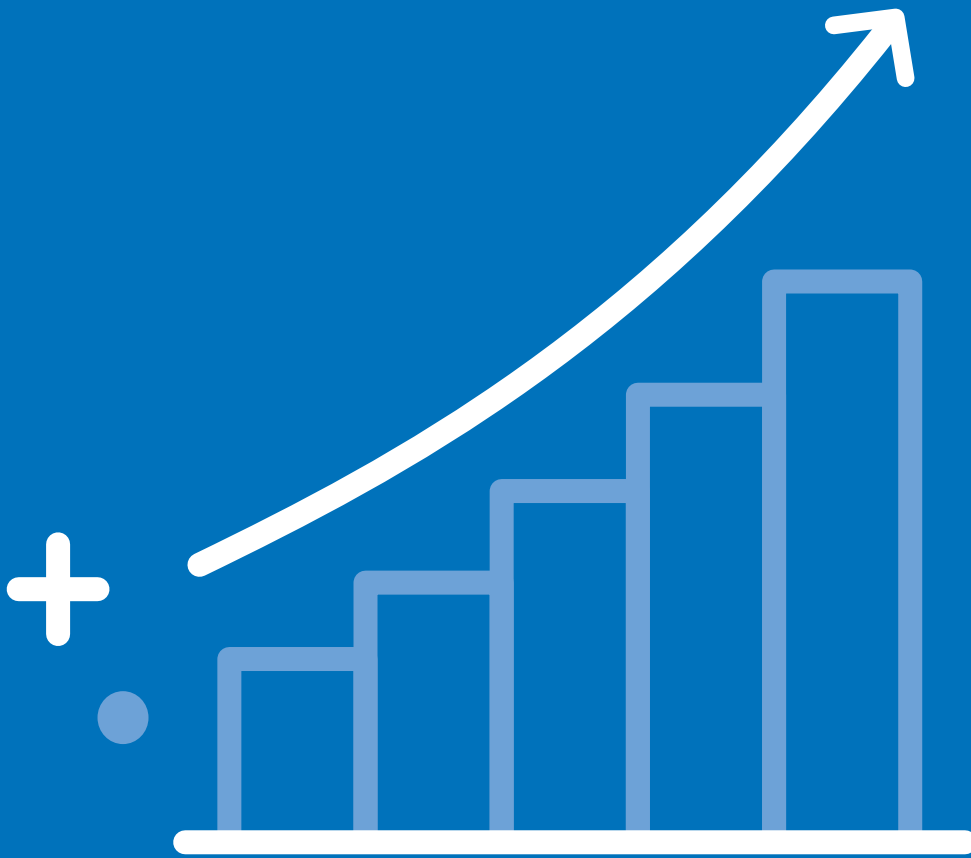


2018
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STATEMENTS

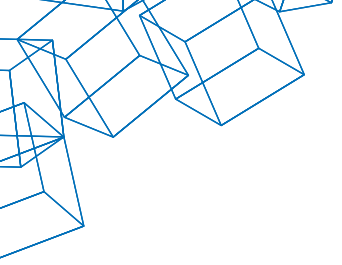




DECEMBER 31ST

2018

**CONSOLIDATED
FINANCIAL
STATEMENTS**



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A letter from the CEO

Internationalisation: the winning strategy for 2018



Giorgio Squinzi
CEO

Our drive towards internationalisation, which received a further boost thanks to several new acquisitions, and our ongoing commitment to investments, proved to be the winning strategy once again in 2018. The Group consolidated its position and grew even more, in spite of it being a particularly challenging year influenced by various factors that had a negative effect on the overall performance of the global economy. Intensifying the internationalisation process protected us from the difficulties we encountered on individual markets and from even more complex phenomena such as turbulence in the exchange market, trade wars and the problem of import duties. We just need to think how Mapei's revenue grew by more than 5% compared with 2017, which would have been more than 8% if we exclude the effect of exchange rates. We were further rewarded for choosing to consider the world as our reference market, which we are able to cover thanks to a capillary network of operating companies and production facilities. A network we have constructed over the years so our products can reach anyone, anywhere. Ever since we opened our first production facility outside Italy, in Canada in 1978, we have never stopped. And this will continue to be our priority.

The fact that we are near to end users of Mapei materials and products has also been acknowledged and rewarded. Our businesses are localised in the countries where we sell our products and this is also a way of protecting our interests and having a competitive edge. Not even the possibility of American import duties being imposed frightens us: we sell almost one billion dollars' worth of goods in North America, but it is all produced locally.

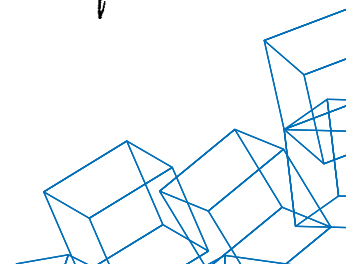
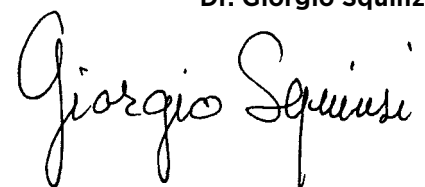
At the moment the American market is expanding rapidly, but we have achieved positive results everywhere we operate; Western Europe (from Greece to Scandinavia), Eastern Europe and all over Asia.

2017 was a record year for investments, with a total of more than 110 million Euros. And in 2018 we certainly didn't loosen our grip; as a matter of fact, we did even better: by the end of the year we had exceeded the record level of investments into new products and production activities to extend and enhance our product lines all around the world, but particularly in North America. In 2018 we invested around 151.6 million Euros. And in the future we will continue to respond to what is far from being an easy situation for the global economy, by constantly focusing on internationalisation and on our capacity to innovate and improve the sustainability of our products.

Internationalisation and investments have been accompanied by an increase in personnel: we reached and surpassed the milestone figure of 10,000 employees. An increase that followed in the wake of a similar one in 2017, when the workforce increased by 880 to reach a total of 9,516. In 2018 we continued to make new acquisitions by persisting with a process of targeting specific companies. It is from this perspective that we should interpret the acquisition of the family-run business from Emilia, Fili&Forme Srl, which has been integrated into our products, and the Spanish company Tecnopoli de Sistemas SL, which has enabled us to become one of the leading companies in Spain for chemical products for the building industry and for waterproofing products.

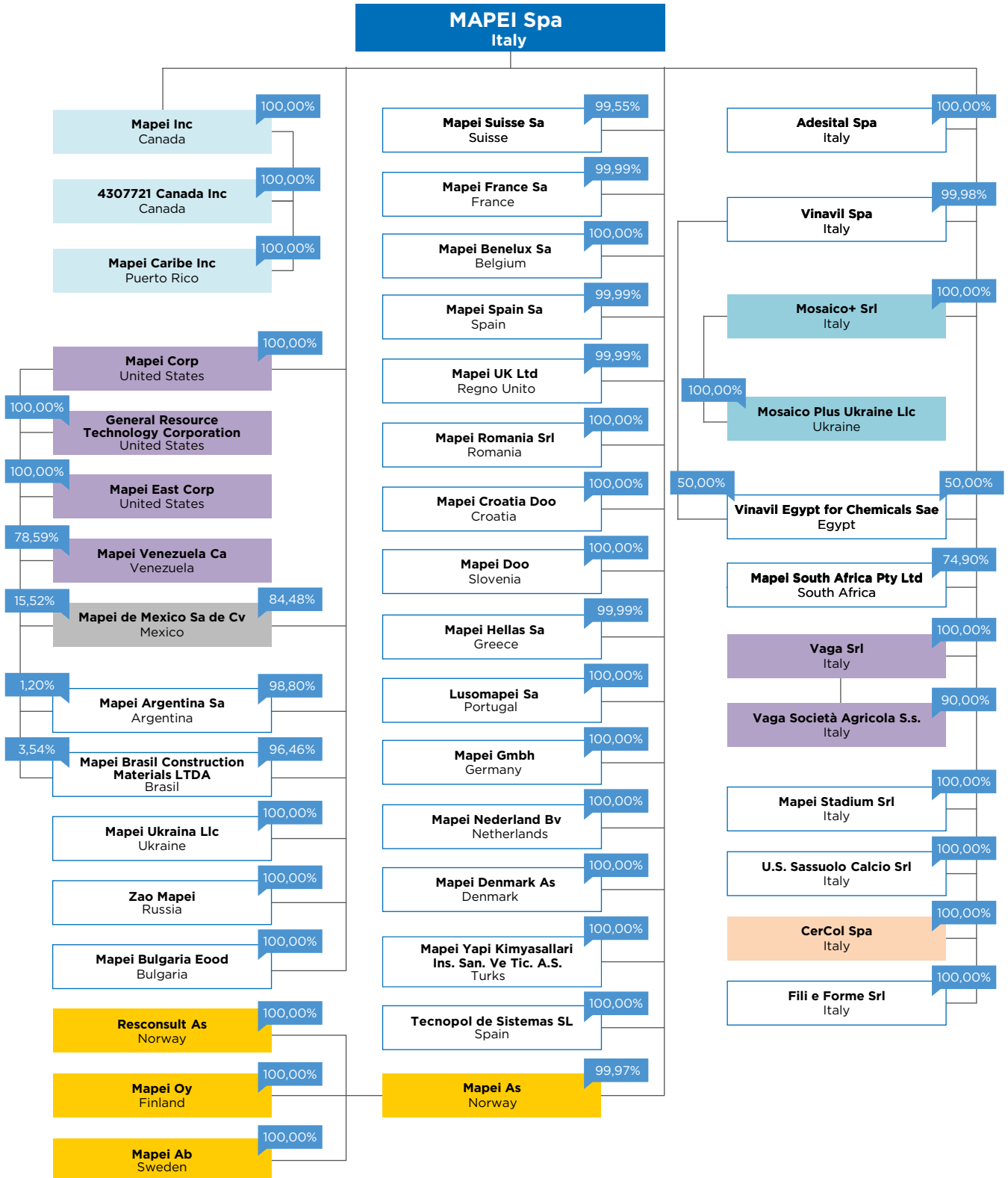
Lastly, a special mention must go to the part played by our subsidiaries in our strategy who, just like the parent company, believe in the importance of transparent, straightforward communication and consider sustainability to be one of the key elements of their business. For everybody, paying particular attention to the theme of sustainability is now alongside internationalisation, research and development and specialisation, the three traditional cornerstones of the Mapei strategy.

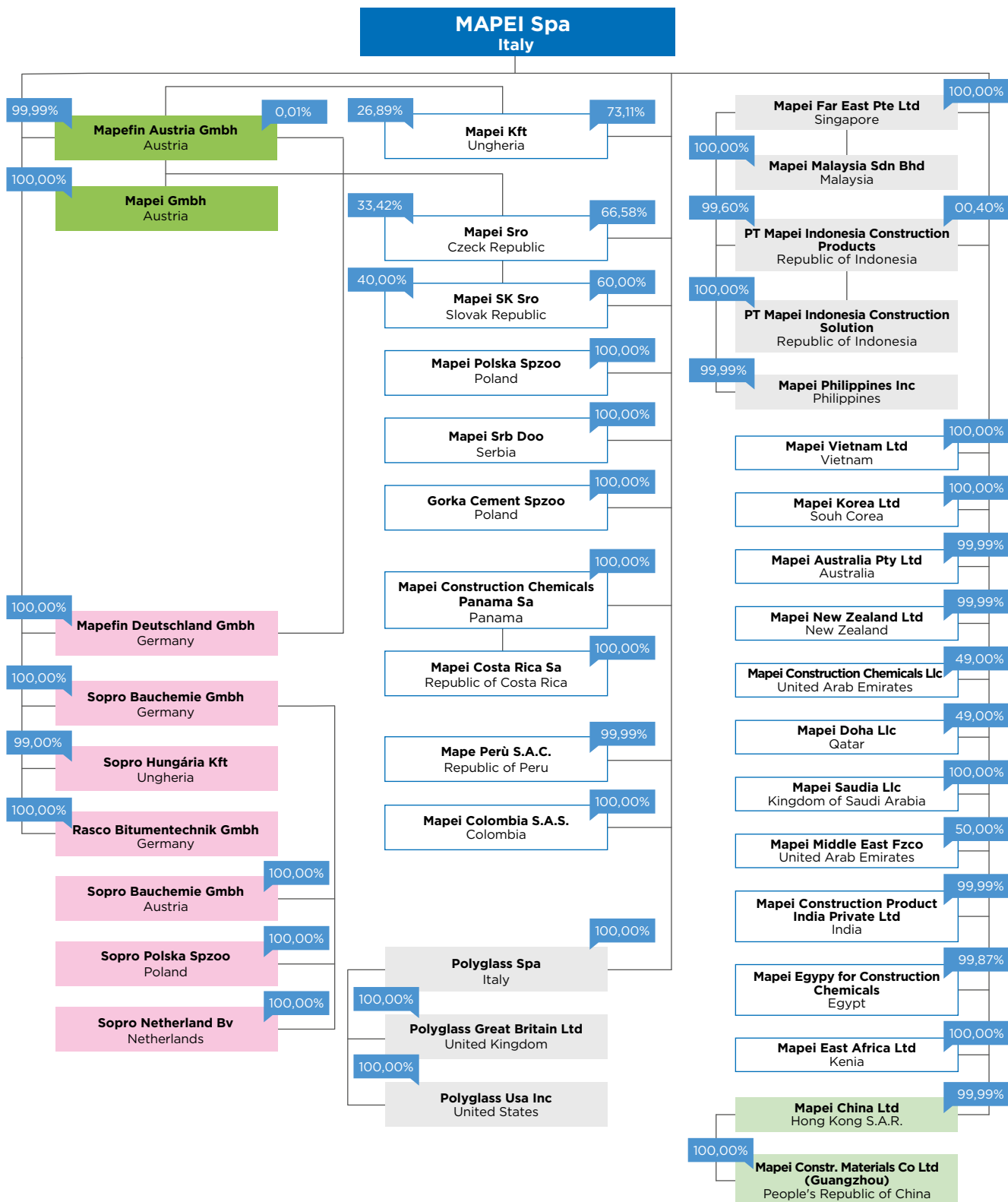
Dr. Giorgio Squinzi



Flow Chart

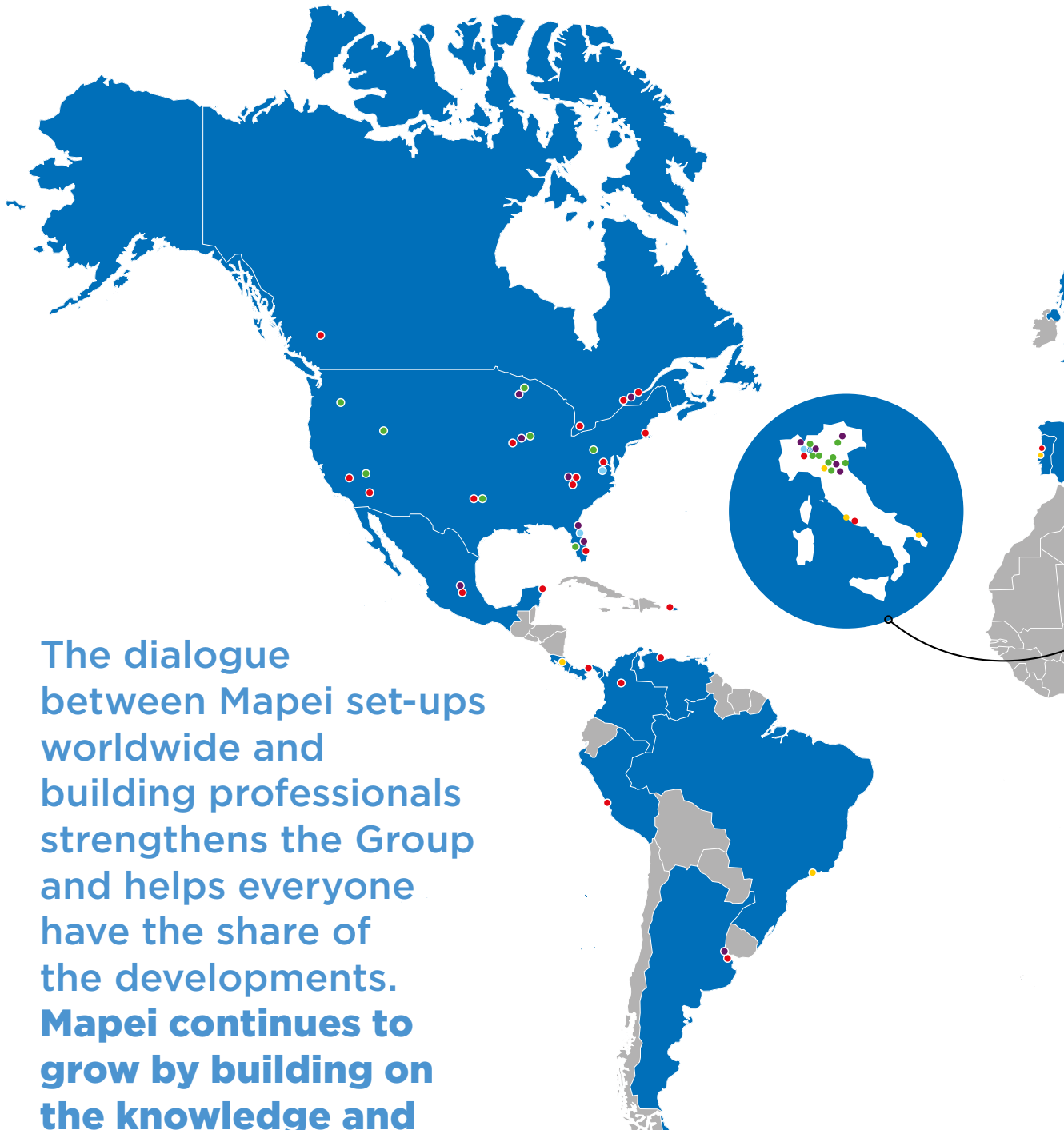
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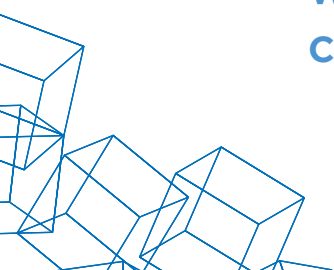


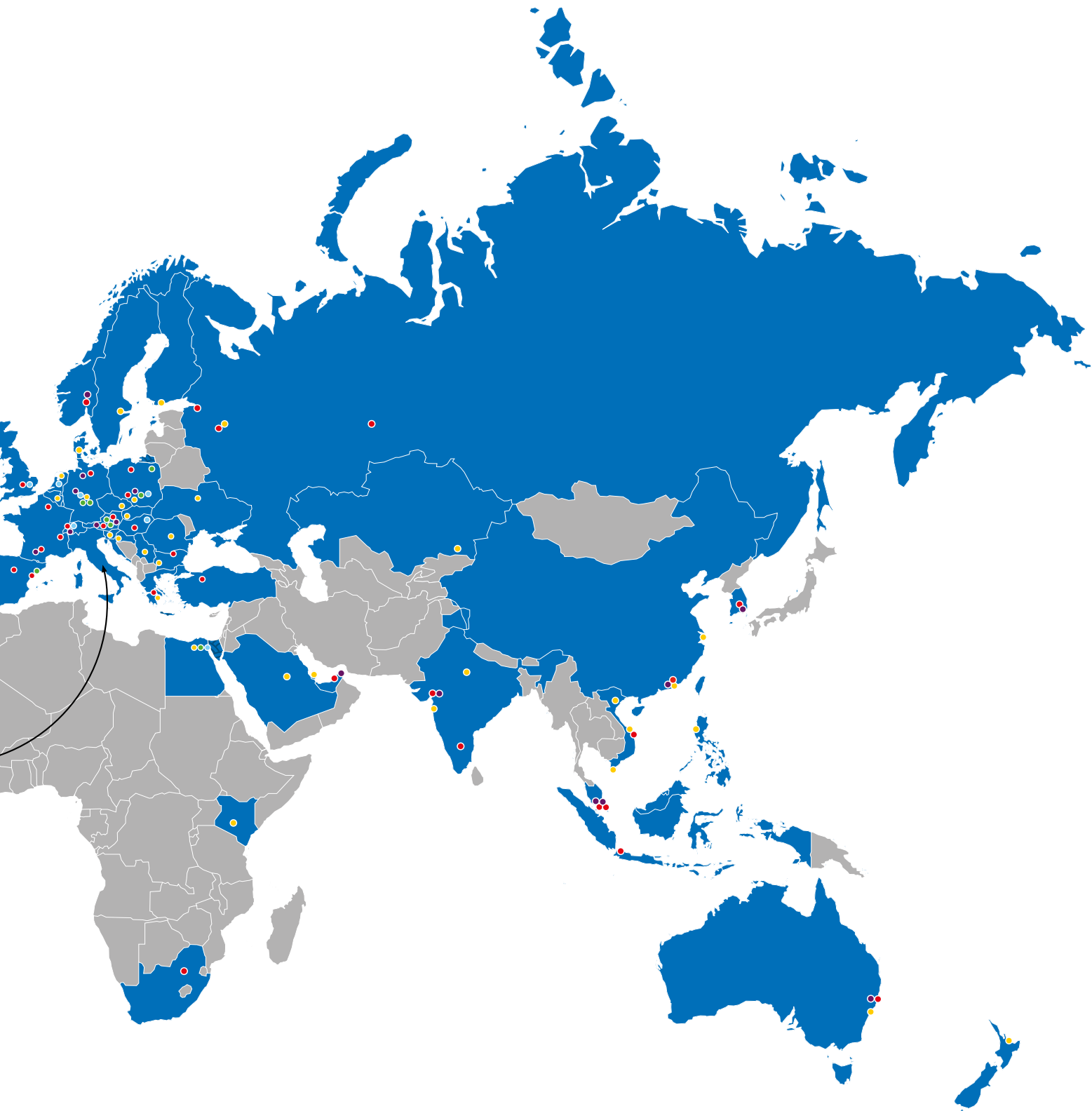
Mapei Group around the world







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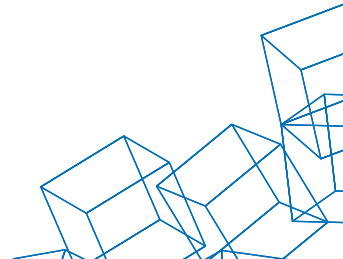


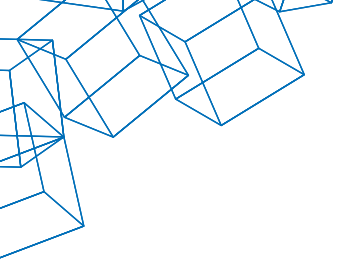
The dialogue between Mapei set-ups worldwide and building professionals strengthens the Group and helps everyone have the share of the developments. **Mapei continues to grow by building on the knowledge and relationships** from both within and outside the company.



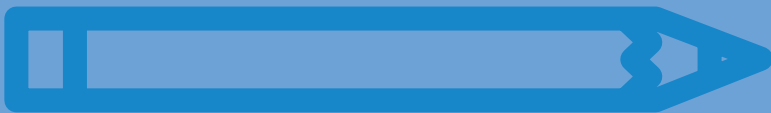
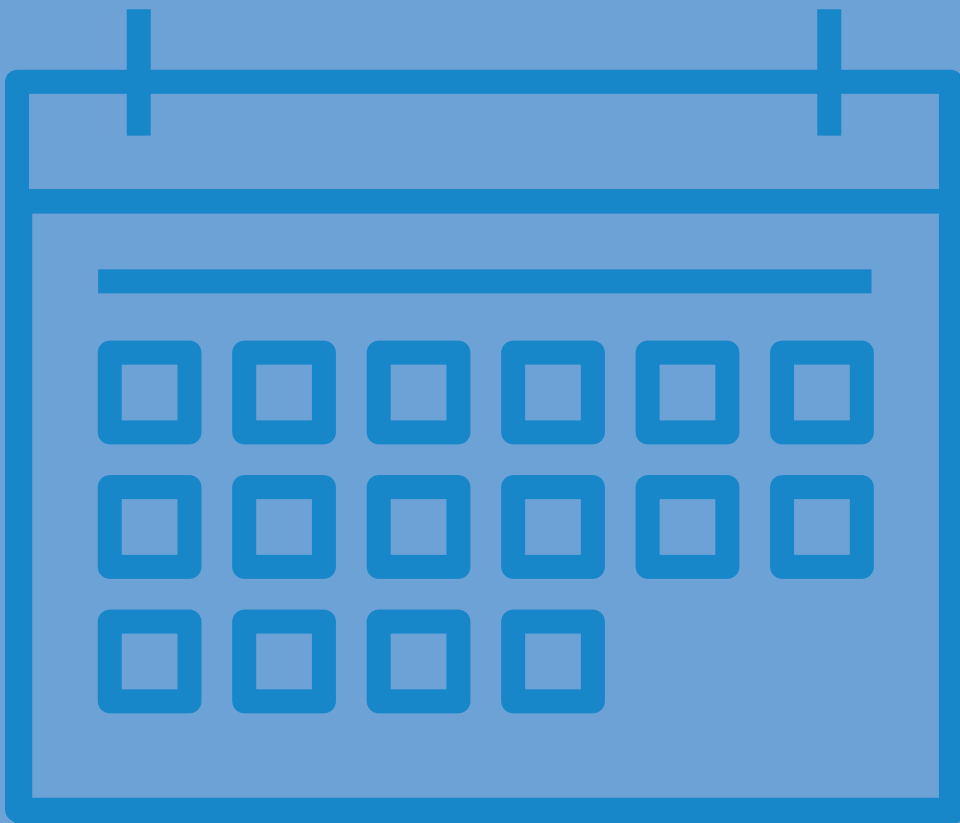


-  Mapei Headquarters
-  Mapei main offices with factories
-  R&D centres
-  Commercial branch offices of other companies
-  Main offices with factories of other companies
-  Mapei commercial branch offices





A YEAR WITH MAPEI





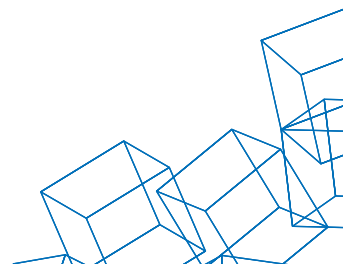
NEW SPECIFICATION CENTRE IN MILAN



The main event was held on the 24th of May in Milan at the Specification Centre at Mapei HQ in Viale Jenner. After the Centre in London that has been operational since the 2nd of June 2015, and the Centre currently being built in Paris, the aim of the new Specification Centre in Milan **is to strengthen the Company's already solid bond with architects and the world of design** by forming that special one to one relationship that has proven to be the best way of tackling any problem on site with composure and in complete safety; a mutually beneficial relationship giving rise to other initiatives for Mapei to build on day after day. The new Specification Centre in Milan has been set up along well defined architectural lines so **that designers and professionals from the building world become the focal point**. This new structure promises to be a centre of excellence providing practical, informative support throughout the entire "specification process" of materials. In the Specification Centre

“ Mapei World: a network of specification centres in London and Milan and soon also in Paris ”

in Milan, highly qualified Mapei personnel **assist designers to help them choose the right solution** and to suggest ways of overcoming potential site problems as early as the design phase.



Dubai, celebrating a birthday in grand style

UNITED ARAB EMIRATES

On the 21st of March Mapei Construction Chemicals L.L.C., a subsidiary of the Group with its head-office in Dubai, celebrated the tenth anniversary of doing business in the United Arab Emirates. And it was a celebration in grand style, as well as being the perfect occasion to inaugurate the new offices and extension to the manufacturing facility in Dubai Investment Park, one of the

most important industrial zones in the entire Middle East. A total of 6.5 million dollars was invested, enabling Mapei Construction Chemicals L.L.C. to offer new solutions for the domestic market. A covered warehouse extending over an area of 5,200 m² was also built, along with 2,000 m² of new office space for more than 120 employees, as well as a showroom and training centre. Veronica and Marco Squinzi, Global Development Director and Research & Development Director, respectively, of Mapei Group, were also present at the crowded press conference that kicked off the day's celebrations, and took the opportunity to emphasise the Company's intention to continue investing in the region. Other speakers from amongst the 300 guests were Liborio Stellino, Italian Ambassador to the UAE, and the Minister of Finance for the Emirates, His Excellency Sultan Bin Saeed Al Mansoori, who was greeted with traditional singing and dancing.



