305,582)	(1,690,058)	(76,635)	(58,070)	-	(2,108,779)

As of 31 December 2014, the accumulated impairment losses amount to euro 17,746 (euro 17,779).

Finance leases

The net book amounts of assets held under finance leases amounted to euro 29,151 (euro 33,258) and comprised:

	Land	Buildings	Plant and machinery	Other assets	Total
At 12/31/2014	**191**	**4,140**	**24,624**	**196**	**29,151**
At 12/31/2013	**191**	**4,485**	**28,309**	**273**	**33,258**

Details of the principal lease contracts outstanding at 31 December 2014 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 21,912.
- Barilla France has entered into a number of finance lease contracts with a maximum expiry date of November 2015, with purchase options at the end of the lease term. The net book value of these assets amounted to euro 3,830. The main contracts relate to property leases, which expire in January and November 2015.
- Barilla Deutschland has entered into a finance lease contract for a mill that matures in August 2028. The net book value at 31 December 2014 amounted to euro 2,301.

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

	12/31/2014	12/31/2013
Not later than 1 year	5,229	5,582
Later than 1 year and not later than 2 years	5,052	5,184
Later than 2 years and not later than 3 years	5,052	5,052
Later than 3 years and not later than 4 years	5,052	5,052
Later than 4 years and not later than 5 years	5,052	5,052
Later than 5 years	7,964	12,616
Total minimum future lease payments	**33,401**	**38,538**

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

	12/31/2014	12/31/2013
Total minimum future lease payments	33,401	38,538
Interest	(5,892)	(7,075)
Present value of lease payments	**27,509**	**31,463**

Operating leases

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

	2014	2013
Not later than 1 year	10,900	10,663
Later than 1 year and not later than 5 years	14,409	12,304
Later than 5 years	4,709	-
Total minimum future lease payments	**30,018**	**22,967**

Total net operating lease payments recognized in the income statement amounted to euro 19,884 (euro 16,642).

6.8 Goodwill

Movements in goodwill were as follows:

	Goodwill
Movements in 2013	
Opening balance at 1/1/2013	**516,347**
Impairment	(28,354)
Foreign exchange differences	(4,238)
Total at 12/31/2013	**483,755**
Movements in 2014	
Foreign exchange differences	(9,057)
Total at 12/31/2014	**474,698**
- of which gross value	503,052
- of which accumulated impairments	(28,354)

The discontinued operation divested last year, due to the disposal of Lieken group, 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 performing impairment test at 31 December 2014 is summarized in the table below:

Operating Segments - Business Units	Amount
Europe Region - Bakery	472,507
Other minor	2,191
Total	**474,698**

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 deriving from the groups of cash generating units at the end of the plan period correspond to the perpetual income based on the final year of the plan, normalized where necessary.

The key assumptions used to perform the impairment test at 31 December 2014 were as follows:

Operating Segments Business Units	Discount rate		Growth rate	
	2014	2013	2014	2013
Europe Region - Bakery	6.3%	5%	1.3%	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 last year for the original amount allocated to the Russia Bakery segment, amounting to euro 28,354. Based on the annual impairment test as of 31 December 2014, no any further impairment is required.

The sensitivity analysis on the key assumptions has demonstrated that their variations, and the consequent impairment of the CGU's to which the goodwill is allocated, are remote due to a significantly higher excess value compared to carrying amount of the group of cash generating units.

The accumulated impact of fluctuations in exchange rates on goodwill denominated in foreign currencies, mainly in Swedish krona and Norwegian krone, have undergone a change in value due to the change.

At 31 December 2014 the effect of conversion shows a net accumulated loss of euro 6,266.

6.9 Other intangible assets

Other intangible assets consisted of the following:

	Licenses and software	Trademarks	Other	Assets under construction	Total
Movements during 2013					
Opening balance at 1/1/2013	**16,633**	**61,363**	**98**	**2,697**	**80,791**
Acquisitions and capitalizations	5,207	1,135	24	(1,060)	5,306
Change in scope of consolidation	(589)	(19)	-	(156)	(764)
Foreign exchange differences	(30)	(70)	(1)	-	(101)
Amortization	(7,799)	(11,496)	(9)	-	(19,304)
Total at 12/31/2013	**13,422**	**50,913**	**112**	**1,481**	**65,928**
Of which:					
Historical cost	90,354	267,155	246	1,481	359,236
Amortization and accumulated impairment losses	(76,932)	(216,243)	(134)	-	(293,309)
Movements during 2014					
Acquisitions and capitalizations	4,522	1,217	-	872	6,611
Foreign exchange differences	5	9	(26)	2	(10)
Amortization	(6,608)	(11,430)	(8)	-	(18,047)
Total at 12/31/2014	**11,341**	**40,709**	**77**	**2,355**	**54,482**
Of which:					
Historical cost	95,122	265,731	256	2,355	363,464
Amortization and accumulated impairment losses	(83,781)	(225,022)	(179)	-	(308,982)

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

The increase in "Licenses and software" refers for euro 4,503 (euro 3,380) to the acquisition of new "Enterprise Resources Planning" (ERP) software, in respect of an accounting, finance, management and control system. The amount of "Assets under construction" mainly relates to costs for software systems not yet in use.

