

HOT ROLLING
EXTRUSION

MECHANICAL
DIVISION

COLD DRAWING



**CONSOLIDATED
FINANCIAL
STATEMENTS 2016**

Our group has shown its **ability to adapt** to the unpredictable changes of the market.

The **partnership** with the Taihai Manoir industrial group will help us develop a structured presence in the **Chinese and Asian markets**.

CHAIRMAN'S

LETTER



CHAIRMAN'S LETTER TO THE 2016 CALVI HOLDING CONSOLIDATED FINANCIAL STATEMENTS

The year just ended has been marked by important changes and developments.

The entry of the Taihai Manoir industrial group with a long-term minority shareholding in Siderval's share capital has laid the first stone for the development of a structured presence in the Chinese and Asian markets.

The agreement envisages Siderval's symmetrical participation in the creation of a large plant in China, which will chiefly serve the Asian markets, but will also cover Europe and other continents, as a result of the expanding range of products and services offered.

This partnership will broaden our presence in the world, allowing us in the future to generate significant income flows for our financial strength. The operation has immediately enabled Calvi Holding and the entire Group reporting to us to take a decisive step towards financial consolidation.

Although the difficult global economic context has been further complicated by the many geopolitical issues that we are faced with today – foremost Brexit and the uncertainties over the US economic policy following the election of the new President – our group has shown its ability to adapt to the unpredictable changes in the market.

On the positive side, I am referring to the expansion of our business activities in the Automation, Material Handling and Logistics Application sectors, that account for 55% of our turnover. In 2016, these markets showed a marked growth at global level which was readily seized by the Group companies.

We believe that the digitisation and ensuing automation of the manufacturing industry, currently on the threshold of most advanced economies, will give further opportunities for development to the entire Group, involved in the production of special profiles, custom-made components and design solutions for handling and positioning a wide variety of objects.

Industry 4.0 is also called the fourth Industrial Revolution owing to the disruptive transformation that it will bring about. It will offer a major opportunity for recovery especially to more developed economies over the next fifteen years and is supported by the industrial policies of all most advanced countries. Our Group and our entire international structure are ready to seize all the opportunities that will arise: the future that we will be able to build is linked to today's momentum.

The complementary approach and the synergies developed by all of our companies are now more than ever a key competitive advantage, which is essential for maintaining and enhancing our technological and market leadership in the future.

RICCARDO CHINI

Chairman of Calvi Holding S.p.A.

BOARD OF DIRECTORS

- Vittorio Chini** Honorary Chairman
- Riccardo Chini** Chairman
- Davide Chini** Deputy Chairman
- Enrico Chini** Board Member
- Alain Honnart** Board Member
- Federico Berruti** Board Member
- Barbara Chini** Board Member
- Giancarlo Borneto** Board Member
- Giacomo Domenighini** Board Member
- Isabella Chini** Board Member
- Dino Martinazzoli** Board Member