Mapei Suisse, new logistics hub

SWITZERLAND

On the 21st of March more than 200 clients, journalists and employees from Mapei Suisse SA gathered together to celebrate the inauguration of the new warehouse at the Group's Swiss subsidiary in Granges-Paccot in the western part of Switzerland. The structure was built to replace the previous warehouse located in Matran and

has doubled the amount of floor space available (which is now 3,300 m²) and made loading and unloading operations more streamlined: all this to increase the level of satisfaction for the clients and business partners of Mapei. The atmosphere of a typical site was recreated for the event, with an added touch of Italianism by using Ape Piaggio pick-ups as food-trucks. The guests were offered a buffet with typical Italian treats to highlight the bond with Mapei HQ, and entertainers were also on hand to create a festive mood: a drum band, artists drawing caricatures of the guests and a corner where guests could have their photo taken as a memento of the occasion. Mapei Suisse, which has its head-office in Sorens, now has a staff of 90, a turnover of 100 million Euros, a logistics network to distribute all the Group's product lines all around the country and provides support at prestigious building sites in Switzerland.



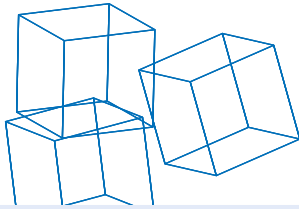
Rasco, 25 years of constant growth

GERMANY



Rasco Bitumentechnick was founded in 1993 in Augustdorf, northern Germany, a manufacturing Company specialised in the production of bitumen emulsions. Starting with just 3 employees, after 25 years the Company had grown gradually but constantly, especially since 2006 when Rasco became a fully-fledged member of Mapei Group as one of its subsidiaries. The production of solvent-free bituminous materials for protecting

and renovating roofs commenced in 2008 and the existing range of bituminous waterproofing products was also extended. Following the acquisition of the Company, production levels, quality and marketing strategies have improved year after year, leading to a tripling of turnover and the number of employees. In 2017 turnover had reached 16 million Euros and today Rasco has a portfolio of more than 50 products, tested according to EN and DIN standards, and an ultra-modern Research & Development laboratory. A party was held on the 14th of September to celebrate the “silver” anniversary of the Company and the employees and their families were all invited to spend an evening together to celebrate the occasion and to share the most significant moments of the Company’s history.

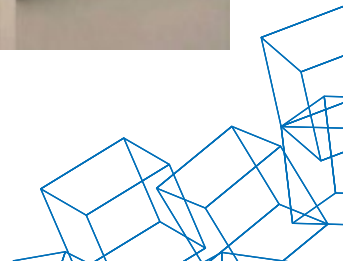
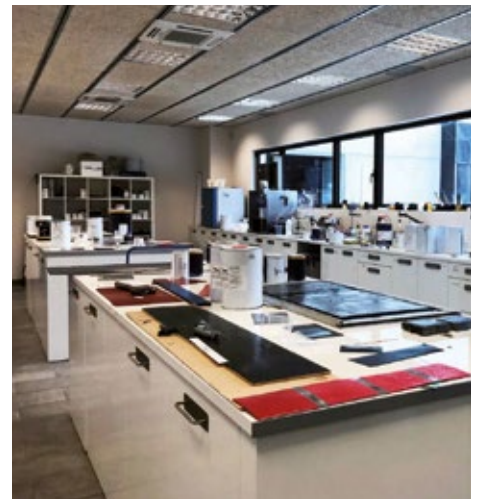


Tecnopol de Sistemas joins Mapei

SPAIN

In June Mapei Group acquired Tecnopol de Sistemas SL, the leading Spanish chemicals Company in the production and distribution of waterproofing and insulating systems for the building industry. Founded in 2005, Tecnopol develops, manufactures and distributes high quality, cutting-edge products such as the waterproofing solutions from the Tecnocoat and Desmopol families, thermal insulation products such as Tecnofoam and products for seamless flooring such as Tecnofloor. Tecnopol also manufactures and distributes a comprehensive range of admixtures, primers and protective finishes, mainly for waterproofing systems, and distributes equipment specifically designed for the application of its products. From its manufacturing facility in Spain, Tecnopol distributes its goods to its loyal clients from various sectors located in more than 60 countries. The Company is one of the leaders in Europe particularly for the supply of polyurea-based liquid waterproofing membranes.

Tecnopol invests consistently in Research & Development in order to have products that are constantly at the cutting-edge and to improve the efficiency of its production processes. In 2017, for example, the Company launched 4 new products with excellent performance properties: Desmopol DW polyurethane membrane, Tecnotop 1C aliphatic protective resin, Primer WET for damp substrates and Primer EP-1040 for metal surfaces.



Fili&Forme, on the path to innovation

ITALY

Fili&Forme was founded in 1994 in San Cesario sul Panaro (Province of Modena) when Lorena Gamberini, together with a group of former colleagues and partners with previous experience in companies operating in the same sector, decided to start up a plastic extrusion business producing household cleaning products. Thanks to the quality of the products and the efficiency of the service provided by the Company, within just a few years it became a point of reference for the entire sector.



Fili&Forme has been a supplier of Mapei Group since 2010 with the MAPEFIBRE brand of structural fibres. The Company soon became an interesting prospect for a Group that has always placed so much emphasis on Research & Development and whose objective has always been to satisfy the needs of an increasingly demanding and competitive market. Which is why, in April 2018, Fili&Forme was acquired for 100% of its capital value by Mapei Group. For the new subsidiary this was a strategic opportunity to embark on a synergic industrial and commercial enterprise with a multinational Company that had been operating for so many years in the concrete admixtures and building mortars sector. And thanks to this acquisition, the Istrice brand will become that much stronger on both the Italian and international markets, and at the same time it will enable Mapei Group to consolidate its leadership in the building products market.

Mario Giacomo Levi Medal for Mapefast® Ultra

ITALY



Joint development work on the concrete admixture MAPEFAST® ULTRA earned Prof. Gilberto Artioli from the University of Padua and Dr. Giorgio Ferrari from Mapei the 2018 Mario Giacomo Levi Medal. The award, which was established to honour the memory of the luminary of Italian chemistry, is given to representatives

from the Public and Industrial Research field who have worked together on a joint Research project and successfully introduced it on an industrial scale.

The prize was handed over during the XX National Congress of the Industrial Chemistry Division of the Italian Chemistry Society held at the beginning of September in Milan. The admixture MAPEFAST® ULTRA was developed by Mapei with the support of the University of Padua and represents an alternative solution to the vapour-curing method for concrete. It is a water dispersion of Nano-scale hydrated silicates that significantly accelerate hydration and, therefore, hardening of the cement, including in the absence of steam.

Eliminating the steaming cycle leads to a net reduction of CO₂ emissions from precast concrete works into the atmosphere. Application has been made for an international patent.

Paolo Scolari Prize awarded to Giorgio Squinzi

ITALY



Giorgio Squinzi, CEO of Mapei Spa, was awarded the 2018 Paolo Scolari Prize by the Executive Committee of UNI (the Italian Standards Organisation). The Prize is given in honour of the former President of UNI, Paolo Scolari, who passed away 10 years ago, in recognition of those who have stood out over the years for their commitment to the diffusion, development and consolidation of the understanding of voluntary technical standards. The Paolo Scolari Prize was awarded to Giorgio Squinzi “For his total dedication, at both national and international level, to promote the application of norms and standards as a tool for quality and innovation, as well

as the competitiveness of products from a typically ‘Made in Italy’ sector, such as adhesives, sealants and chemical products for the building industry, using his Company as an example of the strategic use of voluntary technical norms and standards”. The figurehead of Mapei has always held key positions in the world of norms and standards and, to this day, continues to cover key roles: convenor of CEN/TC 67/WG 3 “Products for the installation of ceramic tiles”, member of ISO/TC 189 “Ceramic tiles” and member of the work-group “Ceramic floors and adhesives for ceramic coatings” for the “Products, processes and systems for Building as an Organism” commission.



Mapei: SBS Masters Diploma for sporting achievements

ITALY

On the 6th of June in Rome, in the picturesque setting of the Salone d’Onore in the Coni centre, to round off the 13th edition of the Masters in Strategies for the Sports Business (SSB), the figurehead of Mapei, Giorgio Squinzi, was awarded an SSB Masters Diploma for Sporting Achievements in recognition of his commitment to sport and his successes in the field of sports. The award was motivated by the firmly-bedded and long-standing roots that Mapei has always

had in the world of sports and in sports structures and complexes in general: a passion that started with cycling – passed on by the founder of the Company, Rodolfo Squinzi – which then developed to embrace football and other sports (such as basketball, volleyball and golf), right up to the creation of the Mapei Sport Centre dedicated to research and assistance to promote sporting excellence and physical efficiency. “I am honoured to have received this Diploma”, declared Giorgio Squinzi. “My passion for sport was passed on to me by my father, the founder of our Group and a keen cyclist since his childhood. And it seemed only natural to translate my passion by investing in a cause that has such a significant social impact: I’m thinking of Sassuolo Calcio, a way of giving something back to a territory that, over the decades, has given so much to Mapei”.





MAPEI IS EVEN ATOP THE DUOMO CATHEDRAL

The **135** spires club
MILAN



Since May, Mapei has been part of the group of **Major Donors** and a member of the exclusive **Spires Club**, linking the history of the Company with the most important symbol of Milan. “Adopt a Spire - Carve your name in history” is a fund-raising initiative launched in October 2012 as a way of involving the inhabitants of the city - private citizens, companies and associations - in supporting restoration **work on the 135 spires of the Duomo of Milan**, whose history has always been closely associated with the generosity of important families and illustrious patrons. “This is a day I will always remember with enormous pride: and as a Milanese, I am extremely happy to be a part of the Veneranda Fabbrica del Duomo. The points of reference for my family”, continued Giorgio Squinzi, CEO of Mapei, “have always been the Duomo, the Teatro alla Scala Opera House, the Vigorelli Velodrome and San Siro Stadium, but it’s the Duomo and La Scala that are currently bringing

“ Mapei follows a centuries-old tradition and adopts one of the spires of the cathedral ”

prestige to our city". By joining the project of the Veneranda Fabbrica del Duomo, Mapei - once again - **intends to express its Milanese identity** and export it all around the world



Triennale, a commitment that grows ever stronger

ITALY



Mapei decided to reaffirm its commitment to the Triennale Foundation of Milan, a cultural institution that organises exhibitions, conventions and art, design, architectural, photographic and fashion events. After a number of successful years collaborating with the Foundation, Mapei joined the Friends of the Triennale initiative by becoming a Corporate

Platinum member. The initiative is made up of a group of private companies that share the same values in terms of social responsibility and cultural patronage and take an active part in the day-to-day life of the Foundation. Through its contribution, Mapei will be sponsoring cultural initiatives and will carry out maintenance and restoration work on the Palazzo dell'Arte, home of the Triennale. In 2016 Mapei sponsored the exhibition "Design behind Design" promoted by the Diocesano Museum as part of the XXI International Exposition of the Triennale di Milano. This was followed in 2017 when the Company sponsored the exhibition "Il Bel Paese - A project for 22,621 historic centres". "For Mapei, sponsoring the Triennale of Milan represents an important achievement, for both its commitment to art and culture and for its bond with Milan, the city where Mapei was founded and where it still has its headquarters", commented Adriana Spazzoli, Marketing and Communication Director for Mapei Group.



LA TRIENNALE DI MILANO

That special relationship with la Scala Opera House

ITALY

Mapei has been a Corporate Subscriber since 1984 and a Founder Partner since 2008, the year in which the Company played a key role in renovation and restoration work on this world-famous theatre by providing its own brand products and technology. Giorgio Squinzi, the figurehead of Mapei, became a Member of the Board of the theatre in 2016. La Scala is also the Company's venue of choice

when they wish to celebrate - surrounded by friends, clients and stakeholders - their most significant occasions, such as the 80th anniversary, with a performance of one of the most famous operas, "La Traviata". Friends and stakeholders of Mapei all got together at La Scala on the 6th of May for a performance of the opera "Francesca da Rimini" by Riccardo Zandonai. On the 19th of April Mapei invited a group of clients and stakeholders to an exclusive performance of the opera "Don Pasquale" by Gaetano Donizetti. By joining the inaugural evening of the 2018/2019 season, Mapei confirmed once again its express wish and joy in supporting an institution which, as the Musical Director Riccardo Chailly so eloquently put it, "Is consolidating a journey already taken with another step forward towards the future".



Academy of Santa Cecilia, renewed support

ITALY



Mapei has been a Founder Partner of the National Academy of Santa Cecilia in Rome since 2016 and renewed its support once again for the 2018/2019 musical season. Mapei has a strong bond with the world of culture thanks to the numerous renovation projects it has participated in many venues renowned for their musical and artistic presentations. These include the Auditorium Parco della Musica in Rome, home of the National Academy of Santa Cecilia, one of the oldest and most prestigious musical institutions in the world. Mapei's collaboration with the Academy started back in 2009 when the Company sponsored "The Lord of the Rings" in Rome and the Concert in Turin as part of the Festival Mito programme. This collaboration has been consolidated over the years by sponsoring a host of other events. In 2018, for example,

in the role of Sole Partner, Mapei sponsored a concert on the 1st of February conducted by Maestro Daniele Gatti, together with Vinavil, a subsidiary of the Group, which is also a Patron of the Academy. On the 10th of May Mapei organised an event to mark the Concert conducted by Maestro Antonio Pappano, who presented a memorable performance of Mahler's Ninth Symphony, after which friends and clients of the Company also had the opportunity to meet the artists and Maestro Pappano.



ADSI, promoting our architectural heritage

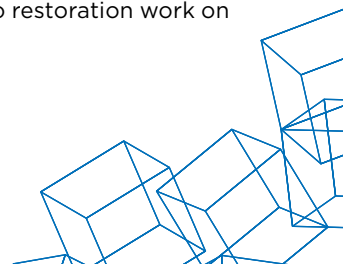
ITALY

Thanks to the amount of experience matured over the years by playing an active role in restoration projects all around the world on buildings and structures of historical significance, Mapei has developed a line of products called "Restoration and consolidation of masonry buildings", dedicated to the conservation of our historic and architectural heritage. This line of products helps protect and enhance buildings and structures by

preserving them against deterioration and even destruction, and plays a key role in maintaining the part of our heritage that is essential in defining a country's cultural identity. By providing the Company's expertise and know-how, Mapei has joined forces with ADSI (Associazione Dimore Storiche Italiane or Italian Historic Villas Association), which promotes public awareness and the appreciation, conservation and management of historic private villas.

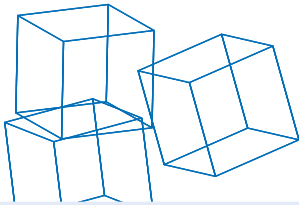
Thanks to this special agreement, the ADSI website (<http://www.adsi.it/>) now includes an area where people can communicate directly with Mapei Technical Services.

A new banner has also been added to the site's homepage, with a link to a page where you can contact Mapei Technical Services directly. But that's not all; by clicking on the Mapei logo, you will be redirected to the area of the official Mapei website dedicated to restoration work on historic buildings.



Eternity and time, culture and solidarity

ITALY



“Eternity and Time between Michelangelo and Caravaggio”, an exhibition held in the San Domenico Museums in Forlì from the 10th of February to the 17th of June, included the participation of Mapei as a Platinum Partner. The aim of the exhibition, curated and promoted by the Cassa di Risparmio di Forlì Foundation in collaboration with Forlì City Council, was to investigate the transformation of the values of the arts between the Renaissance and Baroque periods, and featured masterpieces by the likes of Michelangelo, Raffaello, Rosso Fiorentino, Pontormo, Vasari, I Carracci, Tiziano and Caravaggio. Through this partnership, the Mapei brand was highly visible with the Company logo included on press releases distributed during the exhibition and on the exhibition webpage, as well as during a documentary programme made and transmitted by Sky Arte HD. Part



of the proceeds from the sale of tickets for the exhibition have been used to finance research work towards the prevention and cure of tumours in children, one of the projects of the Fabbrica del Sorriso, an initiative of Mediafriends. Sponsoring the event consolidated Mapei's commitment to initiatives of this type that combine culture and solidarity.

The largest outdoor flower exhibition in Europe

ITALY



Mapei was once again sponsor of “Cervia Garden City – May in Bloom”, the largest outdoor flower exhibition in Europe. The theme of the event, which was marking its 46th edition, was “Sport: between Environment and Nature”: providing a stimulus for architects and landscape gardeners who design flowerbeds and parks. Three special Mapei gardens were prepared to mark the occasion: Piazzale Genova, Parco Treffz and the Cadorna roundabout in Milano Marittima, where

a special display panel was erected to display paving solutions from the MAPEI COLOR PAVING line, an innovative system to create concrete paving with an exposed aggregate-effect finish, which integrates perfectly with urban spaces. Mapei's collaboration with “Cervia Garden City – May in Bloom” dates back to 2006 and has been consolidated over the years and played an important part in strengthening Mapei's bond with the surrounding territory.

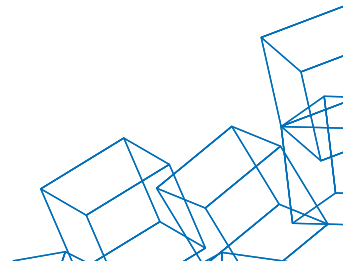


Restoration work on “Ruta de la Amistad”

MEXICO

Mapei Mexico took part in an important restoration project on the characteristic “Ruta de la Amistad” (or Route of Friendship) in Mexico City. The object of the restoration work were 5 of the 22 large sculptures set along a major highway that were commissioned for the 1968 Olympic Games.

Apart from supplying products, Mapei Mexico trained and supervised the workers and spent 5 months working in plain view along a road of considerable artistic significance, enhancing the value of the Mapei brand in the sector dedicated to restoration work on monuments that form part of our artistic and cultural heritage.





SANCTUARY OF THE MADONNA DELL'AMBRO

Restoration work and
technical support

MARCHE



Mapei played a key role in giving a new lease of life to the Sanctuary of the Madonna dell'Ambro, the most ancient place of worship dedicated to the Madonna in the Marche Region. The current church, which dates back to the beginning of the XVII century, was built on the site of a smaller building dating back to the XI century in the Monti Sibillini National Park.

The earthquake that hit the area on the 24th of August 2016 caused serious damage to the structure and it was necessary to carry out **conservative restoration work to improve its seismic capacity**.

Sponsor of the work was a local bank, the Cassa di Risparmio di Fermo, which asked Mapei to collaborate in the project as technical partner. The Company mobilised their **Technical Services Department and donated a number of products for the project**. Once the work had been completed, the Sanctuary was handed back to worshippers on the 21st of December 2018. A matrix of PLANITOP HDM RESTAURO combined with MAPEGRID B 250T was used to consolidate the existing vaulted ceilings and, to improve the anchorage of the strengthening system,

“ Mapei supplied technical support and products free of charge to carry out restoration work after the earthquake ”

MAPEWRAP B FIOCCO structural connectors were applied and anchored in place with MAPEFIX EP 470 SEISMIC. MAPE-ANTIQUE STRUTTURALE NHL render was chosen to strengthen the masonry, while a typical FRP SYSTEM package was used to reinforce the area around the apse by applying MAPEWRAP C UNI-AX fabric.



Arché, on the mothers' and babies' side

ITALY



For a number of years Mapei has been supporting Arché, a non-profit organisation founded in Milan in 1991 by Father Giuseppe Bettoni to take care of single mothers and their children in need of extra support and care or that are going through periods of social hardship. Arché has a network of volunteers and carers involved in projects in Milan, Rome, San Benedetto del Tronto, Kisii (Kenya) and Chikuni (Zambia) and the aim of the organisation is to help single mothers and their children become more independent, encourage them to find work and help them create a home. Mapei was involved in renovation work on the CasArché centre in Quarto Oggiaro, on the outskirts of Milan, which was opened at the end of 2016. Colour was the theme of



the renovation project and Mapei supplied various products from the Color Paving line – architectural concrete flooring in a wide range of colours – with colour, as its name suggests, being one of its most distinctive characteristics. The partnership with Arché is an ongoing commitment and is in line with Mapei's philosophy that, in order to grow, not only do you need to be successful from an economical point of view, you also need to be socially responsible and put something back into the local community.

We4youth, partnership between schools and businesses

ITALY



The Sodalitas Foundation launched the We4Youth initiative at the beginning of the year to approach the subject of work-related learning, and the collaboration between educational institutions and the world of work from the stakeholders' point of view, by encouraging them to discuss their experiences in order to share and promote better understanding of the tools they use, the best practices adopted and reference models. The campaign is part of The European Pact4Youth project, supported by the JPMorgan Chase Foundation. The campaign was launched by carrying out the first ever study in Italy of the experiences and successful models

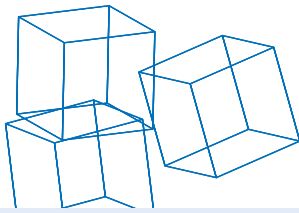
that have been applied to integrate school and work, promoted by the Sodalitas Foundation. 25 successful work-related training cases and apprenticeship schemes were analysed.

“A lot of research has been carried out throughout Europe and it shows quite clearly that learning and training in a work environment give youngsters a much better chance of being employed”, declared Adriana Spazzoli, President of the Foundation. “These results confirm the role of Sodalitas in accelerating the involvement of all the stakeholders in underpinning what is taught in schools by introducing internships in real working conditions”.



Work-related learning

ITALY



Work-related learning through practical work experience helps consolidate the knowledge students acquire through schoolwork and gives the chance to test their aptitude in the field. The aim of this approach is to integrate classroom-based learning with training in a work environment so that students have a more complete skill set to offer potential employers. Mapei has always been a keen supporter of these issues and chose to participate in the project by offering students from several Italian technical colleges and high schools the chance to get first-hand knowledge about the Company. A three-year plan was drawn up which involved various Mapei head-offices located around the country: Milan (Mapei), Villadossola (Vinavil), Ravenna (Vinavil), Modena (Adesital), Sassuolo (Cercol and Mosaico+) and Oderzo (Treviso) (Polyglass). During the first two years there is a presentation of the Company, a lesson held in schools from one



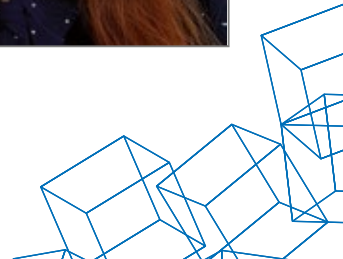
of the Company's engineers and a pair of students are then invited for an internship at one of the Company's facilities. In the third year, students in the final year of school are assigned a specific project to be developed in the classroom. At the end of the three-year course, Mapei Human Resources Department then explains how to compile a CV, how to prepare for an interview and how to act during an interview.

Polytechnic international scholarship

ITALY

Anastasiia Deineko, a young student from Ukraine studying for a degree in Civil Engineering at the Polytechnic of Milan, won the international scholarship sponsored by Mapei for a Master's Degree at the University; Mapei's way of subscribing to the proposal by Soroptimist International d'Italia Club Milano Fondatore, an international movement promoting human rights and gender equality. The Architect Francesca Tinelli, former president of Soroptimist Milano Fondatore, is the mentor behind this project, along with Maria Giovanna Sami, Emeritus Professor at the Polytechnic. Anastasiia Deineko was born in Ukraine in 1991 and, after completing her studies at the Architectural and Building Lyceum of Makiyivka in 2008, she enrolled at the Faculty of Civil Engineering at the National Academy of Civil Engineering and Architecture in Donbas where she was awarded an honours degree in Civil

Engineering in 2012. The course at the Polytechnic provides a general overview of Engineering, as well as more targeted themes such as Geotechnics, Hydraulics, Structures, Transport Infrastructures and Detection and Controls, all aimed at providing students with a solid grounding in the main themes of Civil Engineering.



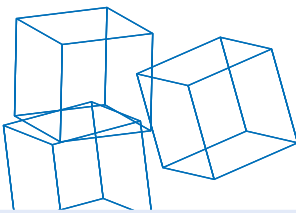
Alongside the Francesca Rava Foundation

ITALY



A special event was held at the La Scala Opera House in Milan in the last week of May in favour of the non-profit organisation Francesca Rava Foundation - N.P.H. Italia; an “Evening with Nureyev”, to celebrate what would have been the 80th birthday

of the ballet dancer and choreographer Rudolf Nureyev and the 25th anniversary of his death. Mapei has had a close bond with the Francesca Rava Foundation and the La Scala Opera House for a number of years and supported the event by inviting a number of guests for the evening. All proceeds from the evening went to the Saint Damien Paediatric Hospital, the only free children’s hospital on the island and the largest in the Caribbean, and will be used to finance a three-year Paediatric Surgery project aimed at providing constant care, increasing the number of babies operated on each year from 500 to 1,500 and training a new group of paediatric surgeons in Haiti through an on-the-job training programme for young doctors and nurses specialised in general surgery from the University of Port au Prince. This intervention is part of Mapei’s strategy to support projects based on solidarity and social responsibility.



2018 Diversity and Inclusion Award

ITALY

On the 5th of June, for the second year running, Mapei participated in “Diversity Day”, an event aimed at promoting the coming together of the world of work and those with disabilities. The event, organised by Value People, a communications Company operating in the field of human resources, and Jobmetoo, a recruitment agency specialised in work opportunities for people with disabilities, in collaboration with Cesop, a consultancy firm working

in the field of human resources, and the patronage of CALD (Coordinamento per gli Atenei Lombardi per la Disabilità, or Coordination of Lombardy Universities for Disabilities) Centre, was held in the prestigious setting of Bocconi University and turned out to be a great success. Mapei received an award in recognition of their commitment to inclusion in the workplace. “Watch your habits for they will forge your character. What we think, we become”. This famous quote by Margaret Thatcher accompanied Mapei as they received the Diversity and Inclusion Award, reserved for companies that implement policies to include those with disabilities and from protected categories in the workplace. And by taking part in this project, the management of HR and Organisation in Italy intends to give a sense of continuity to initiatives that promote the theme of diversity.



Lega Filo d'Oro national center

ITALY



lega del filo d'oro

The first lot of the new National Centre of the Lega del Filo d'Oro has been inaugurated in Osimo (Ancona), a non-profit organisation dedicated to the care of those with speech and hearing impediments and with multi psycho-sensory conditions. Completion of work on the first lot was made possible thanks to the contributions and support of numerous stakeholders and supporters and it means that the educational, rehabilitation and health services, institutional activities, the diagnostic department and the intensive care unit will now be able to be transferred. Mapei was one of the supporters and took part in the project by supplying products to insulate, paint and waterproof surfaces, ceramic tiling for the terraces and balconies, road surfacing for the various parking areas and products for the installation of 6,800 m² of PVC flooring. The intervention is part of Mapei's strategy to support



projects based on solidarity and social responsibility by offering the Company's technology and providing technicians and engineers to supervise activities. The new structure will enable the Lega del Filo d'Oro to improve the quality of the services they provide and will become a leading centre, comparable with those available through other important European organisations.

Social agriculture Casa Don Guanella

ITALY

Mapei is an enthusiastic supporter of Casa Don Guanella, a social agriculture project and educational centre in the Lecco area which has become a point of reference for babies, children and young adults from difficult backgrounds. Thanks to the products donated by Mapei, work has been carried out and is still ongoing to build workshops to make dairy products, jams and pickles, wine and oil, as well as a brewery. According to the experiences of the Cascina Don Guanella farm in Valmadrera, what is termed as "social agriculture" is a very effective approach to working with youngsters who join the community: Italian and foreign youngsters, often from families with social and economic problems, that have in common the fact they have been marginalised or failed at school or work and have lost any hope of personal or professional emancipation. The spirit and face behind this project, and the link with Mapei, is Don Agostino Frasson, a point

of reference for the local religious (and sporting) communities. The work recently carried out in the Autumn of 2018 included painting the areas used for the production of beer and several other workshops with an innovative Mapei product: MAPECOAT ACT 021, an acrylic-based enamel wall paint for internal surfaces.



Cresco Award sustainable cities

ITALY



The Cresco Award - Sustainable Cities, promoted by Sodalitas, the Foundation founded in 1995 backed by Assolombarda, of which Adriana Spazzoli is the current President, along with the patronage and collaboration of ANCI (National Association of Italian Town Councils) and the partnership of companies leading the field in Sustainability, aims at promoting the innovative drive of Italian town councils and to rewarding the most effective projects that promote sustainable development within their local territory. Cresco Award - Sustainable Cities has now reached its third edition and was proposed to all 8,000 Italian Town Councils through a contest aimed at creating a direct connection between businesses and Town Councils that regard sustainability as a “driving force” to development, and that understand that



Sustainability is no longer an option. The 2018 Business Award, supported by Mapei, regarded “Systems for the refurbishment of high quality, durable paving with high aesthetic impact compliant with applicable standards”. Through this award, Mapei wanted to recognise those Town Councils that implement plans to carry out urban development projects that combine the latest technology with applicable standards, that are available to the entire community and that are designed to maintain their beauty over the years.