6.10 Trade and other receivables

The balance comprised:

	12/31/2014	12/31/2013
Guarantee deposits	295	280
Other non-current receivables	1,587	1,365
Total	**1,882**	**1,645**

The fair value of trade and other receivables approximate the carrying value.

6.11 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 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 statements of financial position headings on which they arise and period are illustrated in the table below:

2014	Opening balance	Reversals/charges through income statement	Impact on equity	Foreign exchange impact	Closing balance
Property, plant and equipment	(69,476)	7,339	-	(1,765)	(63,902)
Leasing	3,825	(1,302)	-	(3)	2,520
Intangible assets	1,676	(119)	-	(9)	1,548
Financial liabilities and derivatives	(379)	(1,092)	252	9	(1,210)
Inventories	(2,463)	(629)	-	19	(3,073)
Spare parts	8,049	(1,105)	-	173	7,117
Provisions for other liabilities and charges	23,550	9,148	-	12	32,710
Pension funds	5,622	(8)	6,702	(38)	12,278
Tax losses carried forward	5,093	2,880	-	103	8,076
Other	6,453	8,699	-	1,311	16,463
Total	**(18,050)**	**23,811**	**6,954**	**(188)**	**12,527**
Deferred income tax assets	65,642				60,929
Deferred income tax liabilities	(83,692)				(48,402)
Total	**(18,050)**				**12,527**

2013	Opening balance	Reversals/charges through income statement	Impact on equity	Foreign exchange impact	Closing balance
Property, plant and equipment	(71,116)	1,121	-	519	(69,476)
Leasing	(5,490)	9,299	-	16	3,825
Intangible assets	1,287	364	-	25	1,676
Financial liabilities and derivatives	(1,359)	(10)	967	23	(379)
Inventories	(5,892)	3,448	-	(19)	(2,463)
Spare parts	7,773	293	-	(17)	8,049
Provisions for other liabilities and charges	5,819	17,588	-	142	23,550
Pension funds	13,365	(5,788)	(1,721)	(234)	5,622
Tax losses carried forward	6,507	(863)	-	(551)	5,093
Other	10,647	(3,617)	-	(577)	6,453
Total	**(38,459)**	**21,836**	**(754)**	**(673)**	**(18,050)**
Deferred income tax assets	59,041				65,642
Deferred income tax liabilities	(97,500)				(83,692)
Total	**(38,459)**				**(18,050)**

6.12 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 1,551 (euro 1,251).

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.

6.13 Trade payables

Trade payables, which amounted to euro 668,746 (euro 587,568), 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 488 (euro 1,762) 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.

6.14 Borrowings

Current borrowings, classified as current liability, comprise amounts due within one year. The balance includes financial debt due to bank and other financiers for euro 64,632 and "Bonds" for euro 75,761:

	12/31/2014	12/31/2013
Short-term portion of bank overdrafts and leasing obligations	58,382	10,835
Current portion of long-term bank loans	6,250	6,318
Bonds	75,761	-
Financial debt due to parent companies	-	5,000
Total borrowings	**140,393**	**22,153**

The short-term portion of bank overdrafts and leasing obligations comprise bank overdrafts amounting to euro 43,863 (euro 5,187), the short-term portion of amounts due to leasing companies of euro 3,820 (euro 3,981), loans for export financing of euro 3,757 (euro 1,667), loans due within one year for euro 6,941.

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) was subscribed for euro 50,000, with expiry in 2020. The current portion, due within 12 months, at 31 December 2014, amounts to euro 6,250.

Details of bond classified as current asset, issued by subsidiary Barilla France S.A.S. in 2003, with expiry in December 2015 and covered by Cross Currency and Interest Rate Swaps, 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	Effective interest rate	
Senior Notes 2003	$ 92,000	5.69 %	9 Dec 2015	75,761	78,700	4.10% (F)	4.19%
Total Notes	**$ 92,000**			**75,761**	**78,700**		

(F) Fixed interest rate

As of 31 December 2013, financial debt due to parent companies, for euro 5,000, referred to a borrowing received from the parent company CO.FI.BA. S.r.l., expired in July 2014.

Current borrowings are measured at the amortized costs deemed to approximate their fair value.

6.15 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 156,233 (euro 132,910), of which amounts due within one year are euro 11,042 (euro 8,183) and due after more than one year are euro 145,191 (euro 124,727), net of plan assets for euro 4,750 (euro 4,538).

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 risks 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 Plan" pays benefits at 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. Other risks are related to the change in the discount rate.
- In Greece, the "Retirement Indemnity Plan" provides that the employer is required to pay an indemnity when 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 that may have to be increased retrospectively (up to a limit of three years) as well as in respect of future increases.
- 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 2014 using the projected unit credit method, under which the present value of future retirement obligations is determined.

	12/31/2014	12/31/2013
Opening balance	**132,910**	**168,495**
Services costs	3,112	2,813
Settlement and plans amendments	(1,275)	(2,166)
Finance costs	4,222	4,187
Actuarial (gains)/losses	24,147	(6,036)
Exchange differences for the year	(925)	(1,385)
Benefits paid	(5,957)	(6,540)
Change in scope of consolidation	-	(26,459)
Closing balance	**156,233**	**132,910**
Of which:		
Due within one year	**11,042**	**8,183**
Due after one year	**145,191**	**124,727**

Services costs relate to the charges for the year.