EXECUTIVE COMMITTEE

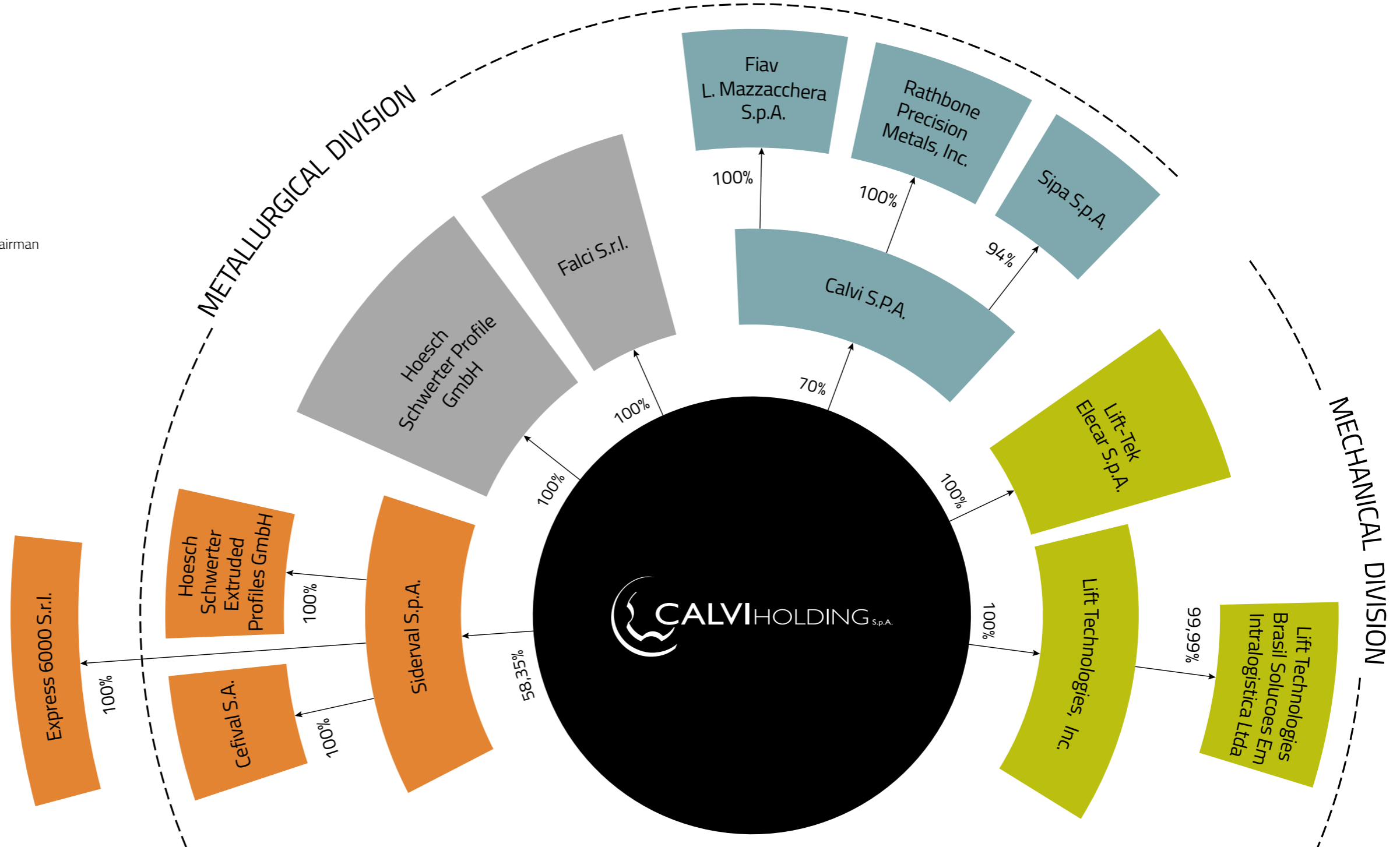
- Riccardo Chini** Chairman
- Davide Chini**
- Alain Honnart**
- Enrico Chini**
- Federico Berruti**

BOARD OF STATUTORY AUDITORS

- Giacomo Vogini** Chairman
- Fabrizio Felter**
- Massimo Ghetti**

INDEPENDENT AUDITORS

BDO Italia S.p.A.



EVOLUTION

motion from an indefinite incoherent homogeneity to a definite coherent heterogeneity (Spencer)

evolution of the species, evolution of thought, technical evolution, evolution of consumption, social evolution, cultural evolution.