Emergency and Mapei for Africa

AFRICA

“We are building a centre of excellence in paediatric surgery in Uganda. Children will come from all over Africa to receive high quality care completely free of charge. They deserve a good hospital, a place that is full of joy and love, something that gives them back a little hope and a possible future”. The words of Gino Strada, founder of Emergency, sum up perfectly the motivation for building the new centre for paediatric surgery in Entebbe, 35 kilometres

from Kampala, the capital of Uganda. Mapei is also working on the site of the complex offering its extensive experience and knowledge and, once finished, not only will the complex be a hospital of excellence, it will also be a training hospital for doctors and nurses, a provider of medical services to the local population, a centre offering free health care and a point of reference for children in need of surgery, not only from Uganda, but also from all over Africa. Designed by the Renzo Piano Building Workshop design studio, apart from paying particular attention to the environment and its overall energy efficiency, the complex will have a functional layout that can be copied and adopted in other areas of the African continent.



E4impact, projects for the future of Africa

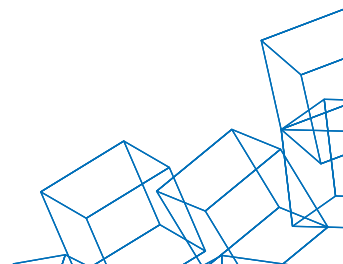
AFRICA

The E4Impact foundation, sponsored by Mapei, is continuing with its various activities to promote the sustainable development of emerging economies. The E4Impact initiative was launched in 2004 by ALTIS - the Business School of the Università Cattolica del Sacro Cuore - and is aimed at promoting the sustainable



development of emerging economies by supporting the training and progress of entrepreneurs and projects with a high social and environmental impact. It became a Foundation in 2015 - thanks to the contribution of Securfin (headed by Letizia Moratti), Mapei, Salini-Impregilo, Università Cattolica and the Always Africa Association - in collaboration with the Università Cattolica and a local university from the host country and offers a Global MBA in Impact Entrepreneurship, an executive course lasting 12-16 months that guides entrepreneurs during the launch and development of their businesses. The first MBA was launched in Kenya in 2010 and, since then, E4Impact has extended the courses on offer to include Ghana, Sierra Leone, Uganda, Ivory Coast, Senegal and Ethiopia. In 2018 the programme was also offered to Rwanda, bringing the number of African countries involved to 8.

E4IMPACT
FOUNDATION





SASSUOLO CALCIO, A YEAR TO REMEMBER

Over **7000**
season-ticket holders
at Mapei Stadium

SASSUOLO



2018 was a year to remember for Sassuolo. The fifth successive season in Serie A for the Mapei Group team saw them finish in **eleventh place**, a result to be proud of and second only to the extraordinary 2015-2016 season when Sassuolo finished in sixth place and qualified for the Europa League. The journey, however, was not without obstacles: with the green-and-blacks just above the relegation zone with only a few games left to play, the club decided to replace the trainer, Cristian Bucchi, with **Giuseppe Iachini**; and the fightback commenced. The team also went through some difficult moments with the new trainer but, by the end, the season finished on a high note. The top Sassuolo player of the season was team striker **Matteo Politano** who scored 10 goals (a personal best), which earned him a well-deserved place in the Italian team, along with several other green-and-blacks players. The 2018-2019 season (with 7,169 season-ticket holders) saw another new trainer on the bench, with **Roberto De Zerbi** replacing Iachini. The new season got off to an encouraging start with a home win against Inter after three consecutive victories at Inter's home ground, San Siro.

“
Five positive
seasons in
Serie A for
the green-
and-blacks.
The dream
continues!”

Sassuolo women's football team: great expectations with new trainer Piovani

ITALY

A change on the bench for the green-and-blacks, playing their second season in Serie A. After two successful years, with promotion from Serie B to Serie A and then deservedly remaining in Serie A after finishing in ninth place after a captivating season and being knocked out of the Coppa Italia in the third round, Federica D'Astolfo decided to leave her post as trainer of the Sassuolo women's first team. In July Gianpiero Piovani, a former striker who played in Serie A, became the new trainer of the green-and-blacks women's team. His career as a trainer started in men's teams and then, in the 2017-2018 season, he worked for the Brescia women's team playing in Serie A.

"The programme for the Sassuolo women's teams and men's teams" declared Gianpiero, born in Orzinuovi on the 12th of June 1968, "Is certainly very interesting and there is scope for improvement. This is the reason why I accepted the proposal from



the General Manager, Giovanni Carnevali, and Alessandro Terzi, head of the women's sector. Sassuolo will have me on the bench when they start their second championship in Serie A and, on paper, they are the seventh strongest team. Motivation can make all the difference and enable my girls to take the team to the next level".

Pallacanestro Reggiana basketball team: from Eurocup semi-final to a new season in A1

ITALY

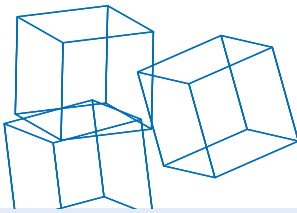


Mapei's co-sponsorship continued on the team jerseys of the Pallacanestro Reggiana basketball team, which in 2018 gave its fans some exciting moments in international competitions by becoming one of the top four clubs in the Eurocup; in the last decade only two other Italian teams have managed to reach the semi-final. "Thanks

to our club", proudly emphasised Filippo Barozzi, Operations Director of Grissinbon Reggiana, "The Italian flag is flying high in Europe this year". Mapei's sponsorship has played an important role in the growth of Reggiana at international level. "We have had this partnership with Mapei for many years and it has become even stronger in the last few seasons", said Barozzi. "Giorgio Squinzi has also made the Mapei Sport Centre available for the players so they can be tested and undergo athletic preparation work. To have Mapei as a partner in Europe is something to be proud of". In the 2018-2019 season Pallacanestro Reggiana has also been very active on the transfer market, even though they didn't qualify for the Eurocup. Over the summer the club signed up Raphael Gaspardo, Spencer Butterfield, Ricardo Ledo and Eric Griffin. And in the autumn a new pivot arrived, the 31-year-old Nigerian player Chinemelu Elonu, who has a wealth of experience playing in Europe.

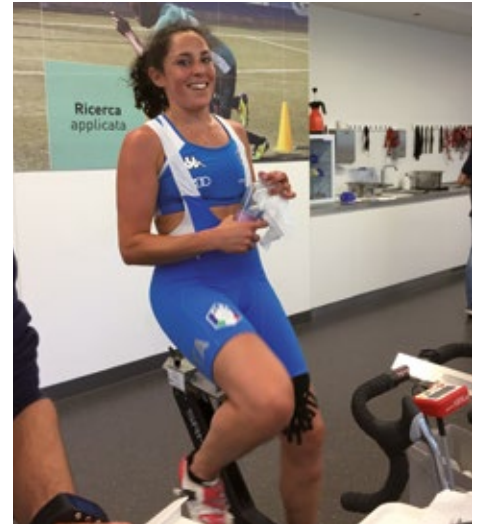
Mapei Sport: a successful year for the Italian Skiing Team

ITALY



Over the years Mapei Sport Center has developed a series of specific tests to monitor athletes competing in alpine skiing races. This is one of the reasons why Italian skiers taking part in the World Cup, the European Cup and in junior events (around fifty in all) take part in functional evaluation programmes at the sports research centre in Olgiate Olona (Varese). The tests start in May/June, at the beginning of their preparation period, and are then repeated before the competitive races start (October-November). The physical qualities they believe to be the most important for their performance on the snow are measured during every evaluation session. The staff at the centre, headed by Dr. Claudio Pecci, are all excited by the successes achieved this year by the Italian skiers who put their faith in the Mapei Sport Centre for their periodic laboratory evaluations, and they are all proud to have helped them reach such prestigious targets. Now that a season rich with victories

and satisfying moments has been archived, the Federazione Italiana Sport Invernali, or Italian Winter Sports Federation, (FISI) and Mapei Sport have many other objectives in their sights and, as far as the Winter Olympics are concerned, preparation work for Beijing 2022 will feature in the new programmes straight away.



2018 Re Stelvio Mapei

ITALY

Like all the previous years, Mapei was main sponsor of the Re Stelvio event organised by the Unione Sportiva Bormiese, which this year was celebrated its 34th edition. The event was held on the 8th of July with a climb from Bormio to Passo dello Stelvio

by bike or on foot. The races included a competitive half-marathon and cycle race open to registered members only; the Mapei Memorial Aldo Sassi running and cycle race open to all-comers, both registered members and non-registered members; a non-competitive cycle rally dedicated to pedal-assisted cycles, supported by the slogan “+ Stelvio x tutti (+ Stelvio x all)”. Numerous cyclists and sports fans from all over Italy and from around the world subscribed to the event through the Mapei website and took part in the races.

Re Stelvio is one of the Mapei initiatives aimed at strengthening the bond between the Company and the world of sport. Another event aimed at strengthening this bond was the 14th Mapei Golf Trophy organised by the Circolo Bormio Golf Club, an invitation event open to Mapei clients only.



Mapei and a record-breaking Coppa Italia

ITALY

The Igor Gorgonzola Novara volleyball team won the women's "Samsung Galaxy A" - Coppa Italia Serie A1 tournament while the team from Battistelli San Giovanni in Marignano won the trophy for teams from A2. Mapei sponsored the final of the tournaments held in PalaDozza in Bologna, directed by Lega Serie A Femminile and Master Group Sport. The weekend of the Coppa Italia finals proved to be a memorable occasion for volleyball fans and viewers watching the games on the national TV channel, Rai Sport. According to a lot of the

people interviewed it was one of the most successful Italian volleyball tournaments in recent years, thanks also to several changes that had been made to increase interest of the general public. Support for the teams from the spectators was passionate and, at the same time, fair and correct. Fans representing the six teams taking part in the event had an interesting repertoire of chants, songs and highly colourful choreography during the games. And the way the games were presented on Rai Sport also proved to be highly successful and much appreciated, with video-mapping transmitted on the pink and purple court. The Children's Choir from the Antoniano Institute of Bologna, named after the famous teacher of the Zecchino d'Oro children's choir, gave a moving rendition of the Italian national anthem, the Inno of Mameli. And the figures are also just reward for Serie A Women's Volleyball, Master Group and the sponsor Mapei: over the course of the two days PalaDozza had 8,639 paying spectators, 5,000 of which on the Sunday, the day of the two finals.



"Trofeo Mapei" at Villa d'Este Golf Club

COMO

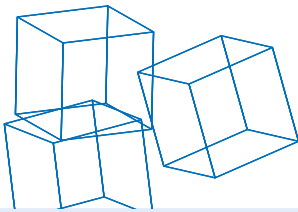
The first edition of the "Trofeo Mapei" was played at the start of last June at Golf Club Villa d'Este in Montorfano (Como), with more than 130 clients, employees, designers and golfing friends invited by the Company taking part in the tournament. Players that have discovered the fascination of a sport that is fun to play as well as being good for their health and wellbeing, including a number of friends of Mapei who, over the years, have become enthusiastic players. A golf tournament has been held on the "La Fornace" course at Bormeo Golf Club for a number of years during the Re Stelvio Mapei event: the "Trofeo Mapei", which this year was being held for the 14th time with 80 golfers vying for the title. The growing enthusiasm created by the event was behind the idea to hold another competition on one of the most famous golf



courses in Italy and the world. The seventh golf club to be founded in Italy (1925), Villa d'Este has always been amongst the front-runners thanks to its beauty, class, tradition and charm. The club was originally a private course for one of the most famous hotels in the world, the Villa d'Este in Cernobbio, and has seen many of the world's most famous golfers playing its 18 holes.

Road World Cycling Championships

AUSTRIA



Once again in 2018 Mapei renewed its collaboration with the UCI - Union Cycliste Internationale - as UCI Main Sponsor for the Road World Cycling Championships which were held from the 23rd to the 30th of September in Innsbruck (Austria). An extraordinary success story for athletes and sponsors alike, thanks to the highest standard of media coverage. Victory in the men's event went to the evergreen 38-year-old Spanish rider Alejandro Valverde, while the Dutch rider, Anna Van der Breggen, won the women's race. The first Road World Cycling Championships sponsored by Mapei took place in 1999, with the time-trials held in Treviso and the road races held in Verona. Mapei has been main sponsor of the Road World Cycling Championships since 2008 after reaching an agreement with the Unione Ciclistica Internazionale. The 2018 event in



Innsbruck-Tirol represented an important occasion in the development of public relations between Mapei and clients particularly interested in cycling. Mapei and cycling have a long track record thanks to sharing the values typical of this sport and an intrinsic part of the Company DNA: effort, constant team work and the determination to take on new challenges.

Cadel Evans Great Ocean Road Race

AUSTRALIA

The bond that unites Mapei and the great Australian cyclist, Cadel Evans, was renewed this year with the Company participating at the Cadel Evans Great Ocean Road Race 2018, a race founded in 2015 to celebrate Evans' farewell to the sport, which immediately met with enormous success and attracted the leading World Tour teams. Cadel Evans became a member of the Mapei

professional cycling team in 2002 and trained at the Mapei Sport Centre in Italy under the watchful eye of Prof. Aldo Sassi, who had helped him make the transition from mountain bikes to road racing. After the loss of Aldo Sassi in 2010, Cadel carried on training at the Mapei Sport Centre under the guidance of Andrea Morelli, head of the Motion Analysis Laboratory and, when he won the Tour de France in 2011, Evans dedicated his victory to the late Aldo Sassi and the "Mapei family".

The Cadel Evans Great Ocean Road Race once again attracted enormous crowds of spectators over the weekend of the 27th and the 28th of January, with more than 100,000 people crowding the streets of Geelong, Barwon Heads and Torquay.

The women's Sprint jersey was won by the Australian cyclist Chloe Hosking from Team Alé-Cipollini (ALE), while the men's Sprint jersey was won by the Russian cyclist Pavel Kochetkov from Team Katusha-Alpecin (KTA).



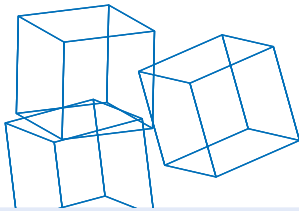
© Getty Images

Khimik, female volleyball

UKRAINE

Mapei Ukraine sponsored the women's "Khimik" volleyball team, one of the strongest teams in the country, which has won the women's championship nine times consecutively and, in the last season, also won the Super Cup for the third time.

The Mapei brand had plenty of visibility with the Company logo emblazoned on the team kits and on banners around the court. A special-edition Mapei + Khimik t-shirt was also created.



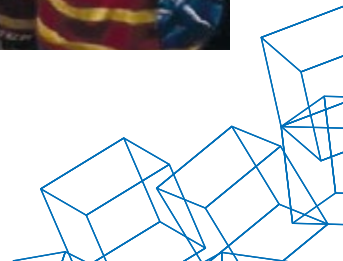
Veneto Hockey Team

CANADA

On the occasion of the annual tournament held in Trois-Rivières QC, Mapei Canada sponsored the "team Veneto" youth hockey team for the second year running.

The event was aired on national television and gave ample visibility of the Mapei logo emblazoned on the team kits of the 12 boys in the team. Amongst the various sports sponsorships by Mapei, the partnership

with a local cycling club registered with the Quebec Cycling Federation is worth a special mention. And Mapei Group, with its brand in clear view on the team kits, received excellent feedback. Also worth a mention is the co-sponsorship between Canada and the United States of a local team from Brampton playing in the Dallas Cup, an international football tournament held in Texas.





WTC, ONLY THE BEST FOR UNDERGROUND CONSTRUCTIONS

More than **20** years
of on-site experience

DUBAI

Mapei was present at WTC (World Tunnelling Congress), which was held in Dubai from the 20th to the 26th of April. The trade fair is one of the most important appointments at international level for experts from the sector; and Mapei, as tradition dictates, presented cutting-edge solutions developed by **the Mapei UTT team for the “tunnelling” industry**. The Underground Technology Team is Mapei’s answer to the growing demand from the construction market for a range of **products specific for underground construction work**. With more than 20 years’ experience in site-based underground construction and tunnelling at international level, the Mapei Underground Technology Team (UTT) has developed solutions to overcome numerous challenges and complex ground conditioning situations common to underground construction, tunnelling and mining projects all around the world. “We are in the tunnel by your side, from start to finish”: This is the motto that perfectly summarises what UTT has to offer for the underground construction industry, thanks to a world-wide network of highly-qualified, professional technical assistants with the skill and experience to handle even the most unforeseeable situations and guarantee **the most appropriate solution from a technical and economic point of view**.

“
We are in
the tunnel
by your side,
from start to
finish”



Domotex, the quality of floor and wall coverings

GERMANY

In January Mapei was present once again at Domotex in Hannover – the world’s leading trade fair dedicated to the latest developments and new technologies for textile, resilient and wood flooring – along with their German subsidiary, Mapei GmbH; the ideal occasion to present all the Company’s products and systems for the application, care and installation of floor coverings.



The 2018 edition of the German trade fair saw an increase in the number of visitors and from every part of the world. The Mapei stand was designed to demonstrate how their products can be used to install floor and wall coverings in various areas of use and in different settings, which had also been recreated so that visitors could feel the quality of the systems for themselves. Amongst the numerous products highlighted on the stand were TOPCEM and TOPCEM PRONTO, PLANEX HR, PLANEX HR MAXI and PLANIPREP 4 LVT smoothing and levelling compounds, as well as ULTRAPLAN FAST TRACK. The innovative adhesive ULTRABOND ECO MS 4 LVT WALL was also presented, along with the new grouting product KERAPOXY 4 LVT and the non-slip finish MAPECOAT 4 LVT. Numerous solutions for wood flooring were also presented.

At “World of Concrete” with our subsidiaries

USA

At the 2018 edition of World of Concrete (WOC), the United States trade fair held in January dedicated to the concrete industry, Mapei was present through their two United States subsidiaries, Mapei Corp. and GRT, each with their own stand. The GRT stand drew the public’s attention to DYNAMON NRG, a family of admixtures for the ready-mixed concrete and prestressed reinforced concrete industry. The main attractions on the Mapei Corp. stand, on the other hand, were practical demonstrations of the most recently developed products for the sector, samples and display panels of coating products and admixtures, repair mortars and waterproofing products. Particular emphasis was placed on the advantages of using PLANISEAL CR1 waterproofing membranes and PLANITOP 18 and PLANITOP 18 TG mortars. Also featured at WOC 2018 were the finishing products for concrete surfaces from the ELASTOCOLOR line, which were used by

Mapei Corp. for D. Westry’s performance of “The fastest painter in the world”, who took just a few minutes to paint portraits of Michael Jackson, Marilyn Monroe, Frank Sinatra and Albert Einstein using just ELASTOCOLOR PAINT. Mapei Corp. then sponsored a charity initiative in collaboration with Concrete Cares, an organisation that helps families with children suffering from cancer.



TISE, the success of innovative solutions

USA

Excellent results for Mapei Corp. at the 2018 edition of TISE, an important appointment for the North American and global construction industry, that encompasses three traditional events in one (SURFACES, StonExpo/Marmomac, and TileExpo) dedicated to coatings, particularly stone and ceramics.

Mapei Group's United States subsidiary made careful use of samples and display

panels so that the public could experiment a wide spectrum of innovative solutions. The product demonstrations also proved to be highly successful and highlighted the advantages of Mapei solutions for preparing substrates and installing large format ceramic tiles, such as PLANITOP 330 FAST and MAPEGUARD UM.

In the resilient flooring systems sector, the spotlight was on products such as PLANISEAL PMB, PLANISEAL MSP and PLANIPREP MRS, proposed in combination with ULTRABOND G15 adhesive.

The jewels in the crown in the grouting products range, ULTRACOLOR PLUS FA and FLEXCOLOR CQ, were also highlighted. Mapei Corp. also had an important role in the training events held by TISE. The traditional appointment the US subsidiary dedicates to its VIP clients during the trade fair was held on the 31st of January on the Mapei stand, with numerous clients and journalists taking part.



Seatrade, excellence for the shipbuilding industry

USA

With the Mapei Marine line dedicated to the ship-building industry, Mapei participated at Seatrade Show 2018, the most important trade fair in the cruise-liner sector, held in Fort Laderdale (Florida) from the 6th to the 8th of March. The line of marine products and solutions by Mapei for the ship-building industry has gone through

a phase of constant growth thanks to the extensive technological experience the Company has gained in the construction market over the last 80 years. Excellence at the forefront, the result of cutting-edge research processes with the capacity to balance high performance properties with environmental sustainability.



Expocomfort, plant systems and BIM

ITALY



The Expocomfort Exhibition and Convention held in March was the magnet at the Rho Fiera exhibition centre in Milan that attracted more than 2,400 exhibitors and 162,000 sector professionals from 140 countries. The two-yearly event is

aimed at the civil and industrial plant systems sectors and Mapei presented its extensive range of products dedicated to the sector at the fair, many of which have very low emission of volatile organic compounds (VOC) and bear the EMICODE EC 1 PLUS mark issued by GEV. Mapei had their own team of engineers on hand for visitors interested in getting a deeper insight into the Mapei solutions for the BIM design approach (Building Information Modelling).

Products featured at the exhibition included solutions for repairing existing heated floors and for installing new heated floors in the public and private building sectors, waterproofing systems for the same sectors, flooring for industrial surroundings, products for fastening pipework and sanitary ware in place and products for external thermal insulation systems for buildings.

Design, all the colours of “Fuori Salone”

ITALY



Every year in April Mapei celebrates FuoriSalone, the cultural spirit of Milan's Salone del Mobile exhibition, with architects, designers and interior design magazines underlining the versatility of the Company's products and its ability to satisfy a multitude of needs in the field of

contemporary design. For the 2018 edition Mapei sponsored the exhibition “The Secret Colors of Milan” and “Hotel Regeneration”, two important events aimed at emphasizing the various aspects of living and hosting in the beautiful city of Milan.

As “Color Partner” for the exhibition, Mapei supplied DURSILITE water-based wall paint for internal surfaces, MAPELUX LUCIDA metal-filled wax, MAPEGLITTER coloured metal flakes, SILANCOLOR TONACHINO coating for internal and external use, MAPECOAT ACT 021 enamel wall paint for internal surfaces and ULTRATOP LOFT cementitious trowellable paste. The event in the Lambrate Design District, on the other hand, was dedicated to the hotel industry. Mapei was one of the collaborators for this event showing visitors solutions to create aesthetically attractive surroundings that meet the requirements of the client. Each of the installations featured a system for installing floor and wall coverings.

Photo by Mirko Cecchi

Coverings, ceramics and stones

USA

Coverings is the most important gathering dedicated to the ceramic and stone industry in North America. The 2018 edition was held at the beginning of May and recorded a 20% increase in the number of sector professionals compared with 2017. At the trade fair, which was held in Atlanta, Mapei had two stands, one for the US subsidiary Mapei Corp. and a support stand for the North American Adhesives brand. A number of products manufactured and distributed in the United States were on display: PLANITOP 330 FAST fibre-reinforced, rapid-set, cementitious levelling mortar, FLEXCOLOR 3D coloured grouting mortar and the new waterproofing membrane MAPEGUARD WP 200. The demonstration team from Mapei Corp. showed visitors to the stand the advantages of these products and how



to use them by applying the materials in a specially prepared area. Mapei Corp. was also the key player in the training programme at Coverings, participated at numerous seminars and held a “Clean the World” event which, thanks to donors such as Mapei, Florida Tile and NTCA (the National Tile Contractors Association), managed to donate 800 kits of personal hygiene products for the homeless.

Tektonica, construction and public works

PORTUGAL

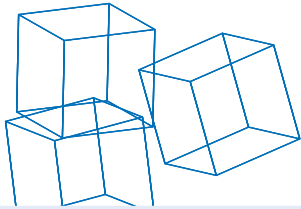
The “Tektonica” International Building and Construction Fair was held in Lisbon from the 16th to the 19th of May. Mapei took part in the event with the Mapei coach to present all the Company’s product lines and all the solutions available for every part of a building, from the foundations up to the roof top: Integrated systems for installing ceramic,

stone, wood, carpet, linoleum and PVC, waterproofing products, thermal insulation systems, soundproofing systems, sports surfaces, repairs to antique and new façades, etc. The appointment was the perfect opportunity to present the latest products, promote the Mapei brand in Portugal, meet new clients and acquire new strategic contacts.



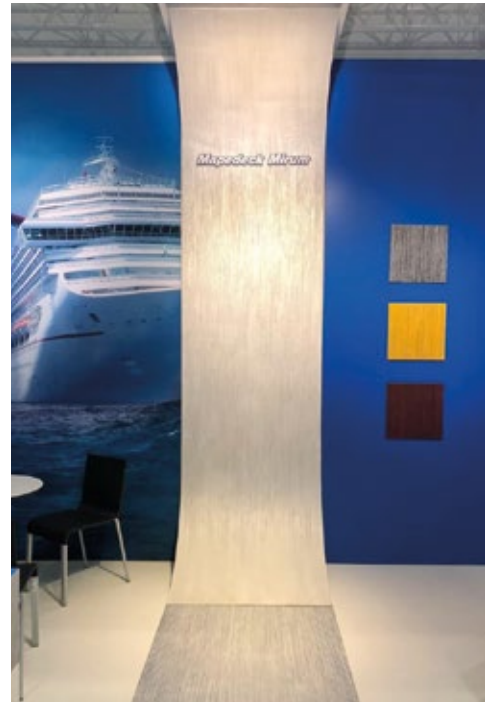
SMM, quality for the shipbuilding industry

GERMANY



The two-yearly SMM trade fair in Hamburg is one of the most important events dedicated to the shipbuilding industry in the world. At the beginning of September Mapei was amongst the exhibitors at the trade fair in Germany to present the Company's technology and systems dedicated to this sector.

The Mapei Marine line in particular was amongst them, a range of products and solutions developed thanks to Mapei's exclusive and consolidated experience in this specific sector; integrated products and solutions which form a complete system to guarantee certified quality, excellent performance characteristics, functionality, reliability, long-term durability, ease of use and simple application.



Cersaie, new products highlighted

ITALY

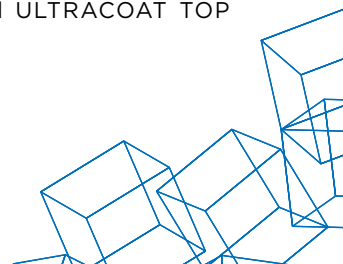


For Mapei, every edition of Cersaie in Bologna is the chance to take stock of the current situation and present new products being launched on the market to the general public.

The Mapei solutions and systems showcased at Cersaie at the end of September were exhibited on a completely new stand with settings recreated for the event to illustrate the different areas of use of the products. A team from Mapei Technical Services was on hand to show how to use the products correctly.

One of the aims of Cersaie 2018 was to increase awareness of sustainable living: so the focus was on certified products with very low emission of volatile organic compounds and on products containing no hazardous raw materials.

Amongst the numerous products presented in Bologna were the new adhesives KERAQUICK MAXI S1 and ADESILEX P9 EXPRESS. To install wood flooring ULTRABOND ECO S958 1K was also launched. ULTRAPLAN RENOVATION was amongst the new generation of levelling products presented at the trade fair. The Mapei Set The Mood collection of grouts, available in 50 different colours, and ULTRATOP LOFT trowellable cementitious coating, also featured prominently on the stand. Other cutting-edge proposals for public spaces and street furniture were also on show on the stand, such as the COLOR PAVING and MAPESTONE systems, MAPECOAT TNS URBAN, ULTRABOND TURF PU 1K, PURTOP 1000 and ULTRACOAT TOP DECK OIL.



Marmomac, more and more international

ITALY

Marmomac, the International Trade Fair for Stone Design and Technology, which was held in September at the Veronafi exhibition centre, strengthened its role as a leading platform for businesses thanks to its increasingly international feel. The 53rd edition saw more than 60% of the 1,600 companies exhibiting their goods coming from overseas. Mapei presented its



systems for installing natural stone and new products developed for the natural stone, agglomerates and ceramic market, with particular attention on architectural stone paving. Mapei also organised a technical meeting with the patronage of UNI: the first official presentation of the new UNI 11714-1:2018 standard for stone coating materials. For the natural stone and ceramic market, Mapei took the opportunity of the trade fair to present the new cementitious adhesive KERAQUICK MAXI S1, and also featured was the special, fibre-reinforced levelling product NOVOPLAN MAXI. In the sector of products for street furniture, particular emphasis was placed on the MAPESTONE systems for creating architectural stone paving, particularly pre-blended MAPESTONE TFB 60 mortar and the cleaning solution MAPESTONE JOINT CLEANER. A special mention also goes to the neutral silicone sealant for stone, MAPESIL LM.