Significant actuarial losses were recorded in 2014, which are due to the general decrease of the discount rates.

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

2014	Discount rate	Expected rate of return on plan assets	Estimated salary growth	Inflation rate
Italy	1.60%	n.a.	3.22%	2.00%
Germany	0.20% 1.45% - 1.90%	3.33%	2.50%	2.00%
France	1.40% - 1.90%	3.28%	2.50%	2.00%
Greece	2.05%	n.a.	1.25%	1.25%
Mexico	6.75%	n.a.	4.50%	3.50%
Norway	2.30%	3.90%	2.75%	1.50%
Sweden	2.50%	n.a.	3.00%	2.00%
Turkey	8.60%	n.a.	7.90%	6.40%
Switzerland	1.05%	2.00%	2.00%	1.00%

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%

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

	12/31/2014	12/31/2013
Cost of sales	864	732
Logistics costs	138	92
Selling costs	69	154
Marketing costs	69	128
General and administrative expenses, technical and development costs	1,972	1,707
Total	**3,112**	**2,813**

The plan assets composition is as follows:

	2014	2013
Listed shares and bonds	2,587	2,234
Cash and cash equivalents	74	282
Total listed assets	**2,661**	**2,516**
Insurance contracts	1,546	1,490
Not listed - other	543	532
Total assets	**4,750**	**4,538**

The weighted duration of defined benefit obligations is equal to 12.9 years split as follows by plan:

Years	Average	Italy	Germany	France	Sweden
Weighted duration	12.9	9.6	15.4	14.5	17
Average future working lifetime	11.8	12.1	8	16.9	12.9

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 in actuarial assumption	Decrease in actuarial assumption
Discount rate (0.5% movement)	(9,572)	10,588
Rate of salary increase (0.5% movement)	2,235	(1,941)
Inflation rate (0.25% movement)	4,127	(3,922)
Expected mortality (1 year variation)	2,921	n.a.

6.16 Current income tax liabilities

Current income tax liabilities amounted to euro 7,405 (euro 7,989) 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.

6.17 Other liabilities

Other liabilities consisted of the following:

	12/31/2014	12/31/2013
Amounts due to parent companies	8,956	10,331
Amounts due to employees	94,148	98,074
Amounts due to social security authorities	28,520	23,856
Withholding taxes from employees, consultants and freelance workers	12,090	11,318
VAT payable	1,298	162
Other taxes	4,674	4,680
Amounts due to customers	4,816	5,859
Other liabilities	9,183	8,458
Accruals and deferred income	3,389	4,734
Total	**167,074**	**167,472**

Amounts due to parent companies refer to the balances due to CO.FI.BA. S.r.l. for the Group taxation regime.

Accruals and deferred income mainly relate to accrued interest payable.

The fair value of other liabilities approximates the carrying value.

6.18 Provisions for other liabilities and charges

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

	12/31/2013	Charges	Decreases/ utilization/ reclassification	Foreign exchange impact	12/31/2014
Employee risk provision	7,264	3,174	(7,044)	15	**3,409**
Restructuring provision	38,960	646	(6,652)	(13)	**32,941**
Tax risk provision	224	21	-	-	**245**
Premium dealing risk	742	155	(743)	-	**154**
Returns and unsold goods provision	2,286	-	-	-	**2,286**
Revocatory provision	7,287	6,761	(4,770)	-	**9,278**
Litigation provision	348	151	(240)	11	**270**
Other provisions	26,966	10,488	(12,137)	(98)	**25,219**
Total	**84,077**	**21,396**	**(31,586)**	**(85)**	**73,802**
Of which:					
Due within one year	**64,789**				**54,839**
Due after more than one year	**19,288**				**18,963**

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.

6.19 Borrowings

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

	12/31/2014	12/31/2013
Bonds	309,911	327,283
Bank borrowings and leasing obligations	51,737	113,782
Total	**361,648**	**441,065**

The tranche of the US Private Placement whit expiry in December 2015, presenting a nominal value of USD 92 million and carrying amount of euro 75,761, has been classified to financial debt due to bank and other financiers due within one year (Note 6.14).

Details of the outstanding non-current 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	Effective interest rate	
Senior notes 2011	$ 75,000	4.14%	15 July 2018	64,284	50,460	2.92% (F)	3.07%
Senior notes 2011	$ 75,000	4.76%	15 July 2021	67,811	50,562	1.59% (V)	1.69%
Senior notes 2011	$ 50,000	4.86%	15 July 2023	46,239	33,718	1.48% (V)	1.56%
Senior notes 2013	$ 150,000	4.43%	13 Dec 2025	131,577	115,050	1.33% (V)	1.37%
Total notes	**$ 350,000**			**309,911**	**249,790**		

(F) Fixed interest rate

(V)Variable interest rate

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.

The "Bank borrowings and leasing obligations" 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 2014, the residual balance amounted to euro 28,125 (euro 34,265).

The same line item includes the decrease of the portion of medium/long-term leasing obligations mainly relating to the finance leases for the cogeneration plants in Italy, with a balance at year-end of euro 23,689 (euro 24,761).