EVOLUTION

REVOLUTION



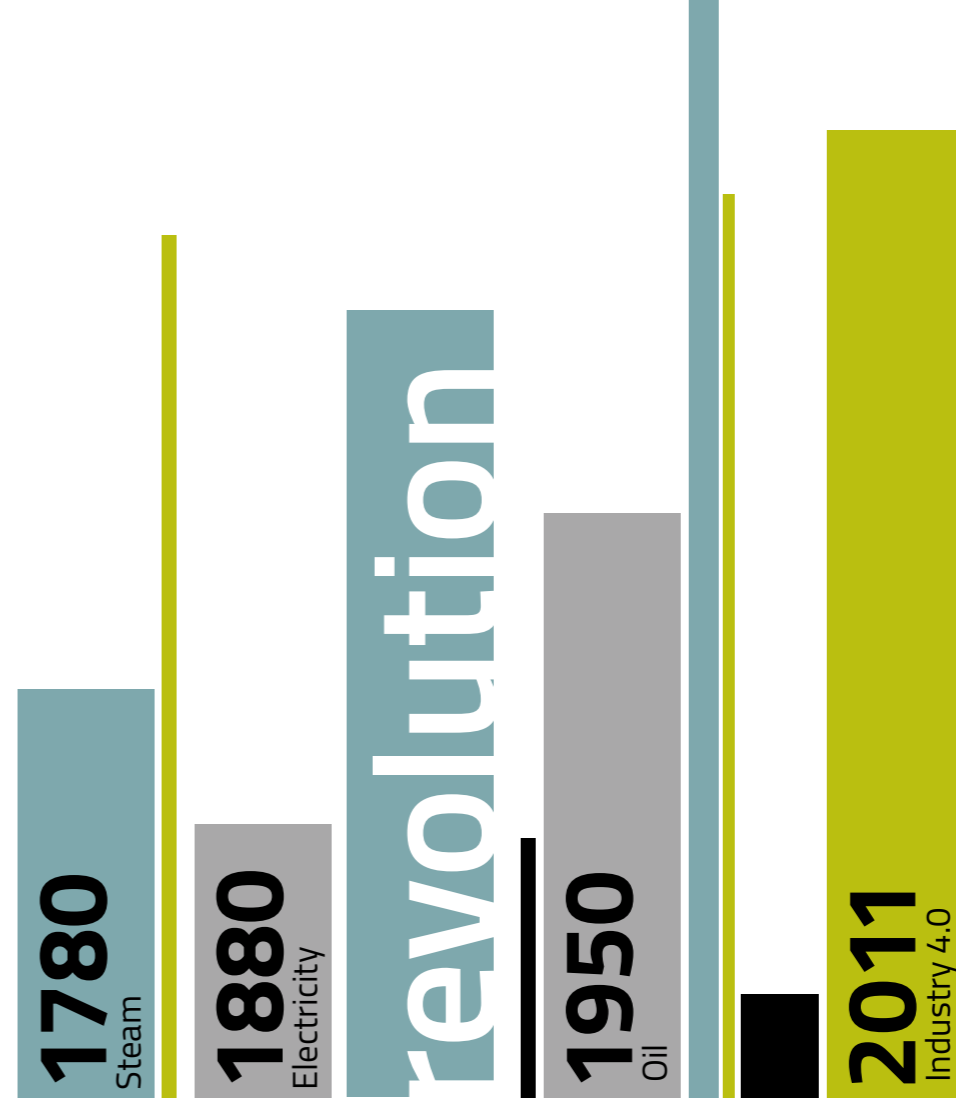
CALVI EVOLUTION 272/13

Civilisation and language are born together, but language stems from work. Work is a value and is the engine of human evolution: it creates groups, communities, exchanges and well-being. Our Group is specialised in the engineering and production of steel profiles, bringing together companies with different histories, nationalities and size yet sharing converging interests and features. The evolution into an international group, the strategic presence of a mechanical division, debt reduction and the opening to new shareholders and new markets are the pillars that enable us to enhance the technological know-how of steel profiles within the global industry 4.0.



RIVOLUZIONE INDUSTRY 4.0

The first industrial revolution began in 1780 and involved the steam, mechanical and textile industries. The second industrial revolution in 1880 focused on electricity, cement and steel. The third industrial revolution commenced in 1950 involving the oil, nuclear and chemical industries. Environmental sustainability, mechatronics and IT have been at the heart of Industry 4.0 since 2000. The Calvi group includes companies, such as Hoesch that has been in business since 1745, and Cefival, Rathbone and Fiav which have been through the first and second industrial revolutions, and others which were established during the third industrial revolution and will play a key role in the fourth. Our experience with industrial revolutions tells us that they are permanent, ongoing and day-to-day revolutions. This makes us genetically apt to following the innovation/revolution and managing its discontinuities.



REVOLUTION

acceleration of a process destined in any case to be accomplished (Tocqueville)