Best practices at Saie

ITALY

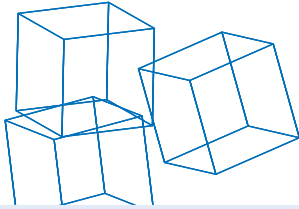
The last edition of Saie, which was held in Bologna in October, put site work at the centre of attention by discussing best practices at national and international level. At Saie 2018 Mapei took part in three exhibition areas in collaboration with three important organisations from the building world: ISI (Italian Seismic Engineering Association), ANAS (part of the FS Italian Railways Group) and BIM (Building Information Modelling). In the ISI area Mapei had an exhibition of structural strengthening products, such

as the FRP SYSTEM line and the FRCM SYSTEM line, as well as the cementitious mortars PLANITOP HPC and PLANITOP HPC FLOOR, the anti-seismic “wallpaper” MAPEWRAP EQ SYSTEM and PLANITOP INTONACO ARMATO for strengthening masonry structures. In the ANAS area the Company presented the MAPESHIELD E25 galvanic cathodic protection system, while in the BIM area Mapei participated with their product systems in an initiative that allowed visitors to experience BIM technology applied to site work.



Anci Expo, Mapei proposals

ITALY



The Annual Assembly of ANCI (National Association of Italian Town Councils) was held in Rimini from the 23rd to the 25th of October. Mapei was present at the assembly to show engineering managers from Local Councils their solutions for maintaining and repairing road surfaces, installing architectural stone and concrete paving, systems for redeveloping and upgrading sports facilities and thermal insulation systems and structural strengthening systems for buildings. For the highway maintenance and repair sector,

Mapei proposed MAPE-ASPHALT REPAIR 0/8 and MAPESTONE SYSTEM. For sports facilities and playing surfaces, various solutions from the MAPEI SPORTS SYSTEM TECHNOLOGY division were exhibited. For the sector of external thermal insulation systems for buildings, the solutions illustrated were MAPETHERM and MAPETHERM TILE SYSTEM, while for the sector involved in the structural strengthening and seismic protection of buildings, Mapei proposed a number of innovative products.

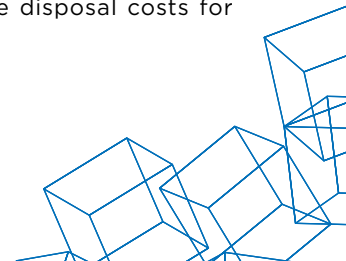
To round off, Mapei presented their Business award (a technical consultancy service to evaluate any technical and aesthetic intervention to be implemented) for the Cresco Award-Sustainable Cities initiative, an event run in partnership with the Sodalitas Foundation in collaboration with ANCI to recognise local councils particularly sensitive to sustainable development.

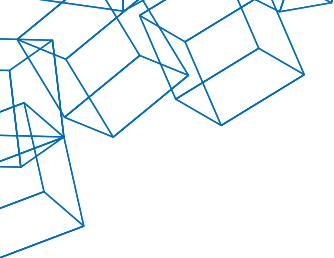
Ecomondo, RE-CON range under the spotlight

ITALY

Ecomondo is a trade fair held in Rimini and is leader in the green and circular economies in the Mediterranean area of Europe. Mapei took part in the 2018 edition by presenting new products from the RE-CON range, developed to meet the growing demand for sustainable concrete for a more responsible building industry with increasing awareness of the ecosystem. The RE-CON range - which includes

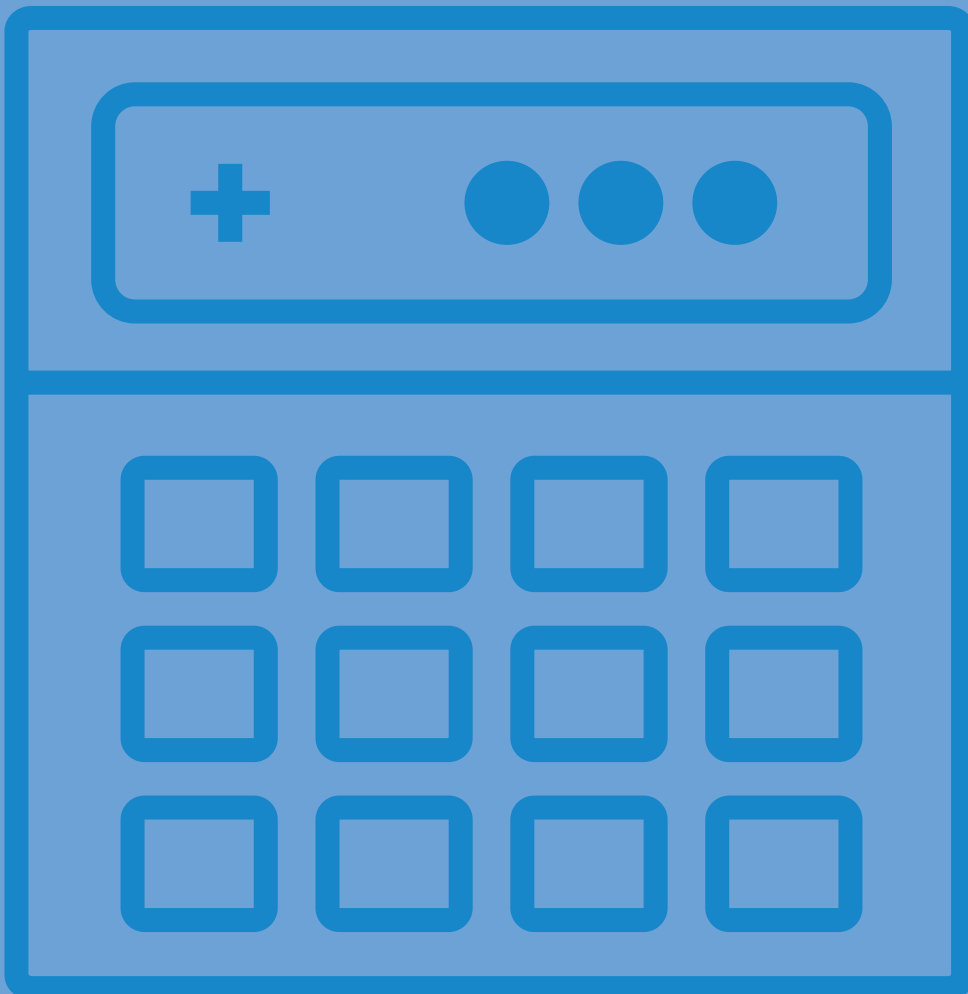
products such as RE-CON ZERØ EVO, RE-CON AGG 100 and RE-CON AGG 200 - offers sector operators a complete range of products developed specifically for the production of concrete made from recovered and recycled aggregates from demolition work, as specified in MEC (Minimum Environmental Criteria) protocols for the building industry, as well as the production of concrete with aggregates containing clay and for recovering waste from the concrete manufacturing process. The benefits deriving from the use of products from the RE-CON range are technological (the use of recycled materials without compromising the quality of the concrete produced); environmental (a reduction in the amount of waste sent for landfill, a reduction in the amount of raw materials extracted and processed and the production of concrete with high environmental sustainability); economic (no more disposal costs for returned concrete).





MAPEI GROUP CONSOLIDATED FINANCIAL STATEMENTS

MANAGEMENT REPORT



REPORT THE SOLE SHAREHOLDER YEAR ENDED DECEMBER 31ST, 2018

Management Report



The consolidated financial statements of the Mapei Group as of 31 December 2018, which we hereby submit for your approval show a consolidated net profit of € 24.4 million, compared to a net profit of € 67.3 million in 2017, after amortisation/ depreciation and impairment losses of € 107.9 million (€ 88.5 million in 2017).

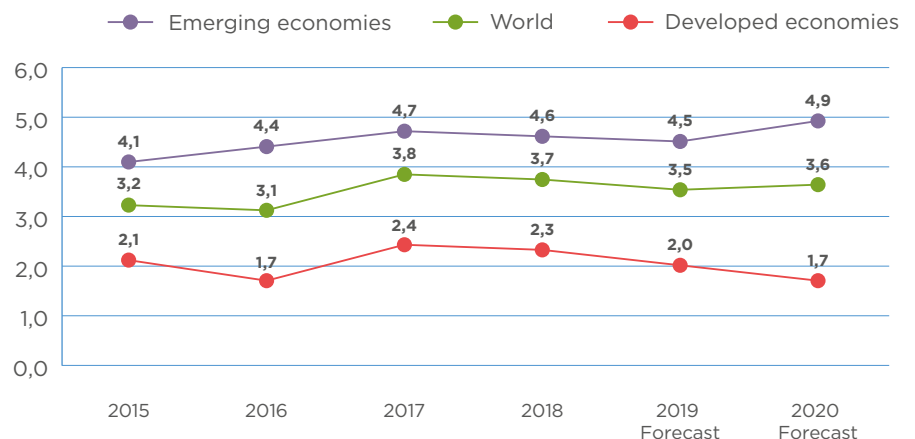
The net profit of the Group is € 24.4 million (€ 67.2 million in 2017).

GLOBAL ECONOMIC TRENDS

In 2018 world GDP increased by 3.7% a number substantially in line with the previous year. Real growth of the economy in developed countries was 2.3%, while the increase in emerging economies was 4.6%. As the graph shows, the gap between the rates of mature and emerging countries remained unchanged in 2018:

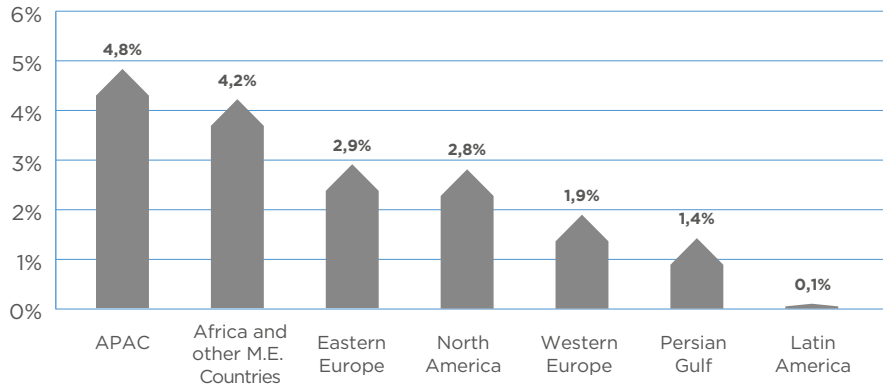
Trend in world GDP

Percentage change on the previous year
Source: International Monetary Fund, January 2019



The International Monetary Fund forecasts that the global GDP growth rate in 2019 will slow down, to around 3.5%. The slowdown in world GDP is mainly attributable to advanced economies, for which a net deterioration in the economic situation is predicted.

Estimated trend in GDP by geographical area
2018 v. 2017



For emerging economies the slowdown should refer only to year 2019.

The trend in GDP was different in the various geographic areas, as showed in the graph below:

2018 was characterised by a moderate improvement of the economy in Western Europe, where gross domestic product increased by 1.9%, while Eastern Europe (+2.9%) recorded a more market increased, although still lower than in 2017 (+3.9%). Among the other advanced economies, the growth occurred was 2.9% in the United States, where there was a net improvement in the economic situation compared with the previous year, when GDP increased by 2.2%. In contrast, there was a slowdown of the economic situation in Canada and 2018 ended with an increase of 2.1%, much lower than the 3% obtained in 2017.

India recorded the highest rate of economic development among the emerging countries, with a 7.3% increase in GDP in 2018. The economy growth rate improved, compared with the previous year's figure, of 6.7%.

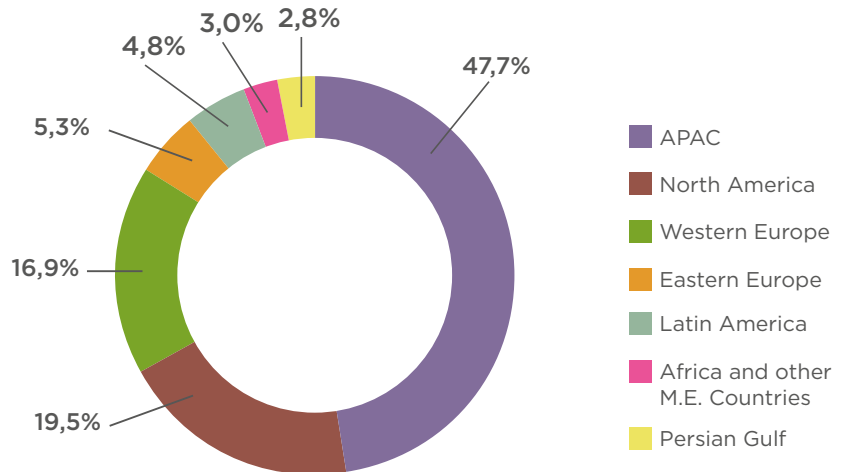
According to the figures of the International Monetary Fund, GDP in China increased by 6.6% in 2018. The development of the economy rate was slower than in 2017, with growth rates close to 7%.

In 2018, the value of the global construction market stood at around € 8,200 billion, marking an increase of 3%, lower compared to the global economy one. There was a positive trend in investments in construction in all regions, with the exception of Latin America.

The table and the graph show the value of investments in construction by macro region and the percentage of the areas on the value of the world market:

GEOGRAPHICAL AREA	INVESTMENTS IN CONSTRUCTION IN 2018 (€ BILLIONS)
Far East & Oceania	3,913
North America	1,595
Western Europe	1,382
Eastern Europe	436
Latin America	395
Africa And Other Middle Eastern Countries	247
Persian Gulf	229
TOTAL	8,197

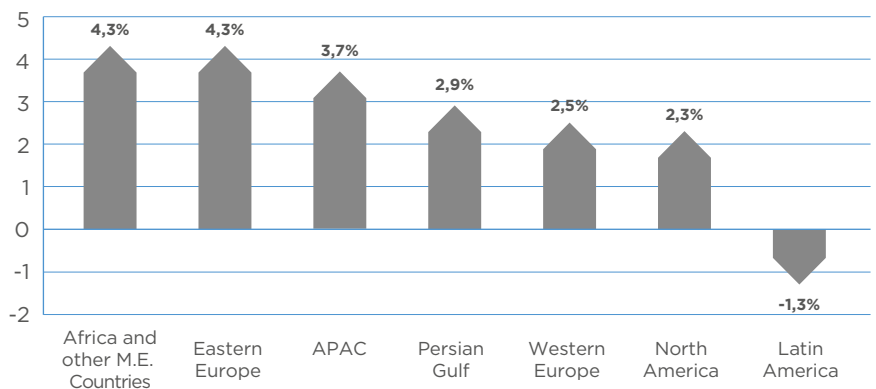
2018 split by geographical area of the global construction industry



The graph below summarises estimated trends of construction investments in 2018:

Estimated changes in investments in construction

Variation vs. previous year



GROUP ECONOMIC TRENDS

2018 consolidated financial statements include U.S. Sassuolo Calcio Srl and Mapei Stadium Srl on line-by-line basis, in compliance with accounting standard OIC 17; these companies contributed € 46.3 million to Group turnover in 2018 (€ 46.4 million in 2017).

The table below summarises the main 2018 and 2017 group financial indicator:

PROFIT & LOSS (M€)	2018	2017	VAR %.
REVENUES	2,542.0	2,406.0	5.7%
EBITDA	160.3	225.8	-29.0%
<i>% on revenues</i>	6.3%	9.4%	
EBIT	52.7	126.8	-58.4%
<i>% on revenues</i>	2.1%	5.3%	
Profit before tax	51.3	103.5	-50.3%
<i>% on revenues</i>	2.0%	4.3%	
Net result	24.4	67.3	-63.7%
<i>% on revenues</i>	1.0%	2.8%	
BALANCE SHEET (M€)			
Net Invested capital	1,363.1	1,143.8	19.2%
Group shareholders' equity and minority interests	835.8	815.4	2.5%
Financial position (Surplus)/Deficit	527.3	328.4	60.6%
HEADCOUNT	10,277	9,516	8.0%

Mapei Group recorded consolidated revenues for € 2,542.0 million in 2018, compared with € 2,406.0 million in 2017, with an increase in absolute value of € 136.0 million and 5.7% in percentage terms. The performance of turnover was negatively influenced by exchange rate trends: real growth, excluding exchange rates effects, was actually over 8% and positive in almost all geographical areas and in all product ranges.

The growth in turnover was achieved primarily with internal growth, given that the companies consolidated for the first time, Fili & Forme Srl, TecnoPol Sistemas SL and Mapei Egypt for Construction Chemicals Sae, contributed modestly (€ 19.8 mln, +0.8% growth).

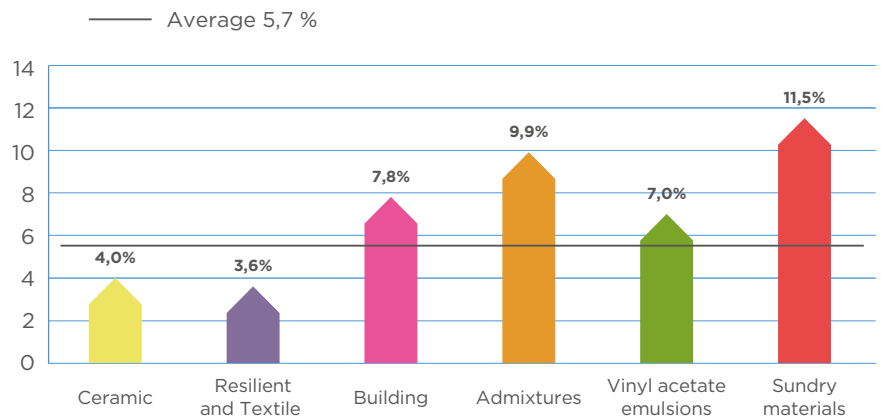
The result for the year was € 24.4 million, against € 67.3 million in 2017, down by 63.7%. This was the result of both the increases in raw material cost that started in 2017, and which, in certain cases, we were unable to pass on the market, and the considerable investments in structures and resources.

The higher penetration of our products on several markets will allow the Group to achieve a greater return on these investments in the short term.

REPORT ON GROUP OPERATIONS

Turnover in almost all the main product lines recorded growth over the previous year. Ceramics products rose by 4%, flooring adhesives, resilient and textile coverings by 3.6%, building products by 7.8%, concrete and cement admixtures by 9.9%, vinyl acetate and acrylic resins by 7.0% and sundry materials by 11.5%. The chart below shows the trend in selling lines in 2018:

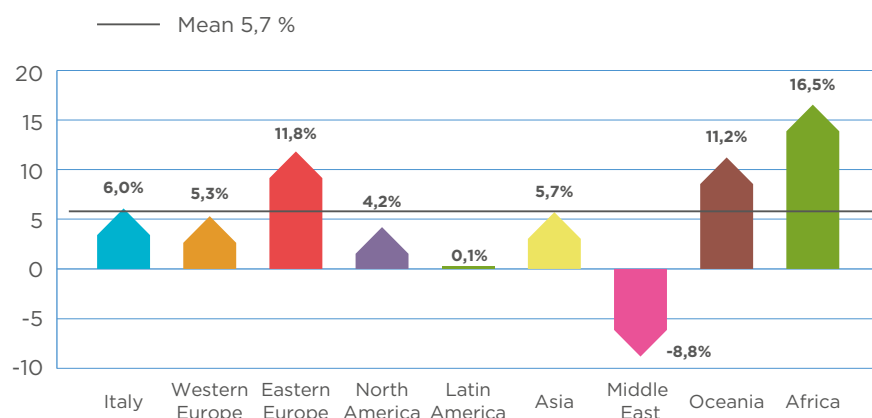
% increase in selling lines in 2018



Group business volume increased in all geographical areas where it operates, with the exception of the Middle East. It should be noted that growth in all the individual areas was negatively influenced, in different measure, by the impact of exchange rates; this is confirmed by the real growth (without exchange rates impact) of Latin America (+23%), North America (+9%), Eastern Europe (+16%) and Asia (+9.5%).

The chart below shows the percentage change in the various areas compared to the previous year:

% increase in the macro-areas in 2018 compared to 2017



The table below summarises the Consolidated turnover of the Mapei Group in 2018 (€ mln), split by geographical macro-areas, with an indication of the growth in % and the incidence of each single area on total sales:

GEOGRAPHICAL AREA	12.31.2018	12.31.2017	%INCREASE	INCIDENCE % 2018	INCIDENCE % 2017
Italy	578.2	545.6	6.0%	22.7%	22.7%
Western Europe	672.6	638.6	5.3%	26.5%	26.5%
Eastern Europe	269.5	241.1	11.8%	10.6%	10.0%
North America	720.7	691.5	4.2%	28.3%	28.8%
Latin America	62.7	62.6	0.1%	2.5%	2.6%
Asia	101.7	96.3	5.7%	4.0%	4.0%
Middle East	45.8	50.2	-8.8%	1.8%	2.1%
Oceania	53.4	48.0	11.2%	2.1%	2.0%
Africa	37.4	32.1	16.5%	1.5%	1.3%
TOTAL	2,542.0	2,406.0	5.7%	100.0%	100.0%

The Mapei Group is made up of 83 operating companies. It has a presence in five continents with 50 manufacturing companies in 79 plants, each one equipped with a quality control laboratory, 25 trading companies, 8 services companies and 31 R&D labs. We will now analyse Group company sales and profitability results in the macro areas where operate, together with key highlights related to local economy and the building industry sector trends.

ITALY



GROUP COMPANIES:

Adesital Spa
Cercol Spa
Fili & Forme Srl
Mapei Spa
Mapei Stadium Srl
Mosaico+ Srl
Polyglass Spa
U.S. Sassuolo Calcio Srl
Vaga Srl
Vinavil Spa

Group turnover in Italy increased significantly compared to the performance of recent years, from € 545.6 million in 2017 to € 578.2 million in 2018, with an increase of 6%.

Our Group is present in Italy with 10 companies: 7 manufacturing companies with 10 plants, 1 trading company and 2 services companies. 6 R&D labs are also located in Italy.

The profitability of this area was basically in line with the previous year, with different results for the various companies. The best performance was achieved by Cercol Spa, Mapei Spa and US Sassuolo Calcio Srl. A negative performance has been recorded by Vinavil Spa. This was the result of a sudden sharp rise in the purchase prices of several raw materials during the year.

In terms of turnover, the best performances in this area were obtained by Mosaico+ Srl (+34.3%), Adesital Spa (+9.6%) and Polyglass Spa (+9%).

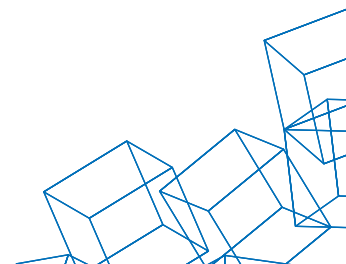
In 2018, Italian GDP recorded estimated growth of 1%. There was therefore a slowdown compared with 2017, which ended with growth of 1.6%. Once again, the Italian growth rate was the lowest among the major economies of the European Union, which, registered a total growth of 1.9% (the same as for countries in the Euro Area). The inflation rate (+1.2%) was lower than the EU average (1.9%).

Development of the Italian economy will probably slow sharply in 2019 and stand at around 0.2%. There should be a slight reduction in the inflation rate during the year, in line with what is expected in the other EU countries.

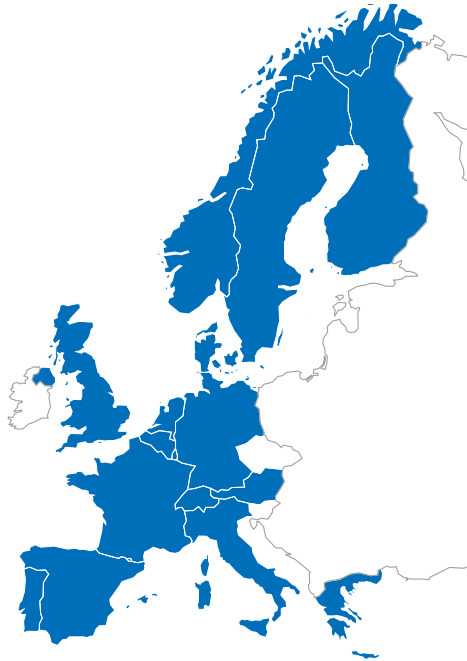
	GDP		INFLATION	
	2018	2019	2018	2019
Italy	1.0	0.2	1.2	1.0
Euro Area	1.9	1.3	1.7	1.4
European Union	1.9	1.5	1.9	1.6

Source: European Commission, February 2019

The Italian building industry recorded moderate growth last year. Building output is increased by almost 2%. Therefore, in 2018, the building segment recorded a better performance than the one registered by the economy as a whole.



WESTERN EUROPE



GROUP COMPANIES:

Lusomapei Sa
Mapefin Austria Gmbh
Mapefin Deutschland Gmbh
Mapei Ab
Mapei As
Mapei Benelux Sa
Mapei Denmark As
Mapei France Sa
Mapei Gmbh (A)
Mapei Gmbh (D)
Mapei Hellas Sa
Mapei Nederland Bv
Mapei Oy
Mapei Spain Sa
Mapei Suisse Sa
Mapei UK Ltd
Polyglass Gb Ltd
Rasco Bitumenteknik Gmbh
Resconsult As
Sopro Bauchemie Gmbh (A)
Sopro Bauchemie Gmbh (D)
Sopro Nederland Bv
Tecropol de Sistemas SL

This area recorded an increase in turnover, up from € 638.6 million in the previous year to € 672.6 million in 2018, marking an increase of 5.3%.

Western Europe is the area with the highest number of companies in our Group, with a total of 23. There are 14 manufacturing companies with 18 plants, 6 trading companies and 3 services companies. In this area we have 8 R&D labs.

This area has the Group's best profitability in absolute terms, although it decreased slightly compared with the previous year; in evidence the brilliant economic performance of Mapei Suisse Sa, Sopro Bauchemie Gmbh (D), Lusomapei Sa and the newly acquired Tecropol de Sistemas SL.

In terms of turnover, the companies that recorded the best performances in 2018 were Mapei Denmark As (+31.5%), Lusomapei Sa (+20.9%) and Mapei Nederland Bv (+16.4%).

2018 was characterised by a modest increase in the economy of Western Europe, where GDP recorded a growth of 1.9%. The highest growth for countries in the region was registered by Spain, where GDP increased by 2.5%. The German economy performed poorly compared with the European average, with a growth of 1.5%. Growth of GDP in France was also moderate, at 1.5%. A similar growth rate was also registered in the United Kingdom.

Estimated growth of investments in the building sector in 2018 was 2.5%, a slowdown compared to the over 4% of 2017. The trend was moderately positive, even if it has been recorded a not favorable trend on residential sector. Performance of the building industry was better than the economical performance in total.

Investments in construction on the four main markets of the area differed. The Spanish building industry obtained the highest growth rate (+5.6%), boosted by the excellent trend of the residential segment. Growth of the building sector was double the figure of Spanish GDP.

The German building industry continued its development cycle in 2018 and it is estimated that, with growth in GDP of 1.5%, investments in construction increased by around 3%.

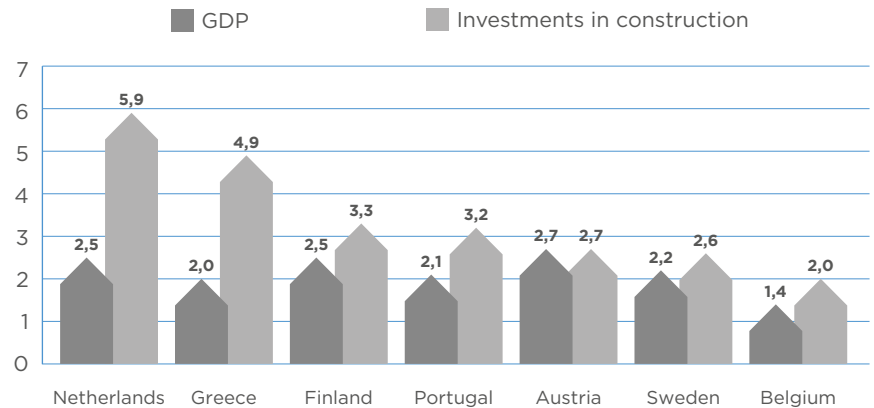
There was modest development of 1.5% of both the French economy and building industry in 2018. Partly as a result of the uncertainties associated with Brexit, the UK building industry registered the worst performance in Europe in 2018. Investments in construction fell by around 1%, while GDP increased by 1.4%.