In July 2014 the Group has early closed the credit facilities as at 31 December 2013 and subscribed a new irrevocable credit facilities for euro 700,000, expiry 2019 (not used at 31 December 2014 and therefore totally undrawn).

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	64,284	245,627	309,911
Bank borrowings and leasing obligations	41,536	10,202	50,737
Total medium/long-term bank borrowings	**105,819**	**255,829**	**361,648**

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 12/31/2014	Maturity
Barilla France	Bonds (including cross currency and interest rate swaps)	fixed-variable	213,159	2015 - 2023
Barilla G.e R. Fratelli	Bonds (including cross currency and interest rate swaps)	variable	111,364	2025
Barilla Iniziative	BEI loan	variable	34,265	2020
Barilla G.e R. Fratelli Group	Banks	variable	51,275	2015 - 2016
Barilla G.e R. Fratelli Group	Leasing companies	fixed	27,509	2015 - 2028
Total bank borrowings due within one year and after more than one year			**437,572***	

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

Currency	Carrying value 2014	Carrying value 2013
Euro	100,175	127,101
USD	327,537	329,783
Other	9,860	3,769
Total borrowings due within one year and after more than one year	**437,572***	**460,653**

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

Period	Carrying value 2014	Carrying value 2013
Within 1 year	385,835	344,069
2 to 5 years	41,536	95,872
Over 5 years	10,202	20,712
Total borrowings due within one year and after more than one year	**437,572***	**460,653**

** Total borrowings at 12/31/2014, due within one year and after one year, detailed in the tables, includes negative derivatives and are expressed net of the positive value of derivatives, except for derivatives on commodities (in detail euro 1,354 for commodity hedging transactions qualified as cash flow hedges booked in "Non-current Assets", euro 795 for contracts relating to commodities hedging transaction that qualified as Cash Flow hedges in "Current Assets", and euro 1,815 for commodity contracts held for trading in "Current Assets") as disclosed in paragraph 6.20 "Derivate financial instruments".*

The effective interest rates on borrowings amounted to 2.2% (2.9% in 2013).

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 key plants, trademarks, licenses and intellectual property);
- Rules and regulations governing utilization of gains on disposals, acquisition policies and dividends (where applicable).

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 the 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.

6.20 Derivative financial instruments

	12/31/2014		12/31/2013	
	Assets	Liabilities	Assets	Liabilities
- Cash flow hedge - interest rate derivatives	12,379	-	6,181	12,809
- Fair value hedge - interest rate derivatives	50,900	-	13,276	7,911
- Held for trading - interest rate derivatives	-	-	-	812
- Cash flow hedge - commodities	1,354	-	2,208	-
Total non-current portion	**64,633**	**-**	**21,665**	**21,532**
- Cash flow hedge - interest rate derivatives	-	2,130	-	-
- Cash flow hedge - commodities	795	-	-	51
- Held for trading - forward exchange contracts	3,667	347	399	759
- Held for trading - commodities	1,815	-	4,650	-
Total current portion	**6,277**	**2,477**	**5,049**	**810**
Total derivative financial instruments	**70,910**	**2,477**	**26,714**	**22,342**

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, with expiry in December 2015. The related negative fair value at 31 December 2014 amounted to euro 2,130 and the effect charged to income statement for exchange difference amounted to euro 9,064;
- 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 2014 amounted to euro 12,379 and the effect charged to income statement for exchange difference amounted to euro 7,340;
- Currency and interest rate swap contracts 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 have been designated as a fair value hedge. The positive fair value at 31 December 2014 amounted to euro 30,687, that was recognized in the income statement;
- Currency and interest rate swap contracts for the tranches of US Private Placement bond issued in 2013 by Barilla G. e R. Fratelli Società per Azioni, with a nominal value of USD 150 million that expires on 13 December 2025, which have been designated as a fair value hedge. The positive fair value at 31 December 2014 amounted to euro 20,214, that was recognized in the income statement;

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

Movements in the cash flow hedge reserve were as follows:

	2014		2013	
	Gross reserve	Tax effect	Gross reserve	Tax effect
Opening balance	**(1,444)**	**603**	**1,678**	**(364)**
Change in fair value	(17,092)	5,682	(8,781)	3,010
Exchange difference recognized in income statement	16,404	(5,430)	5,659	(2,043)
Closing balance	**(2,132)**	**855**	**(1,444)**	**603**
of which attributable to the Group	(1,812)	727	(1,228)	513

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 2014 amounts to euro 129,160 in respect of the bonds that expire in 2015 and 2018.

The financial risk management policy is disclosed in note 7.

6.21 Other payables

Other payables that amounted to euro 4,253 (euro 4,239) largely represent the liability in respect of social security contributions.

6.22 Equity

Share capital

Fully paid share capital at 31 December 2014, as well as at of 31 December 2013, comprised nr. 13,100,000 ordinary shares, 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 but have priority in the profit distribution.

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 16 June 2014 approved the payment of a dividend of euro 52,511, drawing from the extraordinary reserve, allocated as follows:

- to B shares a total of euro 26,043;
- to ordinary shares a total dividend of euro 26,468.

These dividends were paid on 9 July 2014.