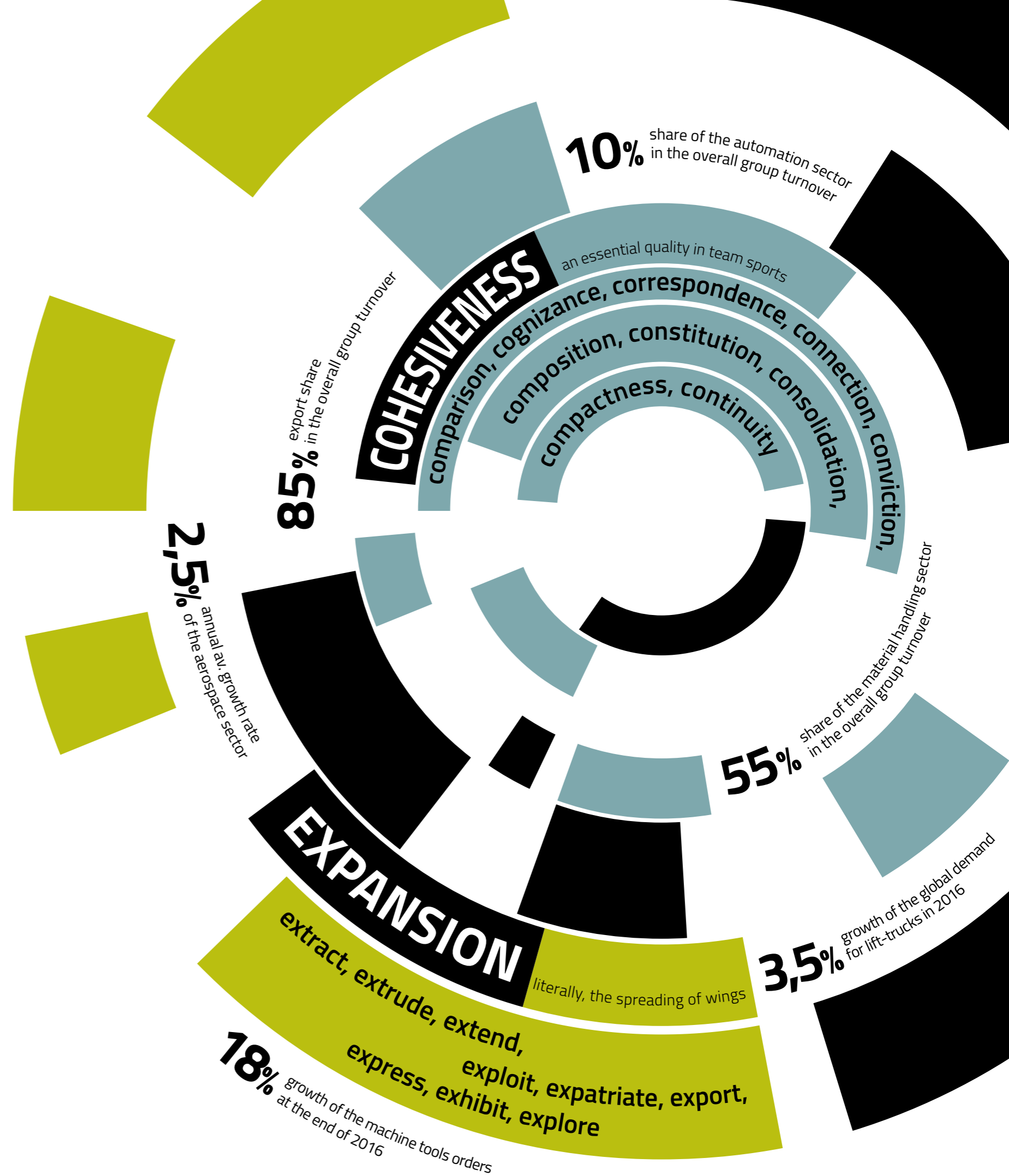
Copernican, scientific, demographic, industrial revolution English, American, French, Russian revolution cultural, sexual, IT, ecological revolution.

GROUP COHESIVENESS

The Calvi Group was established in 2004 during a macroeconomic phase of growth and development that reached its peak in terms of production and revenues in 2008: yet it was in 2009, during the global economic crisis – when the Group was forced to address a number of critical issues – that it developed its own cohesiveness, built its identity and set in motion the synergies that made it possible to overcome the crisis and approach the future as a well-established and strong player, ready to start a new phase of global expansion in the years to come.

EXPANDING OUR PROSPECTS

Opening and widening our prospects: expansion stems from the awareness of our resources and opportunities, and from the ability to combine them together. Literally and etymologically, expansion is the extension needed by a living organism: a tree that expands through its branches or an eagle that opens and expands its wings. Our wings, our branches are called markets, targets, offers, products, applications, materials, technologies, services, partnerships and businesses.



BEING

BECOMING

BEING

from -sein, to be

being ideal (Plato) being actual (Aristotle)
being aware (Descartes) being ethical (Kant)
being rational (Hegel) being logical (Wittgenstein)

BECOMING

panta rei, everything flows

gestures, words, actions,
people, work, metamorphosis,
dynamism, dialectics, flows, group



BEING WORK

Work is our identity.
Our machines, factories, raw materials, production and warehouses.
Our technicians, workers, employees, executives, agents, consultants and researchers.
Our ideas, skills, determination, techniques, organisation and spirit.
What drives all these factors is the human desire to work together.
Drawing on our identity and on our culture of being work, we continue to uphold the cornerstone of classical economy throughout the XXI century: work as the key element to create value.

BECOMING VALUE

The creation of value is the generative code of our industrial dynamics.
Our value is foremost technical, economical and, therefore, social.
In a world that feels the need and the desire to take new shape in light of environmental and social sustainability, the human-scale approach of our multinational is our truly distinguishing competitive advantage, today and even more so in the very near future.