The economic situation and the building market performance were positive in the other major Western European countries last year. The chart - which shows the difference in GDP and investments in construction - confirms an extremely dynamic

Dutch building industry and investment growth rates that are higher than the European average in countries, such as Greece and Portugal, where there had been recorded a big crisis on the building market:

Trend in GDP and investments in construction

% Change 2018 v. 2017



EASTERN EUROPE



Mapei is present in Eastern Europe with 16 companies: 7 manufacturing companies with 10 plants and 9 trading companies. We also have a R&D lab in this area.

The turnover increased from € 241.1 million in 2017 to € 269.5 million in the year under review, marking an increase of 11.8%. Almost all the companies in Eastern Europe experienced growth.

The area's EBIT was excellent and in line with 2017, making it one of the best of our Group in %. In evidence the positive results of Mapei Doo, Gorka Cement Spzoo, Mapei Srb Doo and Mapei Polska Spzoo.

The companies with the greatest increase in turnover were Mapei Srb Doo (+31.9%), Mapei Kft (+25%) and Mapei Romania Srl (+20.5%).

In 2018 the economy of this region recorded growth estimated as 3%, slightly slowing down compared with 2017. Russia (the main market of the region) continued to experience moderate economic growth, with an increase in GDP of 1.7%. Economic growth improved considerably in Poland and Hungary, where GDP increased by 5% and 4.8% respectively; estimated growth in the Czech Republic is 3%. The economic situation in Romania was also positive in 2018 and growth of GDP reached 4%. GDP in the Ukraine increased by around 3%.

Among the major economies of the area, Turkey registered a growth rate (+2.6%) much slower than the previous year, with a trend that was actually negative in the last quarter of 2018.

GROUP COMPANIES:

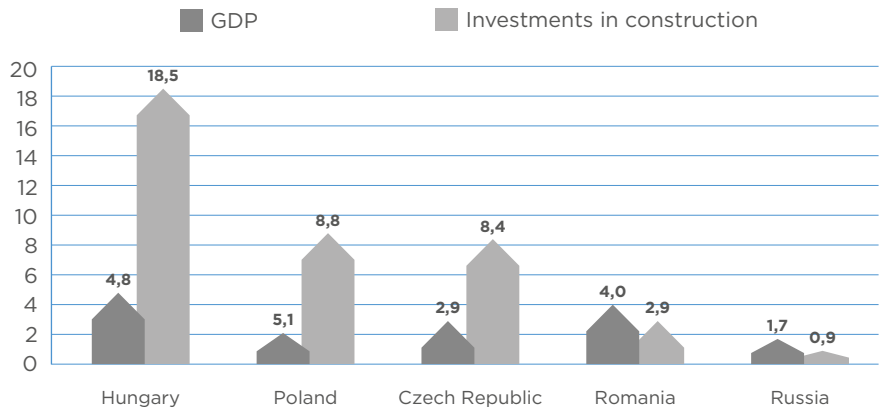
Gorka Cement Spzoo
Mapei Bulgaria Eood
Mapei Croatia Doo
Mapei Doo
Mapei Kft
Mapei Polska Spzoo
Mapei Romania Srl
Mapei Sk Sro
Mapei Srbija Doo
Mapei Sro
Mapei Ukraina Llc
Mapei Yapi Kimyasallari Ins.San. Ve Tic. As
Mosaico Plus Ukraina Llc
Sopro Hungaria Kft
Sopro Polska Spzoo
Zao Mapei

During the current year, the economic situation is expected to slow down, with a slight increase in the growth rate (+2%) on the main markets of Eastern Europe.

Performance of the building market in Eastern Europe was positive last year and it is estimated that investments will rise by 4.3% compared with 2017. The chart below shows the estimated variance for GDP investments in construction in the main countries of the region:

Trend in GDP and investments in construction

% Change 2018 v. 2017



NORTH AMERICA



Group turnover in North America totalled € 720.7 million, compared to € 691.5 million in 2017, marking an increase of 4.2%, despite the negative effect of the Euro/Dollar exchange rate.

We operate in the area with 8 companies: 5 manufacturing companies with 22 plants and 3 services companies. We have also 6 R&D labs operating in the area.

There was a significant drop in profitability of the area, although it remained positive, due to price trends of raw materials and freight in the US market and the partial weakness of the dollar. Furthermore, considerable investments were made in order to achieve major results in the large-scale retail trade sector and this temporarily reduced profits. However, most of

GROUP COMPANIES:

4307721 Canada Inc
General Resource Technology Corp
Mapei Caribe
Mapei Corp
Mapei East Corp
Mapei Inc
Polyglass Usa Inc
Vinavil Americas Inc

Group companies were already recovering the profit levels of previous years in the early months of 2019.

The companies with the largest increase in turnover in this area were Mapei Caribe Inc (+35%) Polyglass Usa Inc (+7.1%) and General Resource Technology Corp (+16%).

In 2018, the GDP growth rate in the US improved considerably, reaching +2.9%, compared to +2.2% in the previous year. The economic situation in the USA was boosted by the tax reform for families and business and by other expansionary budget measures. According to World Bank estimates, the GDP of the USA will increase more than the Euro Area and Japan over the coming years.

The economic situation was also moderately positive in Canada, where GDP increased by 2.1%.

The expectations for the current year indicate a lower growth rate in the North American region.

Investments in construction increased by an estimated 2.3% in 2018, with similar trends between the countries of the region. Development of the construction market was slightly lower than GDP of the area. Last year was characterised by a slowdown in residential building, which was offset by the more dynamic performance of the non-residential sector and the infrastructures segment.

Forecast for the current year indicate a slight increase in growth of building, at an estimated rate of 2%.

LATIN AMERICA

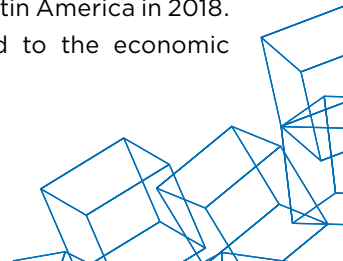
Group revenues in Latin America were € 62.7 million, in line with the previous year. This figure was affected by the performance of local currencies, particularly the Argentinian Peso: at fixed rates, growth would have been over 20% YoY.

We operate in the area with 8 companies: 6 manufacturing companies with 7 plants and 2 trading companies. We have 3 R&D labs operating in the area.

The huge investments sustained over recent years, the economic and financial instability in several countries in the area, the devaluation of several currencies and the characteristics of certain local markets mean that, despite the good results in terms of volume growth a positive return in terms of profitability is yet to come.

The companies with the greatest increase in turnover in this area were Mapei Brasil Constructions Materials Ltda (+33%) and Mapei Perú Sa (+28%).

There was stagnation on the economy of Latin America in 2018. Growth of Mexican GDP is closely linked to the economic



GROUP COMPANIES:

Mapei Argentina Sa
Mapei Brasil Construction Materials Ltda
Mapei Colombia Sas
Mapei Contraction Chemicals Panama Sa
Mapei Costa Rica Sa
Mapei Mexico Sa de Cv
Mapei Perú Sac
Mapei Venezuela Ca

situation in the USA, but the trend slowed over the last year: the rate of economic development of Mexico in 2018 was 2% and this figure is likely to fall over the coming years.

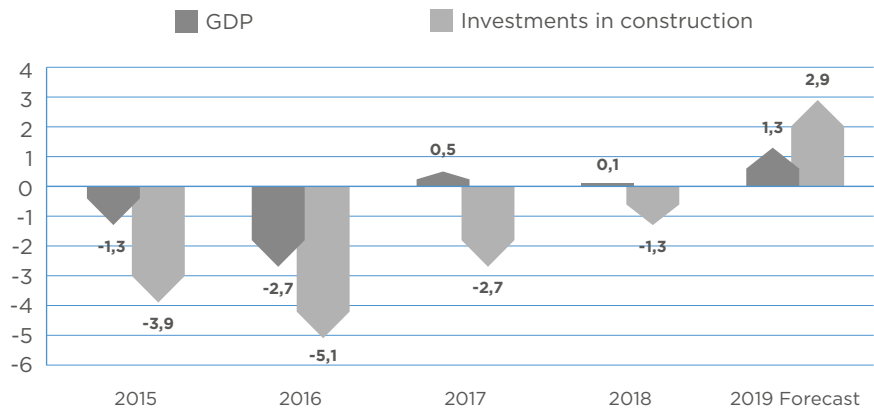
The modest growth of GDP in Brazil was offset by the important recession of the Argentinian economy (-2.6%), which was hit by the turbulence on financial and currency markets.

The other markets in the region are growing at sustained rates. The economies of Colombia and Chile registered estimated growth of 2.8% and 4% respectively. In Venezuela, the political and social instability increased the economic crisis and it reported one of the worst recessions at global level, with the International Monetary Fund putting the drop in GDP at 18%.

The building sector in Latin America registered the worst performance worldwide last year and it is estimated that investments dropped by over 1%. There was also a recession in the building sector in Brazil, Argentina and Venezuela, only partially offset by the growth in investments in the other countries of the area. As the chart shows, the recession has been in progress for several years, but there are signs of a reverse of the trend starting in 2019.

GDP and investments construction trend in Latin America

% changes on the previous year



MIDDLE EAST



GROUP COMPANIES:

Mapei Constr. Chemical Llc
Mapei Doha Llc
Mapei Saudia Llc

Turnover of the area fell from € 50.2 million in 2017 to € 45.8 million in 2018, down 8.8%, partly as a result of the negative trend in exchange rates.

We are present in the region with 3 companies: 1 production company with 1 plant, 2 trading companies (of which one - Mapei Saudia Llc - is not active yet) and 1 R&D lab.

The operating income has slightly fallen, due to a poor performance of the construction market in the second part of the year, particularly in Dubai.

The sales results in the Middle East were negative for both Mapei Construction Chemical Llc (-8%) and Mapei Doha Llc (-16%), since several large projects in 2017 were completed in the early months of 2018.

This region recorded a modest 1.4% economic development in 2018. After the recession of 2017, the Saudi economic recorded growth of around 2%, boosted by the increases in oil prices. The GDP development rate in the Emirates was better, at 3%.

Performance of the construction market was highly diverse in 2018. Investments are expected to increase in the Emirates, partly as a result of projects associated with Expo 2020. In contrast, there was a negative trend for construction activity in Saudi Arabia, where cutting of public investments in infrastructures and the suspension of major residential building projects had a negative impact on construction output.

ASIA



Revenues in this area increased from € 96.3 million in 2017 to € 101.7 million in the year that just ended, a 5.6% increase, also here negatively affected by exchange rate trends.

We are present with 10 companies: 7 manufacturing companies with 8 plants and 3 trading companies. In this area we have 5 R&D labs.

Operating income as % of sales fell slightly and was lower than the average percentage of our Group. The best operating income performance were from Mapei Malaysia Sdn Bhd and Mapei Construction Products India Ltd.

The best results in Asia in terms of sales were obtained by Mapei Construction Products India Ltd (+25%), Mapei Construction Materials Company Ltd (Guangzhou) (+25.5%) and Mapei Korea Ltd (+15%). Mapei Far East Pte Ltd recorded again a negative trend.

The growth rate of GDP in 2018 in the region was 4.8% in line with the 2017 rate. Economic development was healthy on all markets, with an increase in GDP of 6.6% in China, 7.3% in India, 5.1% in Indonesia and almost 5% in Thailand and Malaysia.

GROUP COMPANIES:

Mapei China Ltd
Mapei Construction Materials Company Ltd (Guangzhou)
Mapei Construction Products Private India Ltd
Mapei Far East Pte Ltd
Mapei Indonesia Construction Products Pt
Mapei Indonesia Construction Solutions Pt
Mapei Korea Ltd
Mapei Malaysia Sdn Bhd
Mapei Philippines Inc
Mapei Vietnam Ltd

Among the mature economies of the area, the growth rate in Korea was around 3%, while Japan experienced a slight drop, with GDP increasing by just 1%.

The overall growth rate of investments in construction in 2018 in the region is estimated as almost 4% and therefore slightly lower than the figure registered last year. The building sector was influenced by the same territorial dynamics recording the same trend as the region economic development, with a slowdown in China and strengthening of the other emerging markets.

OCEANIA



GROUP COMPANIES:

Mapei Australia Pty Ltd
Mapei New Zealand Ltd

We are present in Oceania with Mapei Australia Pty Ltd, a manufacturing company with a quality control laboratory and 1 R&D lab, and with the trading company Mapei New Zealand Ltd.

Turnover recorded an increase of 11.2%, reaching € 53.4 million, compared with € 48.0 million in 2017.

The profitability of the two companies continued to be among the highest of our Group.

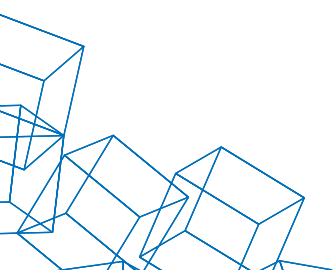
Mapei Australia Pty Ltd recorded an increase of 12.9% in sales, while Mapei New Zealand Ltd registered a slight increase (+1.5%).

In 2018, the Australian economy achieved estimated growth of 2.9%, much higher than the 2.3% the previous year. The economic result was positively influenced by the growth in exports of raw materials and expansion of private investments and family consumption.

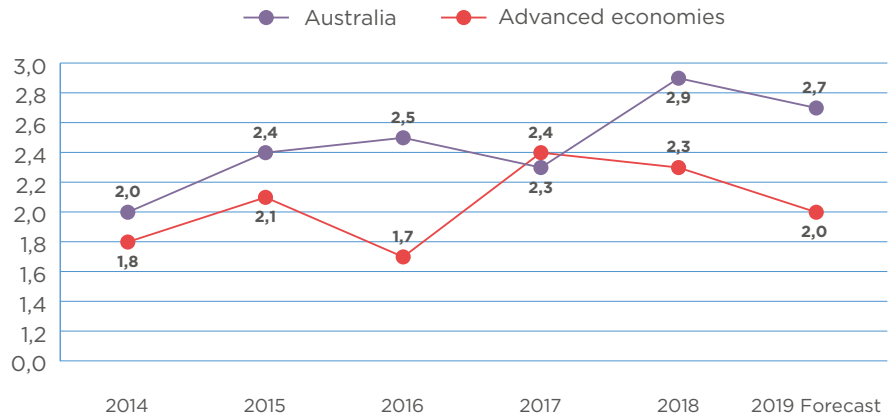
Australia continues to be one of the most reliable markets of the advanced economies worldwide. The chart shows that, with the exception of 2017, Australian GDP has grown over the past five years at higher rates than the average rates estimated by the International Monetary Fund for mature economies. This trend should also continue in 2019.

The New Zealand economy also continues its expansionary cycle and GDP increased by 3.1%, a growth rate in line with the one achieved the previous year. The New Zealand economy is solid and performed better than the average for advanced economies.

The various segments of the Australian building sector experienced differing trends last year. The modest growth of the residential segment was offset by the highly dynamic



Australia's GDP trend compared to advanced economies average GDP
% changes on the previous year



performance of the infrastructures sector (linked both to transport and energy). Civil engineering works will be supported by a massive public investment plan over the coming years. The New Zealand building sector achieved estimated growth of around 4%. Performance of the construction segment was therefore better than performance of the economy as a whole.

AFRICA



GROUP COMPANIES:

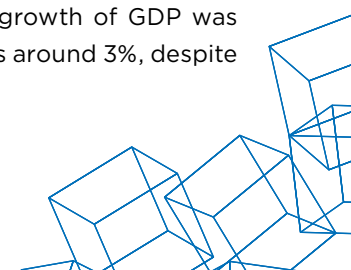
- Mapei Egypt for Constr.Chemicals Sae
- Mapei South Africa Pty Ltd
- Vinavil Egypt for Chemicals Sae

Turnover in this area increased from € 32.1 million in 2017 to € 37.4 million in 2018, marking an increase of 16.5%.

We are present in the African continent with 2 manufacturing companies, 2 plants and 1 trading company. The manufacturing companies are: Vinavil Egypt for Chemicals Sae, which produces vinyl acetate resins traded throughout the area of North Africa and the Middle East and Mapei South Africa Pty Ltd, which produces chemicals for the construction industry and trades in South Africa and the neighbouring countries. The trading company, recently incorporated, is Mapei Egypt for Construction Chemicals Sae.

The trend of profitability in Africa region has been negative, due primarily to the instability of the Egyptian economy, starting at the end of 2017 and due to both currency and inflation issues, and to the major production and organisational investments done in South Africa.

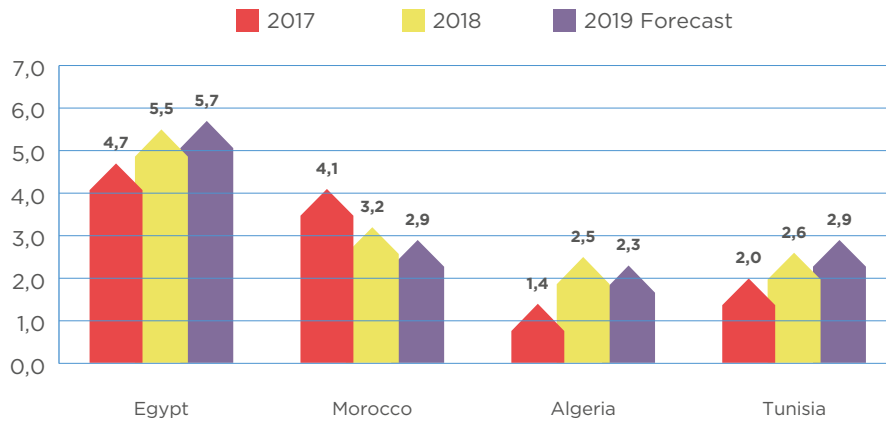
In terms of turnover, the two companies had positive performance: Vinavil Egypt for Chemicals Sae closed the year with a 7% increase (despite the trends of the Egyptian Lira), while Mapei South Africa Pty Ltd increased its sales by 26.7%. The performance of the major economies of the region was positive last year. A good growth trend was registered in Egypt where, according to the IMF, the rate of growth of GDP was over 5%. Growth in Sub-Saharan Africa was around 3%, despite



the modest performance of the two major economies of the area, as shown in the chart below: +1.9% in Nigeria and +0.9% in South Africa.

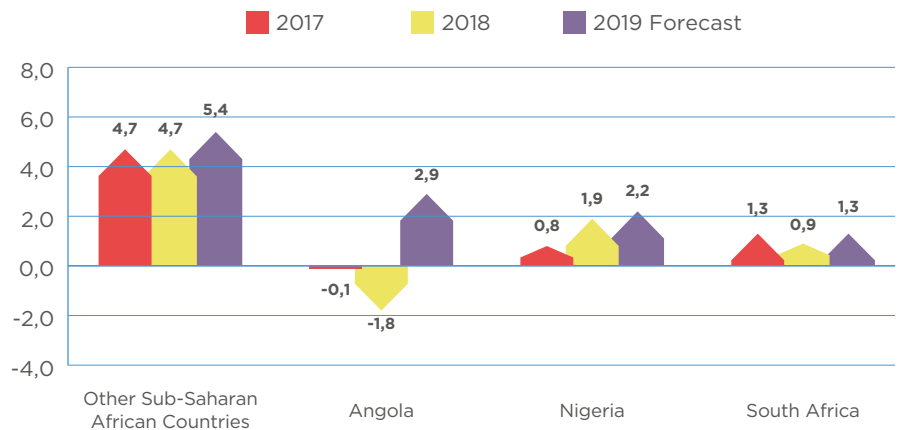
Trend in GDP in North Africa

% variance on previous year
Source: World Bank, January 2019



Trend in GDP in Sub-Saharan Africa

% variance on previous year
Source: World Bank, January 2019



Investments in construction in this region are equal to the 3% of global building output. The building market experienced major growth last year of over 4%. 2018 was characterised by the continuing building boom in Egypt, on both the residential and infrastructures markets; investments in construction in the Sub-Saharan region varied from country to country: there was modest growth in Nigeria, stagnation in South Africa and major development on other markets, such as Ghana, Kenya and Angola.

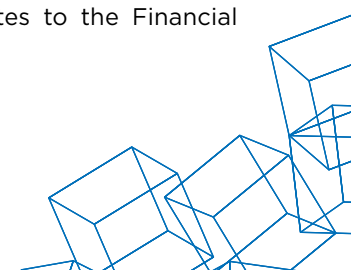
DISCLOSURE ACCORDING TO ARTICLE 2428 OF THE ITALIAN CIVIL CODE AND LEGISLATIVE DECREE NO. 32/2007

In order to better describe our performance trend, the table below shows the items on the financial statements as at 31 December 2018, comparing them with those as at 31 December 2017, through a Balance Sheet reclassified by functional areas and an Income Statement reclassified according to the relevant management criterion:

RECLASSIFIED BALANCE SHEET AS AT 31 ST DECEMBER	2018	2017	% VAR
NET FIXED ASSETS			
Intangible assets	195.4	114.0	71.4%
Tangible assets	647.3	566.9	14.2%
Financial assets	3.9	4.0	-3.3%
Total	846.6	684.9	23.6%
NET WORKING CAPITAL			
Inventory	387.1	326.1	18.7%
Trade receivables	673.0	625.6	7.6%
Other current assets	13.0	10.1	28.7%
Trade payables	- 462.5	- 413.7	11.8%
Other current liabilities	- 22.2	-17.3	28.3%
Total	588.4	530.8	10.8%
SUNDRY RISK PROVISION AND STAFF SEVERANCE FUND			
Sundry risk provisions	- 60.0	-60.7	-1.2%
Staff Severance Fund	- 11.9	-11.2	6.7%
Total	- 71.9	-71.9	0.0%
NET INVESTED CAPITAL (NIC)	1,363.1	1,143.8	19.2%
NET FINANCIAL POSITION			
Cash and cash equivalent	- 56.1	- 132.3	-57.6%
Short-term borrowings	230.8	172.4	33.9%
Medium/long-term borrowings	352.7	288.3	22.3%
Total	527.3	328.4	60.6%
SHAREHOLDERS' EQUITY	835.8	815.4	2.5%
TOTAL SOURCES OF FINANCING	1,363.1	1,143.8	19.2%

A comparison of the Balance Sheets for 2018 and 2017 shows a deterioration in the net financial position from € 328.4 million in 2017 to € 527.3 million as at 31 December 2018, mainly due to the high investments of the Group, which were only partially funded by the cash flow from operations and the cash available. Both short-term and medium/long-term financial payables increased proportionally. The ratio between the two classes of borrowing remains good in any case.

All values are better detailed in the Notes to the Financial Statements.



RECLASSIFIED PROFIT AND LOSS AS AT 31 ST DECEMBER	2018	2017	% VAR
Revenues	2,542.0	2,406.0	5.7%
Internal production	38.6	21.5	79.5%
VALUE OF PRODUCTION	2,580.6	2,427.5	6.3%
External operating costs	-1,807.4	-1,630.9	10.8%
GROSS MARGIN	773.2	796.6	-2.9%
Personnel costs	- 612.9	-570.8	7.4%
EBITDA	160.3	225.8	-29.0%
Amortisation/depreciation and provisions	- 107.6	-99.0	8.7%
EBIT	52.7	126.8	-58.4%
Other revenues/costs	9.9	-5.0	-298.0%
Financial Income	0.4	0.5	-20.0%
ADJUSTED EBIT	63.0	122.3	-48.5%
Financial expenses	- 11.8	-18.8	-37.2%
PROFIT BEFORE TAX	51.3	103.5	-50.4%
Income taxes	- 26.8	-36.2	-26.0%
NET RESULT	24.4	67.3	-63.7%

FINANCIAL RATIOS

We hereby report some financial key ratios generally recognized in the financial market. A YoY comparison is also reported for each financial ratio.

a) Capital ratios

2018 2017

Equity to fixed assets ratio
(Equity/Fixed Assets)

0.99 1.19

This ratio fell slightly, but still confirms the financial solidity of the Group. Equity is sufficient to finance fixed assets.

Fixed Assets Coverage
[(Equity + Consolidated liabilities) / Fixed assets]

1.49 1.72

The fixed asset to equity capital and medium-long term debt ratio fell slightly, since the Group funded its investments partly with short-term sources (cash and short-term payables).

b) Leverage ratios **2018** **2017**

<u>Total debt-equity ratio</u> [(Consolidated liabilities + Current liabilities) / Equity]	1.36	1.18
<u>Financial debt-equity ratio</u> (Net financial position / Equity)	0.63	0.40

These two ratios, both increased, indicate more than proportional increase in bank debt compared to shareholders' equity.

c) Profitability ratios **2018** **2017**

<u>Net ROE</u> (Net profit/Equity)	2.9%	8,2%
<u>Gross ROE</u> (Gross profit/Equity)	6.1%	12,7%

Both ratios highlight the decrease in Group profitability.

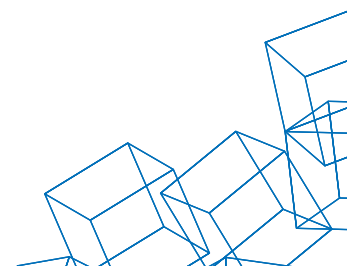
<u>ROI</u> [EBIT/(NIC - Operating liabilities)]	4.4%	11.4%
<u>ROS</u> (EBIT/Revenue)	2.1%	5.3%

The trend of these two ratios also highlights the fall in the operating results of the Group.

d) Liquidity ratios **2018** **2017**

<u>Current ratio</u> (Current assets/Current liabilities)	1.58	1.81
<u>Quick ratio</u> [(Trade and other receivables + Cash and cash equivalents) / Current liabilities]	1.04	1.27

These two ratios highlight the increase in short-term bank debt and the simultaneous decrease in cash on hand and banks.



CAPITAL EXPENDITURE

In 2018, the Group established a further record for capital expenditure, which totalled € 151.6 million.

The main investments are examined below, divided by geographical macro area.

Italy:

- Investments of € 5.0 million by Mapei Spa, primarily for renovation on the various production departments at the Mediglia and Latina plants.
- Vinavil Spa invested € 2.3 million, mainly for renovation of Villadossola production site.
- Investments of € 5.8 million by U.S. Sassuolo Srl for construction of the new Ca' Marta sports center, which will be completed in 2019.
- Investments of € 1.2 million by Vaga Srl to purchase mechanical blades, new premixed production plant and renovation of the drier.
- Investments of € 1.2 million by Polyglass Spa in production warehouses, safety equipment and office furniture.
- Property, plant and equipment of Fili e Forme Srl for € 6.5 million (2.6 net of depreciation), a company purchased in 2018 and included in consolidation area for the first time.

Western Europe:

- Mapei As for € 12.3 million, relating to construction of the new plant and related warehouse in Sagstua, Oslo.
- Mapei UK Ltd for € 2.0 million for final commissioning of the new production line in the powders department of the Halesowen plant, near Birmingham.
- Sopro Group for € 4.3 million, mainly for the purchase of the land in Wiesbaden, where the construction of the new HQ of Sopro Germany will take place.
- Investments of € 1.7 million by Mapei Nederland Bv for construction of new offices and warehouse in Apeldoorn, near Amsterdam.
- Mapei France Sa for € 1.2 million for the new flagship store in Paris.
- Property, plant and equipment of Tecnopoli de Sistemas SI for € 1.0 million (0.6 net of depreciation), a company purchased in 2018 and included in consolidation area for the first time.

Eastern Europe:

- Mapei Kft for a value of € 3.5 million, primarily for final commissioning of the new plant and warehouse in Soskut, Budapest.
- Zao Mapei for € 1.3 million, primarily for the new training centre at Stupino, in the Moscow area.

- Gorka Cement Spzoo for a sum of € 1.6 million, primarily for renovation of the production plant of Trzebinia, Cracow.
- Mapei Yapi Kimyasallari Ins.San. Ve Tic. As for € 1.6 million for the new cement additives line and office renovation at the site near Ankara.