6.23 Non-controlling interests

The following table provides information on subsidiaries controlled by the Group with significant participation of third parties. The amounts are gross of intercompany eliminations:

31 December 2014	Barilla Mexico SA de CV subgroup	Barilla Iniziative Srl subgroup	Total
Percentage of non-controlling interests	**50%**	**15%**	
Revenue	63,958	3,254,095	
Result of the period	4,408	151,097	
Profit/(Loss) attributable to non-controlling interests	**2,204**	**22,334**	**24,538**
Total comprehensive income (loss)	440	16,976	
Total comprehensive income (loss) attributable to non-controlling interests, without result	**220**	**2,512**	**2,732**
Total comprehensive income (loss) attributable to non-controlling interests	**2,424**	**24,846**	**27,270**
Current assets	27,452	1,003,949	
Non-current assets	15,326	1,580,197	
Current liabilities	(7,655)	(1,055,721)	
Non-current liabilities	(1,709)	(577,852)	
Net assets	***33,414***	***950,573***	
Net assets attributable to non-controlling interests	**16,707**	**140,080**	**156,787**
Net cash generated from/(used in) operating activities	7,635	285,860	
Net cash generated from/(used in) investing activities	(276)	(116,671)	
Net cash generated from/(used in) financing activities	(5,747)	(137,782)	
Net (decrease)/increase in cash and cash equivalents and bank overdrafts	*1,612*	*31,407*	
Total dividends paid to non-controlling interests (including in cash flow from financing activities)	**2,874**	**10,314**	**13,188**

31 December 2013	Barilla Mexico SA de CV subgroup	Barilla Iniziative Srl subgroup	Total
Percentage of non-controlling interests	**50%**	**15%**	
Revenue	62,977	3,229,973	
Result of the period	3,245	112,131	
Profit/(Loss) attributable to non-controlling interests	**1,622**	**16,644**	**18,266**
Total comprehensive income (loss)	(1,891)	(19,544)	
Total comprehensive income (loss) attributable to non-controlling interests, without result	**(945)**	**(2,877)**	**(3,822)**
Total comprehensive income (loss) attributable to non-controlling interests	**677**	**13,767**	**14,444**
Current assets	24,692	839,334	
Non-current assets	16,716	1,564,423	
Current liabilities	(5,650)	(855,477)	
Non-current liabilities	(1,446)	(694,146)	
Net assets	***34,312***	***854,134***	
Net assets attributable to non-controlling interests	**17,156**	**125,543**	**142,699**
Net cash generated from/(used in) operating activities	2,789	349,649	
Net cash generated from/(used in) investing activities	(5,163)	(47,563)	
Net cash generated from/(used in) financing activities	2,282	(311,954)	
Net (decrease)/increase in cash and cash equivalents and bank overdrafts	*(92)*	*(9,868)*	
Total dividends paid to non-controlling interests (including in cash flow from financing activities)	**-**	**7,045**	**7,045**

Commitments and guarantees

Contractual commitments at the year-end that are not recognized in the Financial Statements amounted to euro 705,641 (euro 581,880) and comprise:

- commitments for finished goods purchases, wheat, other raw materials and packaging for euro 609,210 (euro 511,523);
- commitments for capital expenditure for euro 45,431 (euro 2,357);
- commitments for energy purchases for euro 51,000 (euro 68,000).

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 Società per Azioni, for euro 232,216 (euro 268,617).

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:

	2014	2013
Total sales of finished goods	3,193,322	3,149,750
Sales of by-products	42,746	58,240
Sales of packaging and other materials	18,027	21,983
Total	**3,254,095**	**3,229,973**

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 general and administrative expenses, is illustrated in the table below:

	2014	2013
Purchase of raw materials, semi-finished goods, finished goods, materials and change in inventories	1,328,969	1,336,231
Purchase of other materials	24,671	20,039
Employee costs	469,337	467,704
Depreciation of property, plant and equipment and amortization of intangible assets	134,094	139,398
Goodwill impairment loss	-	28,354
Transport and warehousing services	291,723	275,296
Promotional and advertising services	275,426	276,841
Maintenance costs	32,679	29,352
Services	65,030	60,318
Consultancy costs	26,974	35,522
Third party manufacturing costs	76,542	59,065
Sales commissions	51,314	51,768
Utilities	77,396	88,212
Travel and expenses	19,106	19,017
Property leases, rentals and operating leases	19,884	16,642
Directors' and statutory auditors' emoluments	4,925	4,971
Insurances	7,901	7,157
Other taxes	9,948	9,281
Employee training costs	3,904	3,539
Postage and telephone expenses	7,233	7,513
Customs duties	5,001	4,776
Factoring services	1,633	1,758
Others	10,989	11,085
Total	**2,944,669**	**2,953,839**

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

	2014	2013
Cost of sales	103,958	107,357
Logistics costs	5,806	7,002
Selling costs	344	489
Marketing costs	75	54
General and administrative expenses, technical and development costs	23,911	24,496
Total	**134,094**	**139,938**

6.26 Other income and expenses

Other income and expenses comprised:

	2014	2013
Income and expenses from continuing operations:		
- Gains/(losses) - net on disposals of property, plant and equipment	(2,822)	(2,719)
- Insurance repayments	1,239	1,323
- Net charges to/utilization of provisions	(3,792)	(27,857)
- Charge to allowance for doubtful accounts	(4,692)	(5,742)
- Property and other taxes	(6,190)	(6,333)
- Donations on behalf of third parties and of employees	(5,590)	(2,314)
- Membership fees	(1,628)	(2,043)
- Employee incentives	(1,834)	(4,318)
- Income/(expenses) relating to other accounting periods	5,762	11,612
- Bank commission and insurance	(1,905)	(940)
- Net services rendered and other minor amounts	4,714	4,918
Total income/(expenses) from continuing operations	**(16,737)**	**(34,411)**
Non recurring income /(expense), net	(2,782)	(5,030)
Total income and expenses – non recurring	**(2,782)**	**(5,030)**
Total other income and expenses	**(19,519)**	**(39,441)**

6.27 Finance costs - net

Finance costs - net consisted of the following:

	2014	2013
Net costs relating to the net financial position:		
Interest income on bank accounts	1,161	1,052
Interest expense on short-term bank borrowings	(1,067)	(1,389)
Interest expense on medium/long -term bank borrowings	(6,840)	(2,879)
Interest expense on bonds	(4,644)	(12,011)
Interest expense on finance leases	(1,606)	(1,812)
Commissions on draw down of irrevocable credit facilities	-	(1,309)
Total net finance costs relating to the net financial position	**(12,996)**	**(18,348)**
Other finance income/(costs):		
Net realized exchange gains/(losses) – commercial and financial	14,568	(7,152)
Net unrealized exchange gains/(losses) – commercial and financial	(32,664)	(4,900)
Commissions on undrawn amounts	(2,670)	(2,384)
Interest costs on pension liabilities	(4,222)	(4,187)
Other income and costs	330	1,062
Total other finance income/(costs)	**(24,657)**	**(17,561)**
Total finance costs - net	**(37,653)**	**(35,909)**

Interest expense on medium/long-term bank borrowings include extraordinary costs for the revolving credit facilities early termination and for the related hedging contracts closure for euro 4,100.

Interest expense on bonds include the positive change in fair value of the related hedging instruments for euro 2,857.

In 2013, commissions on draw down of irrevocable credit facilities were attributable to the line Committed

Revolving Credit Facility early extinguished in 2014, whose interests were variable, linked to Euribor plus a margin dependent on the ratio of net financial debt to EBITDA of Barilla Iniziative Group.

The part of the unrealized gains and losses on foreign exchange is mainly attributable to the commercial and financial relations of the subsidiary Harry's Cis with its parent Barilla G. e R. Fratelli Società per Azioni.

The balance also includes the change in fair value of derivative financial instruments held for trading and related to forward exchange contracts for euro 3,320.

Other income and costs include interests for installment payments and interest income on other receivables.

6.28 Income tax expense

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 38.6% (38.7%).

	Year ended 31 December 2014
Profit before income tax	252,254
Theoretical tax charge	80,796
Unrecognized deferred tax assets	10,231
Difference in taxable income for IRAP (trade income tax) purposes	8,409
Net non-deductible expenses/(income) (not subject to tax)	6,041
Use of deferred tax assets not recognized in prior periods and re-measurement of deferred taxes	(3,280)
Effective tax charge	**102,197**

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	30.79%		
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.	305	5 years	20%	61	-
Academia Barilla S.p.A. - Socio Unico	13,540	Unlimited	27.5%	-	3,723
Barilla America Inc.	21,588	20 years	various	1,025	-
Barilla Do Brazil LTDA	19,356	Unlimited	34%	6,581	-
Barilla Norge	163	Unlimited	27%	-	44
Harry's Cis LLC	36,993	10 years	20%	-	7,399
Barilla Danmark A/S	1,576	Unlimited	23%	-	386
Barilla Canada Inc.	9,772	20 years	31%	-	3,029
Barilla Belgium S.A.	3,985	Unlimited	33.99%	-	1,355
Barilla Poland Sp. Z.o.o.	2,834	5 years	19%	-	538
Barilla Singapore	5,425	Unlimited	17%	409	513
Barilla Shanghai	1,950	5 years	25%	-	488
Finba Bakery Holding GmbH	99,445	Unlimited	various	-	15,737
Total	**216,932**			**8,076**	**33,211**

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 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 2014 approximately 36% (47%) of gross indebtedness was at fixed rates, either directly or through specific derivative financial instruments.

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)	2014		2013	
	+0.5%	–0.25%	+0.5%	–0.25%
Effect on Net Result	(98)	52	(293)	148
Effect on Other Comprehensive Income	93	(47)	414	(211)

The tax effects were calculated applying the Group's effective tax rates at 31 December 2014 and 2013.

(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 2014 and 2013 the potential effects on the net result and on other comprehensive income of a strengthening/devaluation of the euro against the other foreign currencies, mainly USD, with all other conditions remaining equal, would have amounted to:

Income/charge - (cost/increase)	2014		2013	
	+10%	–10%	+10%	–10%
Effect on Net Result	1,030	(792)	8,378	(8,378)
Effect on Other Comprehensive Income	102	(102)	133	(133)

(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 2014 and 2013, 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)	2014		2013	
	+5%	–5%	+5%	–5%
Effect on Net Result	1,129	(791)	1,546	(1,279)
Effect on Other Comprehensive Income	356	(356)	298	(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 2014, the Group held undrawn credit facilities maturing in 2019 of approximately euro 700,000 in addition to cash and cash equivalents in excess of euro 183,728.