North America:

- Mapei Corp for € 30.3 million, related mainly to the final commissioning of the new production lines in West Chicago - Illinois, San Bernardino - California, Logan - New Jersey and Garland - Texas, and also investments in land and buildings in Calhoun - Georgia and Wildwood - New Jersey.
- Polyglass Usa Inc for € 12.6 million, mainly for construction of new HQ offices in Deerfield Beach, and also for the purchase of a warehouse next to the site in Winterhaven, Orlando.
- Mapei Inc for € 1.5 million, for renovation done on production plants.
- General Resources Technology Corp for € 3.0 million, primarily for the new research centre in Logan - New Jersey.

Latin America:

- Mapei Colombia Sas for € 9.2 million, for purchase of land and a building in Bogotá for construction of a production plant.
- Mapei Argentina Sa for € 11.4 million, primarily for the final commissioning of a new powder production plant and the relative warehouse in Escobar.
- Mapei Mexico Sa de Cv for € 4.4 million, for construction of a new production line of the powder plant and for modernisation of the Zimapan production site.

Asia:

- Mapei Korea Ltd for € 6.6 million, for final commissioning of the new Cheonan production site.
- Mapei Malaysia Sdn Bhd for € 1.3 million, for extension of the existing warehouse.

Africa:

- Vinavil Egypt for Chemicals Sae for € 10.0 million for the construction of a new acrylic resins production line in Suez.

Asset disposals for the year amounted to € 3.1 million, net of the related depreciation. The Group also recorded goodwill of € 54.4 million in 2018, relating primarily to the companies purchased during the year, Fili & Forme Srl and Tecnopoli Sistemas SL; these figures are justified by the economic results, the expected income prospects and the market and technological potentials of the two new subsidiaries.



RESEARCH & DEVELOPMENT

During 2018, our Group continued its Research & Development activities and focused its efforts specifically on particularly innovative projects, such as analysis, research, design, prototyping and development of new products, improvement of existing products and the related technologies, characterised by their innovative content.

Research & Development activities are performed centrally at the Mapei Spa lab which, also use the support of a further 30 research labs at the main Group companies. 5 are located in Italy, 8 in Western Europe, 1 in Eastern Europe, 6 in North America, 3 in Latin America, 1 in the Middle East, 5 in Asia and 1 in Oceania.

Mapei strongly believes in cooperation with the scientific community in order to ensure its know-how is up-to-date and also to boost creativity and innovation of its own research. This is achieved through joint and synergistic activities that produce benefits for both parties. While cooperation with the scientific community allows Mapei to focus its R&D activities better and to invest in them efficiently, the scientific community benefits from the shared know-how and experience. This bilateral relationship has already led to important results for the Group in the past and we are convinced that other successes await in the future.

ENVIRONMENT, HEALTH AND SAFETY

All health, safety and environment activities are based on the HSE Policy of the Mapei Group. The policy document confirms its commitment to environmental sustainability, which is one of the cornerstones of the Group strategies.

The principal activities in 2018 are discussed below.

Monitoring of performance indicators for accidents (accident frequency rate and accident severity rate) was performed at roughly 80 plants and warehouses worldwide.

The frequency rate in Italy was 5.2 (6.3 in 2017), lower than the figure for the chemical industry (8.9 for the period 2015-2017) and the figure for companies joining the Responsible Care program of Federchimica (5.7 in 2017). The severity rate in 2018 was 0.12 (0.13 in 2017) and is once again lower than the figure for Responsible Care firms (0.16).

For European area, the frequency rate for 2018 fell from 13.4 in 2017 to 11.7; same consideration for the severity rate, which fell from 0.21 in 2017 to 0.14.

The rates collected for the other areas where the Group is present (America, Far East and Asia) are still not fully comparable, as many of these countries use different calculation criteria. However, we have also used these indicators to estimate the

overall frequency and severity rates worldwide: the frequency rate for 2018 was 9.7 and the severity rate was 0.12.

34 Group sites have implemented a management system certified according to standard ISO 14001 (environment); 19 have OHSAS 18001 (safety) certification.

During 2018, several sites of our companies have obtained OHSAS 18001 certification for their own safety management system. These are Adesital Spa, Cercol Spa, the Mapei Spa warehouse in Sassuolo (Mo) and Mapei Construction Chemicals Llc (Dubai).

Mapei Argentina Sa and Mapei Construction Materials Co Ltd (Guangzhou site) obtained ISO 14001 environmental certification.

Lusomapei Sa also completed the process of implementation of environmental management (ISO 14001) and safety (OHSAS 18001) systems in December 2018, while the Milan offices (at Viale Jenner and Via Valtellina) are due to complete the process to obtain these certifications in 2019.

In conclusion, it should be noted that standard UNI EN ISO 45001 on safety management systems, which will replace OHSAS 18001, was published in March 2018. All companies must align their own management systems to the new standard by the end of March 2021.

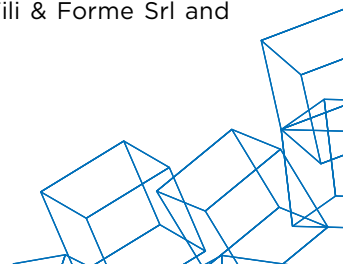
Mapei UK and Mapei As had already transitioned to the new standard in 2018 and are therefore the first ISO 45001 certified sites of the Mapei Group.

QUALITY

Group companies coordination continues in order to ensure they operate consistently with the Corporate model and with the support of software applications developed centrally, for specific Quality Management activities, including management of claims, nonconformities, documentation, actions and audits. The primary objective continues to be boosting development of a culture of Quality within the Group and orientation of personnel towards improvement of processes and achievement of company objectives.

Transition to the 2015 version of ISO 9001 was completed in 2018 (according to schedule): 42 companies have the SGQ certificate, located in Italy (seven), in Europe (nineteen), in North and South America (six) and in Asia, Australia and Africa (ten).

Implementation of the Quality Management System is underway at Mapei South Africa Pty Ltd, Mapei Yapi Kimyasallari Ins.San. Ve Tic As and at the Italian branches of Fili & Forme Srl and Mosaico+ Srl.



The process of unification and partnership with a single certification agency for the “Quality, Health, Safety and Environment” Management Systems has been completed in North America and in Asia Pacific; a similar initiative is being developed for the EMEA region (Europe, Middle East and Africa), with the aim of harmonising the audit process performed by the certification agency, having local auditors with knowledge of the regulations in the countries where the branches operate and costs optimisation and better audit program planning.

Support of Group branches for implementation of the management systems is proceeding, in coordination with the HSE Corporate office, through participation in joint initiatives and projects. An important area of collaboration is organisation of joint visits to the branches and organisation of training for the system providers.

Activities continued in 2018 to extend the range of structural reinforcement systems, through composite materials included in the Technical Eligibility Certificate (CIT) issued by the Italian Higher Council of Public Works.

We have thus extended the range of systems that have passed the strict performance and durability tests performed by external institutes and thus obtained a positive assessment by the Ministry. These systems can now be used by designers and by manager at the many construction sites in areas where post-seismic reconstruction is underway and in earthquake prevention.

Alongside the usual commitment to maintain and update existing product certifications, reorganisation of the qualification process of products purchased at Corporate level has also started. The activities, which will continue during the current year, will allow a higher level of confidence on both binding and voluntary Safety and Quality requirements to be achieved.

INFORMATION TECHNOLOGY

Regarding Corporate Information Technology, 2018 was characterised by the release of the new versions of both the Microsoft ERP Dynamics 365 FFO system and the Dynamics 365 CRM system on a new technological platform.

This external factor impacted heavily on the Core Model 2012 evolution and release strategy. There was “go live” at several affiliates in Europe (Spain, Portugal, Netherlands, Germany, Belgium) in January; new companies were activated in Egypt, Costa Rica, Turkey and India during the year and migration of Mosaico+ was carried out.

Due to the change in technology planned roll outs have been affected, furthermore we had to intervene on the process implemented in the Core Model 2012 and the relative customisations.

For the Dynamics 365 CRM sales network assistance systems, migration to the Cloud Based version was carried out solely for the North America region, with go-live at the start of 2019.

HUMAN RESOURCES

2018 was characterised by a broad-based investment in Human Resources at global level. The Mapei Group registered an 8% increase compared with the previous year, corresponding with 761 new recruits. The main areas of growth were North America, Latin America and Eastern Europe. Following the incorporation of two new companies in Africa, there was a growth trend of 19% in this area.

Following the strategy started in the previous year, the HR projects continued to be focused primarily on organisational, salary, training and recruitment aspects, with particular attention on increasing the quality of management in the various geographical areas.

As far as concerns the first aspect, activities were focused on harmonisation of the personnel structure and the organisational documents, in collaboration with the local offices, trying to maintain and exploit specific local features, with the aim of satisfying individual needs proactively.

Benchmark analysis was carried out for salary policies, in order to examine internal and external wage equality. At the same time, a new version of the MBO policy was issued, together with performance assessment guidelines, in order to enhance Group employee loyalty policies.

Use of the e-Learning platform for corporate and local training was intensified in 2018, with the aim of sharing and standardising technical, procedural and skill courses. The initiative involved North America, Europe and Pacific Asia, using local directors, with the aim of sharing know-how within the Mapei Group.

The synergies with local HR offices have been an essential element for recruitment and insertion of management figures globally. This close collaboration has boosted interaction between the affiliates and the headquarters, sharing the same values and definition of an integrated strategy.

In this scenario, investment in international mobility projects has increased exponentially and the need to transfer qualified staff to Group branches is being perceived with an increased frequency. This activity has guaranteed the exchange of best practices and the development of a global approach.



In conclusion, the spread and confirmation of our Group's Code of Ethics, with the collaboration of the Internal Audit office, continued to be a priority throughout 2018.

Geographical division of Human Resources in the Mapei Group:

	12.31.2018			12.31.2017		
	Blue-collar	White-collar & direct.	Total	Blue-collar	White-collar & direct.	Total
Italy	913	1,442	2,355	889	1,388	2,277
Western Europe	659	1,512	2,171	628	1,469	2,097
Eastern Europe	474	1,180	1,654	405	1,124	1,529
North America	1,358	907	2,265	1,086	914	2,000
Latin America	167	529	696	140	437	577
Asia	203	459	662	184	437	621
Middle East	26	122	148	25	102	127
Oceania	9	99	108	14	91	105
Africa	123	95	218	109	74	183
TOTAL	3,932	6,344	10,277	3,480	6,036	9,516

We once again feel committed to thank all Mapei employees and collaborators who, through their day-to-day commitment, have allowed our Group to face the difficult and competitive global market and obtain satisfying results.

RISK MANAGEMENT

The Group operates in the building sector and is subject to generic risks and factors of uncertainty typical of this sector. These are listed below.

Financial requirements and cash management risks

These risks are constantly monitored by corporate Treasury, in collaboration with the operating units of the individual companies, so that immediate action can be taken if necessary, with the objective of ensuring that the resources requirements of all subsidiaries are adequately managed.

At the reporting date, the main sources of financing of the Group were not only the use of cash flows generated by operations but short-term bank loans, medium and long-term bank loans, loans from non-banking European and global credit institutions, predominantly relating to the Parent Company, which are used to support the development of our business. Some of these loans are subject to the observance of covenants, which were observed. Any available cash is held temporarily in the bank current accounts so that it can be used immediately.

In the paragraph "Payables due to banks" of the Financial Statement Notes, we have outlined the exposure with the banking system, broken down by individual company. We should also note that, at the end of the financial year, in addition to available funds totalling € 56.1 million, the Group has further credit facilities amounting to more than € 370 million. They have not been used, but are available immediately if necessary, and provided by leading credit institutions.

Interest rates risks

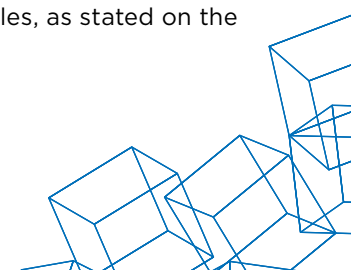
This is the risk resulting from any significant increase in financial charges on floating rate loans. Our Corporate Treasury has decided to use mainly loans, both short and medium/long-term, at floating rates linked to the Euribor with highly reduced spreads, which enable us to obtain a lower cost of borrowing. We believe that the rates on financial markets will increase, even if not in the immediate future, so we have signed three new derivative contracts to limit the risk of significant negative effect. There were five derivative contracts in place at the end of the year, all of Mapei Spa and stipulated with leading banks, aimed at reducing the risk of variations in interest rates. These hedging contracts are related to the utilisation of the short and medium-term credit lines. All financial income and expenses, charged by or credited to banks, relating to these transactions, have been entered into accounts in the year. As at 31 December 2018, the notional value of these contracts amounted to € 126.5 million, compared to € 43.4 million at the end of the previous year.

Currency fluctuations risks

This risk is limited for our Group, because all our foreign companies operating outside the Eurozone, benefit from a natural hedging, given that transactions are mostly carried out in the local currency of the legal entities that perform them and, therefore, are only marginally impacted by currency fluctuations. For loans in foreign currency, our Corporate Treasury, together with the Financial Divisions of the subsidiaries, constantly monitors currency fluctuations in order to take prompt action if necessary.

Credit management risks

This risk is considered highly significant and is monitored through procedures implemented by all the Credit Managers of the Group companies, targeted at evaluating customer solvency through the granting of credit limits established on the basis of internal ratings. The maximum exposure to this risk is equal to the value of Trade receivables, as stated on the financial statements.



We have intensified our collaboration with companies specialised in credit rating in the building sector.

With regards to this risk, nonetheless, sales activities of the Group are considered to have satisfactory credit quality. There are no significant credit positions that result in excessive concentration of credit.

Environmental risks

Our Group pays particular attention to the protection of the environment and to workers' health and safety in workplaces, in compliance with all environmental and safety regulations. Group companies have departments dedicated to managing these issues. At Corporate level, the HSE (Health, Safety and Environment) department is operational, with the task of coordinating the operations of the individual companies.

Legal litigation risks

Regarding the litigation originally started by the company Flag (now called Soprema Srl), with subsequent intervention of the company S.A.T. Engineering di Francesco D'Ursi & C. Sas, against Mapei Spa and Polyglass Spa, there are no updates on the proceedings pending before the Court of Cassation.

It should be remembered that Milan Court in the first degree and the Appeal Court in the second degree both rejected the claims of Flag and the intervenors SAT Engineering and D'Ursi, and sentenced Flag Spa to pay the legal costs of Mapei Spa and Poliglass Spa.

D'Ursi and S.A.T. Engineering proposed an appeal at the Court of Cassation and, in the same appeal, Mapei Spa and Polyglass Spa filed a counter-appeal, whereas Soprema did not file its own counter-appeal.

Although a degree of uncertainty remains over the outcome of the case, it is reasonable to assume that, on the basis of the previous two favourable rulings, significant liabilities for our companies will not emerge.

Some other minor disputes are also monitored through the legal representatives of our companies. Where considered necessary, appropriate insurance policies have been taken out. Based on experience gained over the years, we believe that no significant liabilities will result for our Group and, therefore, no provisions have been allocated to the financial statements.

TRANSACTIONS WITH SUBSIDIARIES, ASSOCIATED COMPANIES AND RELATED PARTIES

All shareholdings with subsidiaries and associated companies are described in the Notes to the Financial Statements. There were no significant transactions with related parties.

TRANSACTIONS INVOLVING COMPANY SHARES OR SHARES OF CONTROLLING COMPANIES

Mapei Spa and the other subsidiaries and/or associated companies neither hold shares of the Parent Company nor, during the year, bought or sold any shares of said company. Subsidiaries and/or associated companies did not hold any shares of Mapei Spa at 31 December 2018.

2019 BUSINESS OUTLOOK

Group sales in the first four months of 2019 increased by around 14% compared with the previous year, boosted partly by the favorable exchange rates. The best results were obtained in the areas of Eastern Europe (+20.7%), Asia (+19.6%) and North America (+15.2%).

Group profitability also improved compared with the previous year. We therefore believe that we will be able to close the year with a better result compared to 2018.

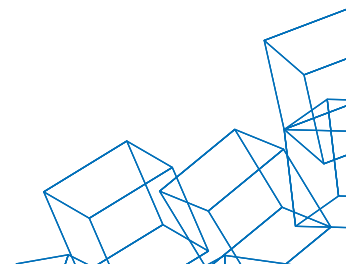
SIGNIFICANT EVENTS SUBSEQUENT TO THE CLOSE OF THE FINANCIAL YEAR

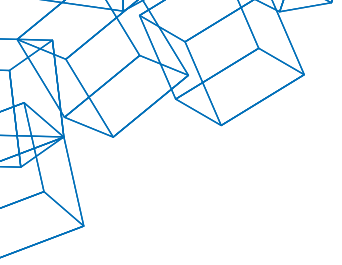
No other significant events occurred after the end of the year with effects that could require changes or additional comments with respect to our Group's economic, equity and financial position as at 31 December 2018.

Milan, May 20th 2019

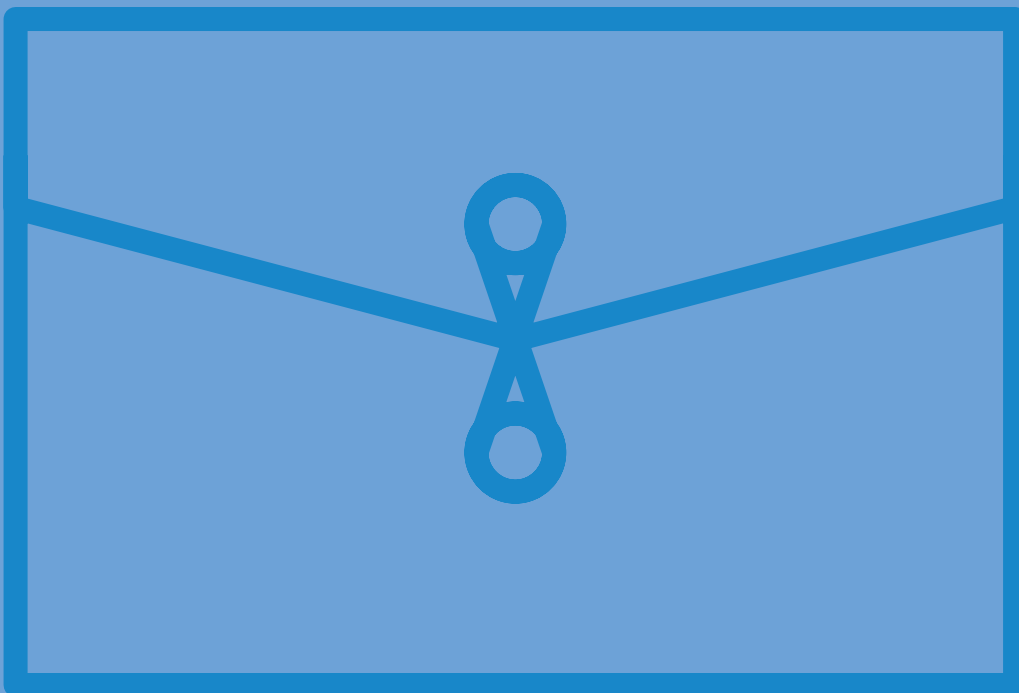
Managing Director

Mr. Giorgio Squinzi





BALANCE SHEET AND STATEMENT OF INCOME



BALANCE SHEET

ASSETS		12.31.2018	12.31.2017	Difference
B) FIXED ASSETS				
I Intangible assets				
1)	Establishment and broadening costs	20,408	0	20,408
3)	Industrial patents	12,024,006	13,142,708	(1,118,702)
4)	Government concessions, know-how, licenses, trade-marks and similar rights	3,726,580	3,984,667	(258,087)
5)	Goodwill	74,294,803	28,502,752	45,792,051
6)	Assets in progress and payments in advance	4,018,554	4,508,039	(489,485)
7)	Other intangible assets	101,328,263	63,838,876	37,489,387
TOTAL INTANGIBLE ASSETS		195,412,614	113,977,042	81,435,572
II Tangible assets				
1)	Land and buildings	390,579,277	348,854,701	41,724,576
2)	Plants and machinery	142,866,276	134,667,161	8,199,115
3)	Industrial and commercial equipment	15,901,780	13,256,326	2,645,454
4)	Other tangible assets	20,834,909	20,038,850	796,059
5)	Assets in progress and payments in advance	77,158,041	50,075,805	27,082,236
TOTAL TANGIBLE ASSETS		647,340,283	566,892,843	80,447,440
III Financial assets				
1)	Investments in:			
	a) subsidiaries	445,651	377,187	68,464
	d) other companies	256,217	256,217	0
	d) others	1,510,158	2,046,309	(536,151)
3)	Term securities	1,664,847	1,330,865	333,982
TOTAL FINANCIAL ASSETS		3,876,873	4,010,578	(133,705)
TOTAL B) FIXED ASSETS		846,629,770	684,880,463	161,749,307
C) CURRENT ASSETS				
I Inventories				
1)	Raw materials, packaging and supplies	177,654,933	154,387,909	23,267,024
2)	Work in progress and semi-finished goods	8,409,588	8,505,841	(96,253)
3)	Work in progress on a contract basis	29,834	192,493	(162,659)
4)	Finished products and merchandise	199,872,770	162,928,935	36,943,835
5)	Advances to suppliers	1,088,155	116,882	971,273
TOTAL INVENTORIES		387,055,280	326,132,060	60,923,220
II Receivables				
1)	Trade receivables (net of allowance for doubtful credits)	536,536,838	497,312,880	39,223,958
5 bis)	Receivables towards tax offices	46,469,148	47,552,124	(1,082,976)
5 ter)	Deferred tax assets	25,740,366	26,501,370	(761,004)
5 quater)	Other receivables	64,257,315	54,236,983	10,020,332
TOTAL RECEIVABLES		673,003,667	625,603,357	47,400,310
III Other current assets				
6)	Marketable securities	6,198	6,223	(25)
TOTAL OTHER CURRENT ASSETS		6,198	6,223	(25)
IV Cash & bank				
1)	Bank & postal current accounts	52,376,655	129,652,008	(77,275,353)
3)	Cash	3,756,039	2,611,766	1,144,273
TOTAL CASH & BANK		56,132,694	132,263,774	(76,131,080)
TOTAL C) CURRENT ASSETS		1,116,197,839	1,084,005,414	32,192,425
D) ACCRUALS AND PRE-PAYMENTS		12,954,056	10,143,617	2,810,439
TOTAL ASSETS		1,975,781,665	1,779,029,494	196,752,171

BALANCE SHEET

LIABILITIES & NET WORTH		12.31.2018	12.31.2017	Difference
A) NET WORTH				
I	Share capital	100,000,000	100,000,000	(0)
III	Revaluation reserve	53,693,395	53,687,539	5,856
IV	Legal reserve	20,000,000	20,000,000	(0)
VI	Other reserves	9,917,768	10,928,869	(1,011,101)
	Translation reserve	(28,579,087)	(28,023,107)	(555,980)
	Consolidation reserve	1,211,647	1,198,890	12,757
VII	Reserve for cash flow hedge	(668,593)	(444,027)	(224,566)
VIII	Accumulated profit/(loss) brought forward	655,639,355	590,574,167	65,065,188
IX	Net profit	24,368,642	67,231,747	(42,863,105)
TOTAL NET WORTH		835,583,127	815,154,078	20,429,049
	Minority Capital and Reserves	100,215	165,517	(65,302)
	Minority Profit (Loss)	67,035	73,737	(6,702)
TOTAL A) NET WORTH & MINORITY INTERESTS		835,750,377	815,393,332	20,357,045
B) SUNDRY RISK AND OTHER FUNDS				
1)	Pension funds	27,012,173	25,218,479	1,793,693
2)	Taxation	15,684,101	13,463,141	2,220,960
3)	Financial derivatives	562,881	486,270	76,611
4)	Others	16,696,032	21,537,693	(4,841,661)
TOTAL B) SUNDRY RISK AND OTHER FUNDS		59,955,187	60,705,583	(750,396)
C) STAFF SEVERANCE RESERVE		11,911,136	11,166,359	744,777
D) LIABILITIES				
4)	Banks			
	a) repayable within 12 months	207,701,781	148,024,683	59,677,098
	b) repayable after 12 months	347,783,661	282,669,187	65,114,474
5)	Other financial institutions			
	a) repayable within 12 months	19,872,427	21,146,664	(1,274,237)
	b) repayable after 12 months	4,873,249	5,661,814	(788,565)
6)	Advances from customers	1,578,901	2,603,586	(1,024,685)
7)	Trade payables	293,662,264	282,638,062	11,024,202
8)	Drafts and promissory notes	2,105,259	2,884,943	(779,684)
11)	Payables towards holding company	3,200,000	3,200,000	0
12)	Due to tax office	25,832,985	29,554,577	(3,721,592)
13)	Social security contributions	14,130,523	13,813,268	317,255
14)	Other payables	125,242,604	82,174,700	43,067,904
TOTAL D) LIABILITIES		1,045,983,654	874,371,484	171,612,170
E) ACCRUALS AND PRE-PAYMENTS		22,181,311	17,392,736	4,788,575
TOTAL LIABILITIES AND NET WORTH		1,975,781,665	1,779,029,494	196,752,171

STATEMENT OF INCOME

		12.31.2018	12.31.2017	Difference
A) VALUE OF PRODUCTION				
1)	Net sales	2,541,997,425	2,406,012,581	135,984,844
2)	Increase/(decrease) in stock of work in progress, semi-finished and finished products	37,645,068	21,506,165	16,138,903
3)	Changes in work in progress	(29,467)	(498,075)	468,608
4)	Capitalised costs	989,724	513,283	476,441
5)	Other revenues	55,809,970	40,536,965	15,273,005
TOTAL A VALUE OF PRODUCTION		2,636,412,720	2,468,070,919	168,341,801
B) PRODUCTION COSTS				
6)	Purchase of raw materials, packaging and supplies	(1,314,692,606)	(1,170,304,497)	(144,388,109)
7)	Purchase of services	(478,535,313)	(448,358,431)	(30,176,882)
8)	Rentals and Leasing	(38,200,580)	(37,431,726)	(768,854)
9)	Labour costs			
	a) wages and salaries	(478,712,947)	(448,898,289)	(29,814,658)
	b) social security contributions	(84,770,089)	(80,025,407)	(4,744,682)
	c) provision for staff severance	(9,138,174)	(8,565,353)	(572,821)
	d) provision for pension funds	(6,973,771)	(6,077,824)	(895,947)
	e) other labour costs		(27,197,408)	(6,095,099)
	Total labour costs	(612,887,488)	(570,764,281)	(42,123,207)
10)	Depreciation, amortisation and doubtful credits provisions			
	a) amortisation of intangible fixed assets	(36,341,647)	(25,476,587)	(10,865,060)
	b) depreciation of tangible fixed assets	(61,791,439)	(59,163,770)	(2,627,669)
	c) other devaluation of fixed assets	65,925	(11,028)	76,953
	d) provision for doubtful credits, cash & bank and other current assets devaluations	(9,865,777)	(3,890,289)	(5,975,488)
	Total depreciation, amortisation and doubtful credits provisions	(107,932,938)	(88,541,674)	(19,391,264)
11)	Decrease/(increase) in stock of raw materials, packaging, supplies and merchandise	23,988,466	25,166,379	(1,177,913)
12)	Sundry risk provisions	321,282	(10,452,360)	10,773,642
14)	Other operating costs	(45,915,585)	(45,577,113)	(338,472)
TOTAL B) PRODUCTION COSTS		(2,573,854,762)	(2,346,263,703)	(227,591,059)
EARNING BEFORE INTEREST AND TAX		62,557,958	121,807,216	(59,249,258)

STATEMENT OF INCOME

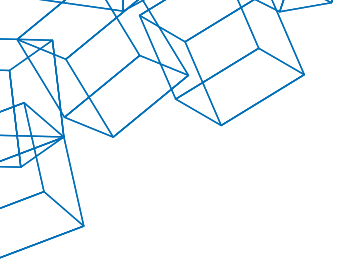
		12.31.2018	12.31.2017	Difference
C) FINANCIAL INCOME AND EXPENSES				
16)	Other financial income			
	b) term securities	540	2,678	(2,138)
	c) marketable securities	(2,254)	(66,876)	64,622
	d) other proceeds	444,795	561,253	(116,458)
17)	Interest paid and other financial charges	(11,532,854)	(8,929,210)	(2,603,644)
17) bis	Gains and losses on exchange rates	(272,866)	(9,872,264)	9,599,398
TOTAL C FINANCIAL INCOME AND EXPENSES		(11,362,639)	(18,304,419)	6,941,780
D) ADJUSTMENTS IN THE VALUE OF FINANCIAL ASSETS				
18)	Revaluations			
	c) revalutaion of current financial assets	6,388	0	6,388
19)	Devaluations			
	b) devaluation of other financial assets	54,238	(6,574)	60,812
TOTAL D ADJUSTMENTS IN THE VALUE OF FINANCIAL ASSETS		60,626	(6,574)	67,200
PROFIT/LOSS BEFORE TAX		51,255,945	103,496,223	(52,240,278)
20) a	Income Tax	(24,794,526)	(40,604,634)	15,810,108
20) b	Taxation related to previous periods	(2,250,539)	(1,070,270)	(1,180,269)
20) c	Anticipated (Deferred) Tax	224,797	5,484,165	(5,259,368)
	Total Taxes	(26,820,268)	(36,190,739)	9,370,471
21)	PROFIT (LOSS) FOR THE YEAR	24,435,677	67,305,484	(42,869,807)
	Minority Interests	67,035	73,737	(6,702)
NET PROFIT		24,368,642	67,231,747	(42,863,105)

CASH FLOW STATEMENT

	2018	2017	Difference
A) FINANCIAL ADJUSTMENTS RELATED TO INCOME MANAGEMENT (INDIRECT METHOD)			
PROFIT / (LOSS) FOR THE YEAR	24,435,677	67,305,484	(42,869,807)
Income Taxes	26,820,268	36,190,739	(9,370,471)
Interests expense/(interest income)	11,089,773	8,432,155	2,657,618
1) PROFIT/ (LOSS) FOR THE YEAR BEFORE INCOME TAX, INTERESTS, CAPITAL GAIN/LOSS	62,345,718	111,928,378	(49,582,660)
ADJUSTMENTS OF NON-MONETARY ELEMENTS HAVING COUNTERBALANCE IN NET WORKING CAPITAL	107,873,817	81,041,959	26,831,858
Depreciation of tangible assets	61,791,439	59,163,770	2,627,669
Amortisation of intangible assets	36,341,647	25,476,587	10,865,060
Staff severance provision	801,132	(4,892)	806,024
Change in reserves	3,934,153	(62,862)	3,997,015
Devaluation/(Revaluation)	(126,553)	17,600	(144,153)
Other movements in reserves due to consolidation operations	5,131,999	(3,548,244)	8,680,243
2) NET CASH BEFORE WORKING CAPITAL	170,219,535	192,970,337	(22,750,802)
WORKING CAPITAL SURPLUS/(REQUIREMENT)	(62,972,048)	(26,504,138)	(36,467,910)
(Increase)/decrease in Net trade receivables	(42,402,487)	(36,626,219)	(5,776,268)
(Increase)/decrease in Inventories	(63,812,305)	(45,319,284)	(18,493,021)
(Increase)/decrease in Other receivables	(12,575,064)	(8,967,226)	(3,607,838)
Increase/(decrease) in Trade payables	12,396,542	40,890,738	(28,494,196)
Increase/(decrease) in Other payables	43,421,266	23,517,853	19,903,413
3) NET CASH AFTER WORKING CAPITAL	107,247,487	166,466,199	(59,218,712)

CASH FLOW STATEMENT

	2018	2017	Difference
OTHER ADJUSTMENTS			
Interests cashed/(paid)	(10,939,997)	(5,653,183)	(5,286,814)
(Income tax paid)	(27,011,524)	(57,091,131)	30,079,607
TOTAL OTHER ADJUSTMENTS	(37,951,521)	(62,744,314)	24,792,793
NET CASH PROVIDED BY / (USED IN) THE OPERATING ACTIVITY (A)	69,295,966	103,721,885	(34,425,929)
B) CASH FLOW FROM INVESTING ACTIVITIES	(261,197,239)	(138,580,323)	(122,616,916)
Intangible assets	(117,053,826)	(34,632,770)	(82,421,056)
Tangible assets (inclusive of the change in the consolidation area)	(144,074,949)	(103,817,162)	(40,257,787)
Investments	(68,464)	(130,391)	61,927
(INCREASE)/DECREASE IN OTHER ML/T RECEIVABLES (NET OF OTHER ML/T PAYABLES)	1,276,181	(102,279)	1,378,460
NET CASH (USED IN) / PROVIDED BY THE INVESTING ACTIVITY (B)	(259,921,058)	(138,682,602)	(121,238,456)
INCREASE/(DECREASE) IN SHAREHOLDERS' EQUITY	(3,440,059)	(2,719,537)	(720,522)
Dividends paid	(3,200,000)	(3,200,000)	0
Increase of Net equity reserves	(240,059)	480,463	(720,522)
INCREASE/(DECREASE) IN LOANS AND OTHER ML/T BORROWINGS	117,934,071	(3,728,700)	121,662,771
Loans and other ml/t borrowings	88,038,994	(32,818,746)	120,857,740
Bond Repayment	0	0	0
S/t bank and other financial institutions	29,895,077	29,090,046	805,031
NET CASH PROVIDED BY / (USED IN) THE FINANCING ACTIVITY (C)	114,494,012	(6,448,237)	120,942,249
(INCREASE)/DECREASE IN CASH AND BANK (A+B+C)	(76,131,080)	(41,408,954)	(34,722,126)
Cash and Bank as at January 1 st 2018	132,263,774	173,672,728	
Cash and Bank as at December 31 st 2018	56,132,694	132,263,774	



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



CONSOLIDATED FINANCIAL STATEMENTS OF MAPEI
GROUP AT 12.31.2018

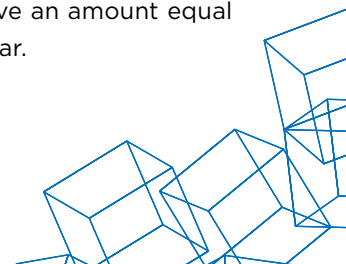
Notes to the Consolidated Financial Statements

STRUCTURE AND CONTENTS OF BALANCE SHEET AND PROFIT AND LOSS STATEMENT

These Consolidated Financial Statements as per 31st December 2018 are composed of the Balance Sheet, the Income Statement and the Notes to the Financial Statements and have been prepared according to the general principles set forth in Italian Legislative Decree no. 127 dated 9th April 1991, as amended. These principles have been interpreted and supplemented by the accounting standards elaborated by the Consiglio Nazionale dei Dottori Commercialisti e Ragionieri (C.N.D.C.R.) (the Italian Accounting Profession) and the Organismo Italiano di Contabilità (O.I.C.) (the Italian Accounting Organisation). It is specified that, during 2018, the Italian Accounting Organisation approved amendments to several accounting standards that came into force on 1st January 2018. Their application had irrelevant effects on these financial statements.

These Notes, drafted in accordance with the provisions of articles 2427 and 2427 bis of the Italian Civil Code, analyse and supplement the financial statements data with the complementary information considered necessary for a true and fair view of the data illustrated.

The items not expressly reported in the Balance Sheet and in the Profit and Loss Statement, set forth in articles 2424 and 2425 of the Italian Civil Code and in the Cash flow statement presented in compliance with accounting standard OIC 10, are intended as a zero balance. The right to not include these items relates solely to the case in which they have an amount equal to zero in both the current and previous year.



The accounting policies pursuant to article 2426 of the Italian Civil Code conform to those used in the preparation of the previous year's financial statements. No exceptional events were verified that required the use of the exemptions set forth in article 2423 bis, subsection 2, and article 2423, subsection 5, of the Italian Civil Code.

Where applicable, the principles and recommendations published by the Italian Accounting Organisation (OIC) were observed, supplemented, where lacking, by the IAS/IFRS issued by the IASB, in order to give a true and fair view of the equity, financial and economic position.

There are no elements of assets or liabilities which fall under several balance sheet items.

CONSOLIDATION CRITERIA AND CHANGES OCCURRED DURING THE FINANCIAL YEAR

In accordance with articles 38 and 39 of the Italian Law Decree 127/1991, listed below are the companies directly or indirectly controlled and included in the consolidated results on a line-by-line basis:

COMPANY	LOCATION	CUR-RENCY	SHARE CAPITAL	DIRECT OWNER-SHIP	INDIRECT OWNER-SHIP
Adesital Spa	Fiorano	EUR	1.600.000	100%	0%
Cercol Spa	Sassuolo	EUR	520.000	100%	0%
Fili e Forme Srl	San Cesareo sul Panaro	EUR	100.000	100%	0%
General Resource Technology Corporation	Eagan	USD	19.816.672	0%	100%
Gorka Cement Spzoo	Trzebinia	PLN	10.000.000	100%	0%
Lusomapei Sa	Anadia	EUR	6.803.933	100%	0%
Mapefin Austria Gmbh	Nußdorf	EUR	8.500.000	100%	0%
Mapefin Deutschland Gmbh	Wiesbaden	EUR	25.000	100%	0%
Mapei Ab	Stockholm	SEK	10.272.000	0%	100%
Mapei Argentina Sa	Buenos Aires	ARS	670.648.162	99%	1%
Mapei As	Sagstua	NOK	24.148.950	100%	0%
Mapei Australia Pty Ltd	Brisbane	AUD	8.400.000	100%	0%
Mapei Benelux Sa	Liege	EUR	1.215.990	100%	0%
Mapei Brasil Construction Materials Ltda	San Paolo	BRL	20.688.650	96%	4%
Mapei Bulgaria Eood	Ruse	BGN	12.869.230	100%	0%
Mapei Caribe Inc	Puerto Rico	USD	2.001.000	0%	100%
Mapei China Ltd	Hong Kong	HKD	169.800.000	100%	0%
Mapei Colombia Sas	Antioquia	COP	22.521.800.000	100%	0%
Mapei Construction Chemicals Panama Sa	Panama City	PAB	4.200.000	100%	0%
Mapei Construction Chemicals Llc	Dubai	AED	300.000	49%	0%
Mapei Construction Materials Co Ltd	Canton	RMB	56.350.000	0%	100%
Mapei Construction Products India Private Ltd	Bangalore	INR	750.441.500	100%	0%
Mapei Corp	Ft. Lauderdale	USD	80.697.440	100%	0%
Mapei Costa Rica Sa	San Josè	CRC	5.381.300	0%	100%
Mapei Croatia Doo	Zagreb	HRK	1.250.000	100%	0%
Mapei Denmark As	Fredriksberg	DKK	501.000	100%	0%
Mapei Doha Llc	Doha	QAR	200.000	49%	0%

COMPANY	LOCATION	CUR-RENCY	SHARE CAPITAL	DIRECT OWNER-SHIP	INDIRECT OWNER-SHIP
Mapei Doo	Lubiana	EUR	208.646	100%	0%
Mapei East Corp	Ft. Lauderdale	USD	1.000	0%	100%
Mapei Egypt for Construction Chemicals Sae	Cairo	EGP	26.728.864	100%	0%
Mapei Far East Pte Ltd	Singapore	SGD	21.200.000	100%	0%
Mapei France Sa	Saint Alban	EUR	5.000.000	100%	0%
Mapei Gmbh (A)	Nußdorf	EUR	210.000	0%	100%
Mapei Gmbh (D)	Erlenbach	EUR	3.500.000	100%	0%
Mapei Hellas Sa	Athens	EUR	2.600.000	100%	0%
Mapei Inc	Montreal	CAD	3.794.499	100%	0%
Mapei Indonesia Construction Products Pt	Bekasi	IDR	26.695.100.000	0%	100%
Mapei Indonesia Construction Solutions Pt	Bekasi	IDR	2.510.000.000	0%	100%
Mapei Kft	Budaors	HUF	400.000.000	73%	27%
Mapei Korea Ltd	Chungbuk	KRW	14.727.260.000	100%	0%
Mapei Malaysia Sdn Bhd	Selangor	MYR	32.500.000	0%	100%
Mapei Mexico Sa de Cv	Queratero	MXN	264.814.420	84%	16%
Mapei Nederland Bv	Almelo	EUR	2.900.000	100%	0%
Mapei New Zealand Ltd	Auckland	NZD	1.800.000	100%	0%
Mapei Oy	Helsinki	EUR	7.568	0%	100%
Mapei Perù Sac	Lima	PEN	14.965.923	100%	0%
Mapei Philippines Inc	Laguna	PHP	10.000.000	0%	100%
Mapei Polska Spzoo	Gliwice	PLN	35.000.000	100%	0%
Mapei Romania Srl	Bucharest	RON	4.014.140	100%	0%
Mapei Sk Sro	Bratislava	EUR	497.910	60%	40%
Mapei Spain Sa	Barcelona	EUR	7.662.904	100%	0%
Mapei Srb Doo	Belgrade	RSD	55.375.000	100%	0%
Mapei Sro	Olomouc	CZK	75.100.000	67%	33%
Mapei South Africa Pty Ltd	Johannesburg	ZAR	233.275.520	75%	0%
Mapei Stadium Srl	Reggio Emilia	EUR	20.000	100%	0%
Mapei Suisse Sa	Sorens	CHF	4.000.000	99%	1%
Mapei UK Ltd	West Midlands	GBP	7.300.000	100%	0%
Mapei Ukraina Llc	Kiev	UAH	88.008.849	100%	0%
Mapei Venezuela Ca	Caracas	USD	2.287.743	0%	79%
Mapei Vietnam Ltd	Danang	VND	68.869.400.000	100%	0%
Mapei Yapi Kimyasallari Ins. San. Ve Tic. As	Ankara	TRY	25.539.600	100%	0%
Mosaico+ Srl	Modena	EUR	1.600.000	100%	0%
Mosaico Plus Ukraine Llc	Kiev	UAH	105.580	0%	100%
Polyglass GB Ltd	Willenhall	GBP	50.100	0%	100%
Polyglass Spa	Ponte di Piave	EUR	30.000.000	100%	0%
Polyglass Usa Inc	Ft. Lauderdale	USD	7.500.934	0%	100%
Rasco Bitumentechtechnik Gmbh	Augustdorf	EUR	25.000	0%	100%
Resconsult As	North Odal	NOK	120.000	0%	100%
Sopro Bauchemie Gmbh (D)	Wiesbaden	EUR	18.000.000	0%	100%
Sopro Bauchemie Gmbh (A)	Asten	EUR	2.617.167	0%	100%
Sopro Hungaria Kft	Budakeszi	HUF	37.000.000	0%	100%
Sopro Nederland Bv	Nieuwegein	EUR	18.000	0%	100%
Sopro Polska Spzoo	Warsaw	PLN	26.714.500	0%	100%
Tecnopol de Sistemas S.L.	Barcelona	EUR	42.000	100%	0%
U.S. Sassuolo Calcio Srl	Sassuolo	EUR	5.000.000	100%	0%
Vaga Srl	Costa de' Nobili	EUR	2.900.000	100%	0%
Vinavil Egypt for Chemicals Sae	Suez I.Z.	EGP	30.000.000	50%	50%
Vinavil Spa	Milan	EUR	6.000.000	100%	0%
Zao Mapei	Moscow	RUB	934.100.000	100%	0%
4307721 Canada Inc	Laval	CAD	100	0%	100%

The Mapei Group Consolidated Financial Statements as at 31st December 2018, are based on the financial statements of the parent company and the Italian and foreign companies under the control of Mapei Spa.

The companies that have been consolidated for the first year, using the line-by-line consolidation method, are Mapei Egypt for Construction Chemicals Sae, owned by Mapei Spa, Fili e Forme Srl, owned by Mapei Spa, Tecnopoli de Sistemas Sl, owned by Mapei Spa, and Mapei Indonesia Construction Solutions Pt, owned by Mapei Indonesia Construction Products Pt.

Rationalisation of the Group organisation also included the merger of the company Progetto Mosaico+ Srl into Mosaico+ Srl. The companies Mapei Middle East Fzco, owned by Mapei Spa with 50% of ownership, Mapei Saudia Llc and Mapei East Africa Limited were excluded from the scope of consolidation and valued at cost, since they were not operational during 2018.

The company Vaga Società Agricola Ss, 90% owned through Vaga Srl, which is valued at cost, has also been excluded from the consolidation area owing to its irrelevance.

CONSOLIDATION PRINCIPLES

Financial Statements of the subsidiaries included in the consolidation area are consolidated on a line-by-line basis, irrespective of the percentage of ownership by the Group. In addition, costs and revenues of subsidiaries included in the consolidation area were considered from the date of inclusion in the Consolidated Financial Statements.

In particular, with reference to the companies included in the consolidation area, they were consolidated on a line-by-line basis, as follows:

- 1) the book value of investments included in the consolidation area is eliminated against the related net worth, following line-by-line method and, where the direct or indirect investment is lower than 100%, minority interests are recognised;
- 2) in case of a positive difference between the book value and related net worth of the investment at the moment of its acquisition, the exceeding value is attributed directly to the company assets included to the consolidation area and, where not possible, the difference is posted as "Difference from consolidation" and amortised on a straight-line basis in accordance with the residual value;
- 3) any negative difference from elimination is posted as a net worth reserve named "Consolidation reserve" or, if it is related to forecast negative results, provisioned in a risks fund.

Eliminations from the consolidated financial statements are the following:

- all intercompany receivables and payables as well as costs and revenues between consolidated companies;
- all intercompany gains and losses deriving from the sale of fixed assets between consolidated companies;
- any profit, if significant, deriving from trade between consolidated companies;
- dividends received, with reference to the part realised with consolidated companies.

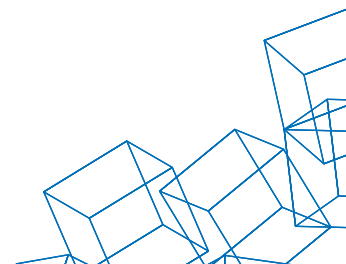
FINANCIAL STATEMENTS USED FOR THE CONSOLIDATION

The Consolidated Financial Statements have been prepared using the financial statements as at 31st December 2018 of the companies included in consolidation, approved by the respective Boards of Directors. The individual statements have been adjusted, where required, to conform to Group accounting principles.

In accordance with art. 2426, paragraph 1, no. 8-bis of the Italian Civil Code, monetary assets and liabilities in currencies other than the operating currency in which the financial statements are presented (so-called “accounting currency”), subsequent to initial recognition, are booked at the spot exchange rate at year end. Any subsequent exchange gains or losses are recorded in item C17-bis) of the Profit and Loss Statement “exchange gains and losses” and any net profit, which contributes to the formation of the result for the year, is allocated to the appropriate reserve which cannot be distributed until realised.

The conversion of Profit and Loss Statement items has been carried out on the basis of average exchange rates for the financial year.

The exchange rate differences arising from the conversion of Financial Statements expressed in foreign currencies have been posted directly to the “Translation reserve” included in net worth, according to the provisions of OIC 17 “Consolidated financial statements and equity method”.



The following exchange rates were used for these financial statements:

CURRENCY	AVERAGE RATE	FINAL RATE
Panamanian Balboa	0,84645	0,87336
Costa Rican Colon	0,00148	0,00144
Czech Crown	0,03900	0,03887
Danish Krona	0,13417	0,13392
Norwegian Krona	0,10416	0,10052
Swedish Krona	0,09750	0,09752
Serbian Dinar	0,00844	0,00845
UAE Dirham	0,23047	0,23781
US Dollar	0,84645	0,87336
Australian Dollar	0,63295	0,61652
Canadian Dollar	0,65351	0,64082
Hong Kong Dollar	0,10800	0,11151
Singapore Dollar	0,62783	0,64140
New Zealand Dollar	0,58620	0,58630
Vietnamese Dong	0,00004	0,00004
Hungarian Florin	0,00314	0,00312
Swiss Franc	0,86588	0,88739
Ukrainian Hryvnia	0,03114	0,03151
Bulgarian Lev	0,51130	0,51130
Egyptian Lira	0,04776	0,04875
Turkish Lira	0,17603	0,16505
Nuevo Sol	0,25890	0,25887
Nuovo Leu	0,21486	0,21443
Argentinian Peso	0,03040	0,02317
Columbian Peso	0,00029	0,00027
Philippine Peso	0,01607	0,01664
Mexican Peso	0,04402	0,04446
South African Rand	0,06404	0,06076
Brazilian Real	0,23345	0,22502
Chinese Renmimbi	0,12809	0,12698
Malaysian Ringgit	0,20990	0,21134
Qatar Riyal	0,23253	0,23993
Indian Rupee	0,01239	0,01254
Indonesian Rupee	0,00006	0,00006
Russian Rouble	0,01350	0,01254
UK pound	1,13033	1,11794
Korean Won Sud	0,00077	0,00078
Polish Zloty	0,23470	0,23248

ASSUMPTIONS AND DRAFTING PRINCIPLES OF THE FINANCIAL STATEMENTS

In accordance with the requirements of Art. 2423 of the Italian Civil Code, the Company has adhered to the general assumptions of clarity and the presentation of a truth and fair view of the Company's equity, financial position and economic result for the year.

The recognition, valuation, presentation and disclosure of items may differ from what is required by accounting standards only in case the non-observance has irrelevant effects on the truth and fair view of the Company's equity, financial position and economic result for the year. To this extent, a piece of information is considered relevant, based on qualitative and/or quantitative aspects, when its omission or incorrect indication could reasonably influence the decisions taken by financial statement users. Additional specific criteria adopted to apply the concept of irrelevance are indicated in the individual balance sheet items when affected by its application. The relevance of the individual items is considered within in the context of other, similar items.

The principles established in art. 2423-bis of the Italian Civil Code have been observed, as discussed below.

Financial statements items have been stated according to the prudence principle and based on a going concern assumption, and also taking into account the substance of the transaction of the contract. For each transaction or fact and, nonetheless, for every company event, the substance has been identified, no matter what the origin.

Only the profits realised at the reporting date have been reported in the financial statements.

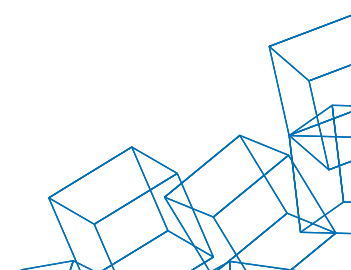
All incomes and expenses indicated, are those accrued in the year regardless of the date of payment or collection.

Provisions on risks or losses relating to the year have been considered, even when they became known after the closing date.

Any dissimilar elements included in individual items of the financial statements have been recorded and evaluated separately.

The Financial Statements, all figures and the tables in these Notes are expressed in Euro.

All information related to the items in the Balance Sheet and in the Income Statement is presented according to the order in which the items appear on the Balance Sheet and Income Statement, pursuant to Art. 2427, paragraph 2, of the Italian Civil Code.



CHANGES IN ACCOUNTING STANDARDS

A change in an accounting standard is recorded in the period when it is adopted and the relative facts and transactions are treated in accordance with the new standard applied, considering the effects retroactively. These effects, if considered irrelevant, are included in the opening balance of net equity of the year, without recalculating the comparative data of the previous year.

ACCOUNTING POLICIES

The accounting policies pursuant to Art. 2426 of the Italian Civil Code are compliant with those used in the preparation of the previous year's financial statements, with the exception of the introduction of the new OIC standards and are also discussed in these explanatory notes. There have been no exceptional event disregarding the article 2423 bis, subsection 2, and article 2423, subsection 5 of the Italian Civil Code.

Intangible assets

Intangible assets are stated at purchase price, inclusive of ancillary costs, and amortised systematically over the period of their estimated future useful life. The rates applied are as follows:

	RATE
Trademarks	20%
Goodwill	10%
Other intangible assets	20%
Know How	5-50%

Taking account of the sector the Group operates in, amortisation of goodwill is determined in ten years, a period considered representative of the estimated useful life.

Amortisation of leasehold improvements and assets subject to long-term financing, which arose before 2016, is determined on the basis of the residual length of each underlying contracts, or on the basis of the residual life of the improvements, if lower.

“Long-term football players’ registration rights” are also classified under “Other intangible assets”. These assets are stated at historical purchase cost, inclusive of any directly attributable and adjusted ancillary costs, if necessary and relevant in terms of effects, in order to reflect the time effect associated with payments extended over several years.

The amounts are stated net of the amortisation charges, which were calculated on a straight-line basis in relation to

the duration of the contracts stipulated with the individual professional football players.

Intangible assets are reduced in case of permanent losses of value. For more details, please refer to the section "Write-offs due to impairment of tangible and intangible assets".

Tangible Assets

Tangible assets are stated at purchase price, inclusive of all directly attributable ancillary costs, re-valued, where specified in the individual items, and when permitted by law. Plant and buildings under construction are recorded at cost, under fixed assets in progress for the amount of costs sustained up to the reporting date, and are not subject to depreciation as the assets have not been placed into service.

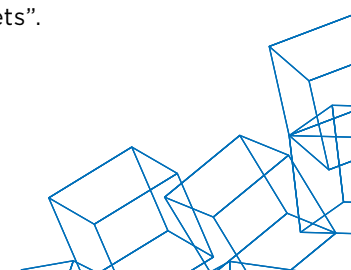
Assets are depreciated systematically on the basis of economic-technical rates determined in accordance with their residual value and estimated useful lives. The rates are as follows:

	RATE
Industrial buildings	3-4 %
Plant and machinery	10-11.5 %
Industrial equipment	40%
Forklifts	20%
Small buildings	10%
Office equipment	20%
Office furniture	12%
Trucks	20%
Cars	25%

Ordinary maintenance costs are charged directly to Profit and Loss as incurred, while extraordinary maintenance costs which increase the value of the assets are recorded on the Balance sheet and depreciated at rates applicable to the underlying assets.

Financial lease agreements are recorded, in accordance with paragraph 105 of OIC 17. This accounting standard follows the disclosure of International Accounting Standard no. 17, establishing that the value of the tangible asset is booked to the relevant Balance Sheet item; the residual debt with the leasing company is recorded in liabilities with interest and depreciation charged to Profit and Loss.

Tangible assets are reduced in case of permanent losses of value. For more details, please refer to the section "Write-offs due to impairment of tangible and intangible assets".



Write-offs due to impairment of tangible and intangible assets

Write-offs due to impairment of tangible and intangible assets are recorded as required by Accounting Standard OIC 9.

At each reporting date, the company verifies whether there are indicators to suggest that a fixed asset has suffered a reduction in value and, in that case, it estimates the recoverable value of the fixed asset.

If the recoverable value of an asset (i.e. the higher between its value in use and its fair value) is lower than its book value, the asset is recorded at lower value. The difference is recorded on the income statement as impairment, in item B10c).

In order to evaluate whether an asset has suffered impairment, the company verifies the existence of certain indicators, for example:

- whether the market value of an asset has fallen significantly during the year, more than would have occurred with the passage of time and the normal use of the asset in question;
- whether, during the year, significant changes occurred, or which could occur in the near future, with a negative effect for the company in the technological market, economic or regulatory domains in which the company operates or in the market to which an activity is directed;
- whether, during the year, market interest rates or other rates of return on investments have increased, and whether it is likely that these increases will shape the discount rate used in calculating the value in use of an asset and reduce the recoverable value;
- whether the obsolescence or physical deterioration of an asset is greater than expected;
- whether, during the year, significant changes occurred with a negative impact on the company (such as the non-use of an asset, disposal or restructuring plans, redefinition of the useful lifetime of the fixed asset), or it is presumed that they may occur in the near future, to the extent or in the way in which an asset is used or is expected to be used.

If it is not possible to estimate the recoverable value of the individual fixed asset, the recoverable value of the cash-generating unit (CGU) to which the fixed asset belongs is determined. This is verified when the individual fixed assets do not generate cash flows autonomously with respect to other fixed assets. Under this assumption, if the recoverable value of the CGU is lower than its book value, the reduction in the book value of the assets which is part of the CGU is firstly booked to the value of goodwill allocated to the CGU and, subsequently, proportionally to the other assets, based on the book value of each asset that forms part of the CGU.

In the absence of indicators of potential impairment, the recoverable value is not determined.

The value is reversed if the reasons for the write-off for impairment no longer apply, up to the limit of the value that the asset would have had if the adjustment had not taken in place. Write-off booked to goodwill and capitalised expenses cannot be reversed, since this is not permitted by current regulations.

Derivative financial instruments

Derivative financial instruments are booked at the date of the signature of the contract, starting from when the company is subject to related rights and obligations.

Pursuant to the provision of article 2426, subsection 1, number 11-bis of the Italian Civil Code and of OIC 32, derivative financial instruments, even if embedded in other financial instruments, are measured at fair value both at the date of initial recognition and at each subsequent reporting date. The recognition and the variation in fair value with respect to the previous year are booked to the financial statements using methods that differ depending on whether the transaction involving derivative financial instruments qualifies (and is effectively designated) as a cash flow hedge or not.