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 2014				
Borrowings with banks, other lenders and finance leases	153,278	120,104	227,226	500,608
Derivative financial instruments through profit or loss	3,320	-	-	3,320
Trade and other payables	843,225	4,253	-	847,478
Total	**999,823**	**124,357**	**227,226**	**1,351,406**

	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	763,029	4,239	-	767,268
Total	**798,018**	**278,977**	**268,622**	**1,345,617**

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 2014	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		Fair value	Fair value evaluation Level
						assets	liabilities		
Available-for-sale financial assets not quoted on an active market	-	-	1,551	-	-	-	-	**Not available**	
Derivatives (assets)	-	-	-	-	-	3,964	-	**3,964**	Level 1
Derivatives (assets)	3,667	-	-	-	-	63,279	-	**66,946**	Level 2
Trade and other receivables	-	537,896	-	-	-	-	-	**537,896**	
Cash and cash equivalents and financial assets	-	183,728	-	-	-	-	-	**183,728**	
Borrowings with banks and other lenders	-	-	-	-	502,041	-	-	**503,864**	
Trade payables	-	-	-	-	668,746	-	-	**668,746**	
Other payables	-	-	-	-	178,732	-	-	**178,732**	
Derivatives	-	-	-	347	-	-	2,130	**2,477**	Level 2
Total	**3,667**	**721,624**	**1,551**	**347**	**1,349,519**	**67,243**	**2,130**	**-**	

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		Fair value	Fair value evaluation Level
						assets	liabilities		
Available-for-sale financial assets not quoted on an active market	-	-	1,251	-	-	-	-	**Not available**	
Derivatives (assets)	-	-	-	-	-	2,208	-	**2,208**	Level 1
Derivatives (assets)	399	-	-	-	-	24,107	-	**24,506**	Level 2
Trade and other receivables	-	488,755	-	-	-	-	-	**488,755**	
Cash and cash equivalents and financial assets	-	112,011	-	-	-	-	-	**112,011**	
Borrowings with banks and other lenders	-	-	-	-	458,218	-	-	**466,055**	
Trade payables	-	-	-	-	587,568	-	-	**587,568**	
Other payables	-	-	-	-	179,700	-	-	**179,700**	
Derivatives (liabilities)	-	-	-	-	-	-	51	**51**	Level 1
Derivatives (liabilities)	-	-	-	1,571	-	-	20,720	**22,291**	Level 2
Total	**399**	**600,766**	**1,251**	**1,571**	**1,225,488**	**26,315**	**20,771**		

During 2014, 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 2014, 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 USD 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, net of any potential impairment. Further details are provided in note 6.12.

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 2014 amounted to euro 249,880, compared to euro 346,835 in 2013, which included the foreign exchange and interest-rate derivatives mark-to-market evaluation.

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 3,965 (2013 - euro 6,807).

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

	12/31/2014	12/31/2013
Cash and cash equivalents	183,728	112,011
Current financial assets at fair value	6,277	5,049
Banks and other borrowings (including derivatives)	(142,870)	(22,153)
Short-term net financial position	**47,135**	**94,907**
Non-current financial assets at fair value	64,633	21,665
Borrowings (including derivative)	(361,648)	(463,407)
Medium/long-term net financial position	**(297,015)**	**(441,742)**
Total net financial position	**(249,880)**	**(346,835)**

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):

	2014	2013*
Operating profit	**289,907**	**236,693**
Goodwill and intangible fixed assets impairment losses	-	28,354
Expenses and losses on discontinued operations	2,782	5,030
Operating profit from continuing operations (EBIT)	**292,689**	**270,077**
Amortization and impairment losses of intangible fixed assets (continuing operations)	18,047	19,103
Depreciation and impairment losses of tangible fixed assets (continuing operations)	116,047	120,295
Operating profit from continuing operations before depreciation, amortization and impairment losses on fixed assets (EBITDA)	**426,783**	**409,475**

**Discontinued operations not included.*

This ratio at 31 December 2014 and 31 December 2013 was as follows:

	2014	2013
Net financial position	249,880	346,835
EBITDA	426,783	409,475
EBITDA/net financial position ratio	**0.6**	**0.8**

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 Iniziative and the principal Group operating subsidiaries.

Total compensation paid to these individuals is presented below:

(euro thousands)

Key management compensation	2014	2013
Short-term benefits	13,499	14,248
Post-employment benefits	879	549
Other long-term benefits	3,100	110
Total	**17,478**	**14,907**

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. Further information is presented in the Directors' report.

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 2014 fees in respect of the legal activities for the statutory audit of the annual accounts, the other audit services and the tax consulting services amounted to euro 835.

8.3 Relationships with company bodies

The emoluments of the directors of Barilla Holding Società per Azioni for 2014 amounted to euro 4,019.

The remuneration of the Board of Statutory Auditors of Barilla Holding in relation to Group engagements amounted to a total euro 379 in 2014.

Mikaela Shiffrin, Olympic gold medalist and Barilla endorser.

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 (USA) Restaurants coordination	USD	10,000	85.00	100.000 Italian Kitchen S.r.l. - Socio Unico
IKRG - Midtown LLC c/o Tarter Krinsky & Drogin LLP 1350 Broadway, New York - NY (USA) Restaurants coordination	USD	10,000	85.00	100.000 Italian Kitchen USA Inc.
Finba Bakery Holding GmbH Fritz-Vomfelde Strasse 14-20 - 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	7,611,840	85.00	100.000 Barilla G. e R. Fratelli Società per Azioni - Socio Unico
Barilla America Inc. 1200 Lakeside Drive, 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 71/72 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
BRJ KK 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 - 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 - 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 - 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. 27 Kreta Ayer 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 (China) Trade	USD	4,120,000	85.00	100.000 Barilla Singapore PTE. Ltd.
Barilla Middle East FZE Office No. LB191803, Jebel Ali Dubai (United Arab Emirates) Trade	AED	1,000,000	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 - Toronto (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 Istanbul (Turkey) Production and trade	TRY	2,940,000	84.996	99.995 Barilla G. e R. Fratelli Società per Azioni - Socio Unico
Barilla Switzerland A.G. Zugerstrasse 76B - Baar (Switzerland) Trade	CHF	1,000,000	85.00	100.000 Barilla Netherlands B.V.
Barilla Sverige AB PO BOX 6722, 113 85 - 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 c/o Mazanti-Andersen, Korsø Jensen & Partenere Ameliegade 10 - Copenhagen (Denmark) Trade	DKK	500,000	85.00	100.000 Barilla Sverige AB
Barilla Poland Sp. Z.o.o. Ul. Poleczki, 23 - Warsaw (Poland) Trade	PLN	29,050,004	85.00	100.000 Barilla Sverige AB

Company, headquarter and activity	Currency	Share Capital (nominal values)	% Group ownership	Through %
Barilla Deutschland GmbH Gustav-Heinemann-Ufer 72c Cologne (Germany) Production and trade	EURO	51,100	85.00	100.000 Barilla Sverige AB
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	18,000	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. Radnička cesta, 39 - Zagreb (Croatia) Trade	HRK	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 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 - 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 - Gauchy (France) Production and trade	EURO	153,000	85.00	100.000 Barilla France SAS
Barilla Belgium S.A. 9 Boulevard de France 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	21,741,950	0.2391	0.2814 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 Piazza Annibaliano, 18 - 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 Ferretti Licinio, 50/A - Parma (Italy) Other	EURO	19,454,528	1.3005	1.530 Barilla G. e R. Fratelli Società per Azioni - Socio Unico
Pallino Pastaria Company 1207 208th Avenue S.E. - Sammamish Washington (USA) Production and trade	USD	501,500	9.401	11.060 Barilla G. e R. Fratelli Società per Azioni - Socio Unico
Italia del Gusto - Consorzio Export La gastronomia di marca Via delle Esposizioni, 393/a, Baganzola - Parma (Italy) Trade	EURO	95,000	0.024	0.028 Barilla G. e R. Fratelli Società per Azioni - Socio Unico
COMIECO Via Litta Pompeo, 5 - Milan (Italy) Other	EURO	1,291,000	0.032	0.037 Barilla G. e R. Fratelli Società per Azioni - Socio Unico
CO.NA.I. Via Tomacelli, 132 - Rome (Italy) Other	EURO	13,937,185	0.077	0.090 Barilla G. e R. Fratelli Società per Azioni - Socio Unico
FASTIGHETSAKTIEBOLAGET TAREDOM Pumpgatan 5 - Karlstad (Sweden) Other	SEK	796,700	0.17	0.200 Barilla Sverige AB
STOREBRAND ABA Professor Kohts vei 9 - 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 translate financial statement are set below:

	Currency	Average 2014	Year-end 12/31/2014
AUD	Australian Dollar	1.472	1.483
AED	Arab Emirates Dirham	4.88	4.46
BRL	Brazilian Real	3.121	3.221
CAD	Canadian Dollar	1.466	1.406
CHF	Swiss Franc	1.215	1.202
CNY	Chinese Yuan	8.186	7.536
DKK	Danish Krone	7.455	7.445
HRK	Croatian Kuna	7.634	7.658
JPY	Japanese Yen	140.306	145.230
MXN	Mexican Pesos	17.655	17.868
NOK	Norwegian Krone	8.354	9.042
PLN	Polish Zloty	4.184	4.273
RUB	Russian Rouble	50.952	72.337
SEK	Swedish Krone	9.099	9.393
SGD	Singapore Dollar	1.682	1.606
TRY	Turkish Lira	2.906	2.832
USD	American Dollar	1.329	1.214

The Academia Barilla Restaurant, in the heart of New York, offers people an authentic Italian culinary experience.

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 2014, comprising the statement of financial position, consolidated income statement, statement of comprehensive income, statement of changes in equity, consolidated 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. We audited such financial statements and issued our report thereon on 11 April 2014. 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 2014.

3 In our opinion, the consolidated financial statements of the Barilla Holding Group as at and for the year ended 31 December 2014 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 2014, 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 2014.

Parma, 10 April 2015

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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