Transactions that do not qualify (or are not designated) as hedges

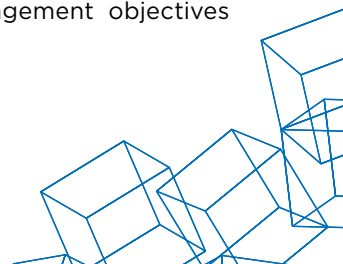
If the transaction does not qualify (or is not designated) as a hedge, the fair value changes are booked to section D) in Profit and Loss “Value adjustments to financial assets and liabilities”. As set out in article 2426, subsection 1, number 11-bis of the Italian Civil Code, profits deriving from the valuation of derivative financial instruments not designated as hedges are allocated to undistributable shareholders’ equity reserves.

Transactions that qualify (and are designated) as hedges

The company can enter into transactions involving derivative financial instruments to hedge against interest rate or exchange rate risk.

A transaction involving derivative financial instruments is designated as a hedge when:

- a) the hedging relationship consists solely of eligible hedging instruments and eligible hedged items pursuant to OIC 32;
- b) there is strict and documented correlation between the characteristics of the hedged instrument or transaction and those of the hedging instrument, pursuant to article 2426, subsection 1, number 11-bis of the Italian Civil Code; the documentation concerns the formalisation of the hedging relationship, the company’s risk management objectives and hedging strategy;



- c) the hedging relationship meets all the following requirements as regards the effectiveness of the hedge:
- i. there is an economic relationship between the hedged item and the hedging instrument;
 - ii. the effect of the credit risk of the counterpart of the derivative financial instrument and the hedged item, if the credit risk is not the risk being hedged, does not prevail over changes in value resulting from the economic relationship;
 - iii. the hedge ratio is determined as the relationship between the quantity of the derivative financial instruments used and the quantities of the hedged item (to the extent not to affect ex-ante the ineffectiveness of the hedge).

The economic relationship is verified from a qualitative point of view, by verifying that the key elements of the hedging instrument and the hedged item correspond or are closely aligned, and from a quantitative viewpoint. When the hedging transactions concern derivative financial instruments with characteristics altogether similar to those of the hedged item (defined as “simple hedging relationships”) and the derivative financial instrument is stipulated under market conditions, the hedging relationship is considered effective by simply checking that the key elements (such as the nominal amount, the date of settlement of cash flows, the maturity and underlying variable) of the hedging instrument and the hedged item correspond or are closely aligned and that the credit risk of the counterpart is not as such to significantly impact the fair value of both the hedging instrument and of the hedged item.

The existence of eligibility criteria is verified on an ongoing basis and, at each reporting date, the company evaluates whether the hedging relationship still meets the effectiveness requirements.

The company prospectively ceases to account for the hedge when:

- a) the hedging instrument expires, is sold or is terminated (with the replacement already provided for in the original hedging strategy);
- b) the hedge no longer satisfies the conditions for booking the hedge.

If a change in the economic relationship between the hedged item and the hedging instrument is as such to lead to a termination of the hedging relationship and the risk management objective for the designated hedging relationship remains the same, the company assesses the possibility of revising the hedging relationship.

The Group has cash flow hedging contracts in place.

This type of hedge is employed when the hedging objective is to limit the exposure to the risk of changes in cash flows attributable to an asset or liability booked to the financial statements, to irrevocable commitments, or to planned transactions. The company recognises the cash flow hedge, connected to an asset or liability booked to the financial statements, an irrevocable commitments or a planned transaction, in the balance sheet at fair value, with the component of the hedge deemed effective recorded in A) VII “Reserve for expected cash flow hedges”, while the ineffective component, calculated for hedging relationships that do not qualify as simple, is recognised in section D) of Profit and Loss.

Determination of the fair value

In order to determine the fair value of the derivative financial instruments in the financial statements, the company has defined their main market (or the most advantageous) and the most appropriate valuation techniques, taking into account the levels of the fair value hierarchy in which the parameters are classified and the assumptions that market operators will use to determine the price of the derivative financial instrument, including the assumptions regarding risks, presuming that the market operators act in their own economic interest in the best possible manner.

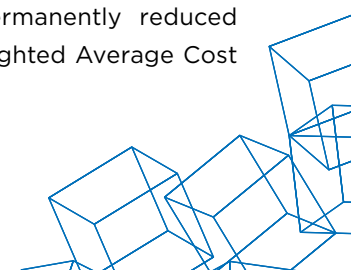
In particular, in determining the fair value, the company maximised the use of relevant observable parameters and minimised the use of non-observable parameters, as required by the fair value hierarchy by identifying the fair value based on the available market information at the reporting date for the derivative instruments subscribed by the company.

Other equity investments, investments in subsidiaries that are not in operations yet and securities not representing equity investments, are recorded at cost adjusted for any permanent impairment of their value. If the reasons for the write-off are no longer valid, the original value is restated.

Inventories

During the previous year, the company changed the accounting standard adopted for inventories from the F.I.F.O. method to the Weighted Average Cost method. The effects of the change have been recorded in accounts as described in the section “Changes in accounting standards”, taking account of the irrelevance of the amounts. Details of the effects on equity and on inventories are provided under the items concerned.

When market conditions indicate a permanently reduced realisable value if compared with the Weighted Average Cost



method, the value of the inventories is reduced to the net realisable value.

Accounts Receivable

Accounts receivable are classified under fixed assets or under current assets, based on their use and/or origin with respect to ordinary activities, and are booked at their presumed realisable value.

Accounts receivable, pursuant to article 2426, subsection 8, of the Italian Civil Code, are recognised according to the amortised cost method, taking account of the time factor. If the interest rate of the transaction is not significantly different to the market rate, the receivables are initially recorded at the nominal value, minus any premiums, discounts and allowances, and including any costs directly attributable to the transaction that produced them.

Accounts receivable are presented in the financial statements net of the recognition of a provision for doubtful accounts to cover receivables considered non-collectable, as well as the generic risk relating to the remaining receivables, based on estimates prepared according to past experience, the trend in the ageing ratios of past due receivables, the general economic situation, the industry situation and country risk, as well as on the events that occurred after the close of the year that impacted the values at the reporting date.

Cash on hand and banks

Receivables from bank and postal accounts deriving from deposits and ordinary accounts are recorded at their nominal value. Cash on hand is recorded at nominal value.

Accruals and pre-payments assets and liabilities

These items represent the current portion of costs and proceeds related to two or more financial years as required by accrual basis accounting. Based on this criterion, an accrual or deferral is recognised when the following conditions are satisfied:

- the contract starts in one year and ends in the next one;
- the service price is contractually due in advance or deferred in two or more consecutive years;
- the amount of the accruals changes during the financial periods.

Income and expenses fully related to the current year financially are not included in accruals and deferrals.

At the end of each year, the company verifies whether the conditions that determined the initial recognition of the accrual or the deferral are still valid; if necessary, adjustments are made. This evaluation takes into account not only time but also the amount recoverability.

Sundry risks and other funds

These are provisions for risks and charges allocated to cover certain or probable losses or payables, in respect of which, however, the amount or the date of occurrence could not be determined at year-end. The amounts provided reflect management's best estimate based on the available information.

Staff severance reserve

The staff severance fund is maintained at a value sufficient to cover the entire accumulated liability with employees in conformity with current legislation and collective labour and benefit contracts.

Accounts Payable

Pursuant to article 2426, subsection 8, of the Italian Civil Code, payables are recognised using the amortised cost method; if the interest rate of the transaction is not significantly different from the market rate, the payable is initially recognised at the nominal value net of all transaction costs and all premiums, discounts and rebates deriving directly from the transaction. Amounts due within and after 12 months are split with reference to the contractual or legal maturity, also considering the facts and events that may determine a change to the original maturity. Some payables related to financial institutions are directly connected with the respect of some covenants. Where covenants are not fulfilled, if necessary, the medium/long-term payables have to be reclassified as short-term.

Recognition of revenues and costs

Revenues are recognised in the income statement on an accrual basis net of returns, discounts and rebates. In detail:

- revenues from the sale of goods are recognised when the ownership of the goods is transferred, normally the date of shipment, unless otherwise specified in the contract;
- revenues from the supply of services are recognised when the service is fully performed in accordance with the terms of the contract;
- costs are recognised on an accrual basis
- financial income and proceeds are recognised on an accrual basis.

Current and deferred income tax

Taxes for the period are determined on the basis of a realistic estimate of the amounts to be paid according to existing legislation.

In accordance with accounting standard no. 25, drawn up by the Italian Accounting Organisation ("Organismo Italiano di

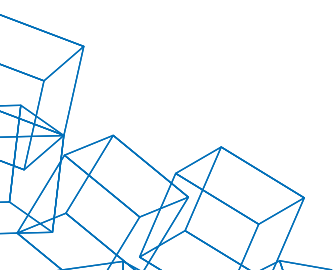


Contabilità”), deferred tax liabilities are recorded in the account “Taxation Funds”, while deferred tax assets are booked in the account “Deferred tax assets”; they reflect the temporary differences between the tax basis of assets and liabilities and the corresponding book value. In particular, deferred tax assets are only recognised if it is reasonably certain that, in the years in which the associated temporary differences will reverse, taxable income will be generated which is no less than the amount of the differences that will be cancelled.

Deferred tax assets and deferred tax liabilities are not discounted.

Derogation to subsection 4 of article 2423

It should be noted that no exemptions were applied in the financial statements, pursuant to article 2423, subsection 4, of the Italian Civil Code.



NOTES TO THE BALANCE SHEET

Amount in Euros

Assets

INTANGIBLE ASSETS

At year-end, the item is broken down as follows

	12.31.2018	12.31.2017	DIFFERENCE
Start-up and expansion costs	20,408		20,408
Industrial patent	12,024,006	13,142,708	(1,118,702)
Government Concessions, know how, licences and trade-marks and similar rights	3,726,580	3,984,667	(258,087)
Goodwill	74,294,803	28,502,752	45,792,051
Assets in progress and payments in advance	4,018,554	4,508,039	(489,485)
Other intangible assets	101,328,263	63,838,876	37,489,387
TOTAL	195,412,614	113,977,042	81,435,572

The decrease in Industrial patent is a consequence of amortisation during the year, by Mapei Spa, of the licenses on the new Group ERP.

The increase in Goodwill is a consequence of recognition of goodwill of Euro 3,459,520 for the company Fili e Forme Srl, acquired during 2018, and goodwill of Euro 49,667,717 for the company Tecnopoli de Sistemas SL, acquired during 2018, and an increase of Euro 1,295,388 in the goodwill of Mapei Colombia Sas, as a result of the occurrence of the clauses signed in the purchase agreement of the company Productos Bronco in 2017. The increase in this item is partially offset by amortisation during the year and by the exchange fluctuations. The table below summarises the Goodwill composition:

	GOODWILL
Opening balance	159,337,148
Exchange difference opening balance	816,934
Increase	54,422,625
Exchange difference variation	(32,975)
ACQUISITION COST	214,543,732
Opening balance - Cumulated amortisation	130,834,396
Exchange difference opening balance	207,233
Increase - Amortisation/Devaluation	9,186,616
Exchange difference variation	20,684
CUMULATED AMORTISATION	140,248,929
TOTAL	74,294,803

The breakdown of goodwill by legal entity as at December 31st, 2018, is as follows:

	ACQUISITION COST	ACCUMULATED AMORTISATION	TOTAL
Adesital Spa	1,869,925	1,869,925	-
Vaga Srl	3,762,175	3,762,175	-
Lusomapei Sa	421,065	421,065	-
Mapei Spain Sa	431,735	431,735	-
Gorka Cement Spzoo	656,179	656,179	-
Mapei Construction Chemicals Llc	6,116,385	5,665,211	451,174
Mosaico + Srl	2,933,938	2,933,938	-
Mapei Korea Ltd	4,346,711	3,613,190	733,521
Vinavil Egypt for Chemicals Sae	8,593,446	4,726,393	3,867,053
Mapei Yapi Kimyasallari Ins. San. Ve Tic As	7,961,867	5,617,039	2,344,828
Mapei Construction Materials Co Ltd (Guangzhou)	2,527,748	2,527,748	-
Mapefin Deutschland Group	48,807,022	48,643,577	163,445
Mapei As	9,282,360	9,282,360	-
Mapei Inc	270,550	270,550	-
Mapei Corp	31,521,082	25,812,031	5,709,051
Polyglass Group	4,342,187	2,956,150	1,386,037
Cercol Spa	2,002,720	2,002,720	-
Mapei Construcion Chemicals Panama Sa	655,824	464,219	191,605
Mapei Austria Gmbh	14,736,189	13,837,974	898,215
Mapei Mexico Sa de Cv	915,741	159,573	756,168
Mapei Colombia S.A.S.	9,261,646	1,852,328	7,409,318
Fili e Forme Srl	3,459,520	259,464	3,200,056
Tecnopol de Sistemas S.L.	49,667,717	2,483,385	47,184,332
TOTAL	214,543,732	140,248,929	74,294,803

Goodwill recorded in intangible assets is justified by the profit generated by the subsidiaries, by positive income prospects and by the market and technological potentiality provided by the purchased companies to which it refers.

The item "Other intangible assets" is composed predominantly by the "Football Players' registration rights" of the company U.S. Sassuolo Calcio Srl (Euro 95,996,773).

TANGIBLE ASSETS

At year-end, the item is broken down as follows:

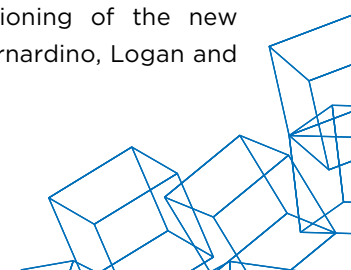
	12.31.2018	12.31.2017	DIFFERENCE
Land and buildings	390,579,277	348,854,701	41,724,576
Plant and machinery	142,866,276	134,667,161	8,199,115
Industrial and commercial equipment	15,901,780	13,256,326	2,645,454
Other tangible assets	20,834,909	20,038,850	796,059
Assets in progress and payments in advance	77,158,041	50,075,805	27,082,236
TOTAL	647,340,283	566,892,843	80,447,440

The variation of Euro 80,447,440, net of depreciation of Euro 61,791,439 (Euro 59,163,770 in 2017) is detailed as follows:

	LAND AND BUILDINGS	PLANT AND MACHINERY	INDUSTRIAL AND COMMERCIAL EQUIPMENT	OTHER TANGIBLE ASSETS	ASSETS IN PROGRESS AND PAYMENTS IN ADVANCE	TOTAL
BOOK VALUE AT 12.31.2017	584,374,993	658,929,901	67,738,393	73,911,015	50,075,805	1,435,030,107
Increase	33,839,139	13,016,794	5,078,409	6,473,266	85,694,838	144,102,446
Thereof due to change in the consolidation area	2,934,634	3,642,212	749,549	190,029	-	7,516,424
(Decrease)	(2,776,278)	(1,367,491)	(1,170,925)	(4,051,195)	-	(9,365,889)
Reclassification	29,426,567	23,242,845	3,239,618	2,312,777	(56,629,245)	1,592,562
Exchange rate difference	860,073	2,922,399	797,143	145,922	(1,983,357)	2,742,180
COST AT 12.31.2018	648,659,128	700,386,660	76,432,187	78,981,814	77,158,041	1,581,617,830
PROVISION AT 12.31.2017	235,520,292	524,262,740	54,482,067	53,872,165	-	868,137,264
Depreciation	20,091,872	29,565,063	4,715,371	7,419,133	-	61,791,439
Reclassification	403,014	(250,109)	1,085,379	354,278	-	1,592,562
(Decrease)	(262,676)	(1,223,201)	(846,798)	(3,864,466)	-	(6,197,141)
Thereof due to change in the consolidation area	1,426,835	2,213,501	561,403	123,116	-	4,324,855
Exchange rate difference	900,514	2,952,390	532,985	242,679	-	4,628,568
ACCUMULATED DEPRECIATION AT 12.31.2018	258,079,851	557,520,384	60,530,407	58,146,905	-	934,277,547
NET BOOK VALUE 12.31.2018	390,579,277	142,866,276	15,901,780	20,834,909	77,158,041	647,340,283

The main variations which occurred during the year are as follows:

Mapei Corp made investments for around Euro 30,300,000, relating primarily to the final commissioning of the new production lines in West Chicago, San Bernardino, Logan and



Garland, and also investments in land and buildings in Calhoun (Georgia) and Wildwood (New Jersey).

Investments of around Euro 12,600,000 by Polyglass Usa Inc, mainly for construction of new offices in Deerfield Beach, and also for purchase of a warehouse close to the site in Winterhaven. Investments of around Euro 12,300,000 by Mapei As, relating to construction of the new plant and relative warehouse at Sagstua.

Investments of around Euro 11,400,000 by Mapei Argentina Sa, primarily for final commissioning of a new powder production plant and the relative warehouse in Escobar.

Investments of around Euro 10,000,000 by Vinavil Egypt for Chemicals Sae for construction of a new acrylic resins production line at Suez.

Investments of around Euro 9,200,000 by Mapei Colombia Sas, for purchase of the land and the building in Bogotà for construction of a production plant.

Investments of around Euro 6,600,000 by Mapei Korea Ltd for final commissioning of the new production site at Cheonan.

Property, plant and equipment of Fili e Forme Srl of Euro 6,500,000, a company purchased in 2018 and included in consolidation for the first time.

Investments of around Euro 5,800,000 by U.S. Sassuolo Calcio Srl for construction of the new Ca' Marta sports centre, which will be completed in 2019.

Investments of around Euro 5,000,000 by Mapei Spa, mainly for the modernisation work on the various production departments at Mediglia and Latina plants.

Investments of around Euro 4,400,000 by Mapei Mexico Sa de Cv for construction of a new production powder line and for modernisation of the production site in Zimapan.

Investments of around Euro 4,300,000 by Sopro Group for purchase of land in Wiesbaden for the construction of new offices of Sopro Bauchemie Gmbh (D) and also for the purchase of land in Nowiny by Sopro Polska Spzoo.

Investments of Euro 3,500,000 by Mapei Kft for final commissioning of the new production site and warehouse at Soskut.

Investments of Euro 2,300,000 by Vinavil Spa, mainly for the modernisation of different production departments at Villadossola plant.

Investments of around Euro 2,000,000 by Mapei UK Ltd for final commissioning of the new powder production line.

Investments of around Euro 1,700,000 by Mapei Nederland Bv for construction of new offices and warehouse.

Investments of around Euro 1,600,000 made by Gorka Cement Spzoo, mainly for renovation of the production plant.

Investments of around Euro 1,500,000 by Mapei Inc for renovation works carried out on production plants.

Investments of around Euro 1,300,000 by Mapei Malaysia Sdn Bhd, mainly for extension of the existing warehouse.

Investments of around Euro 1,300,000 by Zao Mapei, mainly for the new training centre at Stupino.

Tangible assets of Tecnopol de Sistemas SI for around Euro 1,000,000, a company purchased in 2018 and included in the consolidation area.

The remaining investments of around Euro 10,000,000 were made by all the other companies, for a unitary amount of less than Euro 1,000,000, and relate mainly to extraordinary maintenance and the upgrading of production sites.

The decreases in the year of around Euro 3,168,748, net of accumulated depreciation, refer in particular to disposals relating to Land and Buildings, Plant and Machinery Equipment and Other assets (cars, computers and office equipment) of the various companies. The item Land and Buildings includes the decrease resulting from the sale of the old production site of Mapei Korea Ltd.

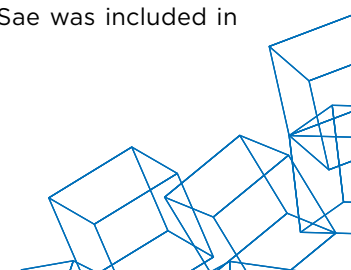
The exchange rate had a negative effect on the transactions of the year. The 2018 figure of around Euro 2,742,180 is mainly attributable to appreciation of the US Dollar, offset by devaluation of the Russian Rouble, the Argentinian Peso and the Polish Zloty.

The tangible assets of Mapei Spa and Vinavil Spa were subject to monetary revaluations in previous years, in accordance with specific regulations (Italian laws no. 576/75- 72/83 - 413/91- 342/00 - 350/03 - 266/05 - 185/08), as follows:

ASSET REVALUATED	TOTAL
Land	234,108
Building	30,299,995
Plant and machinery	76,468,018
Industrial and commercial equipment	11,592,187
Other assets	268,266

FINANCIAL ASSETS - INVESTMENTS IN SUBSIDIARIES

The item consists of equity investments in Mapei Middle East Fzco, Mapei Saudia Llc and Mapei East Africa Limited, which were non-operational companies during 2018, and in Vaga Società Agricola Ss, excluded from the consolidation area. Mapei Egypt for Construction Chemicals Sae was included in the consolidation area.



The table below shows the balances of the investments in question as at December 31st, 2018, compared with the balances as at December 31st, 2017.

COMPANY	12.31.2018	12.31.2017	DIFFERENCE	% OF OWNERSHIP
Mapei Middle East Fzco	81,458	81,458	-	50%
Mapei Saudia Llc	130,595	130,595	-	100%
Mapei Egypt for Construction Chemicals Sae	-	156,134	-156,134	100%
Mapei East Africa Limited	224,598	-	224,598	100%
Vaga Società Agricola Ss	9,000	9,000	-	90%
TOTAL	445,651	377,187	68,464	

FINANCIAL ASSETS - INVESTMENTS IN OTHER COMPANIES

The item totals Euro 256,217 as at December 31st, 2018 (Euro 256,217 in 2017) and refers to minority interests held primarily by Mapei Spa for Euro 57,164 and Vinavil Spa for Euro 195,994. The list of investments held is reported below:

COMPANY	12.31.2018	12.31.2017	DIFFERENCE	% OF OWNERSHIP
Ravenna Servizi Industriali	195,909	195,909	-	3.50%
Golf Club Modena Spa	18,000	18,000	-	0.05%
Internazionale Marmi e Macchine	10,331	10,331	-	0.10%
STRESS Scarl	24,000	24,000	-	6.00%
Consorzio Cis-e	4,000	4,000	-	5.00%
Other minor investments	3,977	3,977	-	
TOTAL	256,217	256,217	-	

FINANCIAL ASSETS - OTHER RECEIVABLES

Other receivables of Euro 1,510,158 as at December 31st, 2018 (Euro 2,046,309 in 2017) mainly consist of related to the core business of Mapei Corp (Euro 632,235), Mapei Construction Chemicals Llc (Euro 159,605) and Mapei Austria GmbH (Euro 154,543).

The interest rate applied to these loans is aligned with market conditions.

FINANCIAL ASSETS - TERM SECURITIES

This item totalled Euro 1,664,847 at the end of the year (Euro 1,330,865 at 12.31.2017) and it is mainly composed by securities held by the Polyglass Group for Euro 599,612 and by Mapei Corp for Euro 331,878.

CURRENT ASSETS - INVENTORIES

The item as at December 31st, 2018, compared with the situation as at December 31st, 2017, is composed as follows:

	12.31.2018	12.31.2017	DIFFERENCE
Raw materials, packaging and supplies	177,654,933	154,387,909	23,267,024
Work in progress and semi-finished goods	8,409,588	8,505,841	(96,253)
Work in progress on a contract basis	29,834	192,493	(162,659)
Finished products and merchandise	199,872,770	162,928,935	36,943,835
Advance to suppliers	1,088,155	116,882	971,273
TOTAL	387,055,280	326,132,060	60,923,220

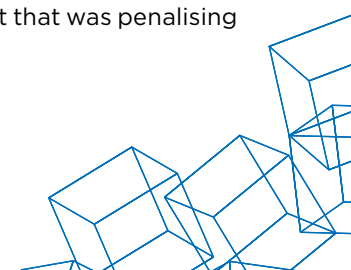
The major part of raw materials stock is held by the following companies:

	12.31.2018	12.31.2017	DIFFERENCE
Mapei Corp	29,042,182	23,877,432	5,164,750
Polyglass Group	26,077,300	23,329,958	2,747,342
Mapei Spa	24,320,968	23,288,532	1,032,436
Vinavil Spa	17,407,251	19,836,548	(2,429,297)
Sopro Group	6,843,463	5,329,783	1,513,680
Mapei Inc	5,690,123	4,717,560	972,563
Others	68,273,646	54,008,096	14,265,550
TOTAL	177,654,933	154,387,909	23,267,024

The largest amounts of finished products are held by:

	12.31.2018	12.31.2017	DIFFERENCE
Mapei Corp	36,161,520	24,582,030	11,579,490
Polyglass Group	27,449,454	14,642,256	12,807,198
Mapei Spa	14,973,311	13,275,829	1,697,482
Sopro Group	10,327,415	9,233,119	1,094,296
Vinavil Spa	9,219,033	9,674,975	(455,942)
Mapei Inc	8,967,532	11,170,435	(2,202,903)
Others	92,774,505	80,350,291	12,424,214
TOTAL	199,872,770	162,928,935	36,943,835

The increase in value of Raw materials, packaging and Finished products is linked to the increase in turnover produced by several companies. This increase was also influenced by the exchange rate effect and by the price effect that was penalising for several raw materials.



CURRENT ASSETS - RECEIVABLES

This item is broken down as follows:

	12.31.2018	12.31.2017	DIFFERENCE
Trade receivables	563,319,347	521,219,385	42,099,962
<i>Allowance for doubtful credits as at January 1st, 2018</i>	<i>(23,906,506)</i>	<i>(28,834,660)</i>	<i>4,928,154</i>
<i>Exchange rate difference at opening balance</i>	<i>11,758</i>	<i>942,697</i>	<i>(930,939)</i>
<i>Provision to the allowance for credits</i>	<i>(8,686,098)</i>	<i>(3,541,302)</i>	<i>(5,144,796)</i>
<i>Release of the allowance for credits</i>	<i>5,807,061</i>	<i>7,547,062</i>	<i>(1,740,001)</i>
<i>Exchange rate difference variation</i>	<i>(8,724)</i>	<i>(20,302)</i>	<i>11,578</i>
Allowance for doubtful credits as at December 31 st , 2018	26,782,509	23,906,505	(2,876,004)
TRADE RECEIVABLES (NET OF ALLOWANCE FOR DOUBTFUL CREDITS)	536,536,838	497,312,880	39,223,958
Receivable towards tax offices	46,469,148	47,552,124	(1,082,976)
Deferred tax assets	25,740,366	26,501,370	(761,004)
Other receivables	64,257,315	54,236,983	10,020,332
TOTAL	673,003,667	625,603,357	47,400,310

CURRENT ASSETS - TRADE RECEIVABLES

The companies with the most significant increases in trade receivables are Mapei Corp (Euro 14,208,533), Tecnopol de Sistemas SL (Euro 6,614,684), US Sassuolo Calcio Srl (Euro 2,989,619) and Mapei Spa (Euro 2,985,851). The changes are linked to the increase in volume of business.

The provision for doubtful accounts is mainly composed by the following balances:

	12.31.2018	12.31.2017	DIFFERENCE
Mapei Spa	4,593,755	2,790,961	(1,802,794)
Polyglass Group	4,439,618	4,906,264	466,646
Mapei Yapi kimyasallari Ins. San. Ve Tic. As	1,367,146	1,706,435	339,289
Mapei Polska Spzoo	1,360,486	870,394	(490,092)
Vinavil Spa	1,284,257	1,284,257	-
Mapei Hellas Sa	1,196,546	1,231,646	35,100
Others	12,540,701	11,116,548	(1,424,153)
TOTAL	26,782,509	23,906,505	(2,876,004)

CURRENT ASSETS - RECEIVABLES FROM TAX OFFICES

Receivables from tax offices of Euro 46,469,148 as of December 31st, 2018 (Euro 47,552,124 as at December 31st, 2017) refer to receivables from tax authorities related to income taxes and VAT. The companies with the most significant amounts were Mapei Spa (Euro 22,472,317) and Gruppo Polyglass (Euro 3,868,929).

The decrease compared with the previous year is mainly attributable to the lower balance of VAT and IRAP of Vinavil Spa compared with the previous year.

CURRENT ASSETS - DEFERRED TAX ASSETS

Deferred tax assets of Euro 25,740,366 as at December 31st, 2018 (Euro 26,501,370 as at December 31st, 2017) are mainly attributable to Mapei Spa (Euro 14,490,230).

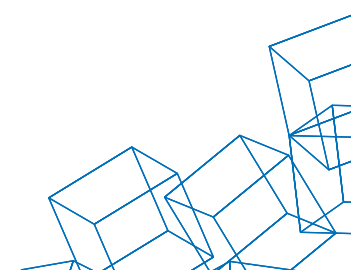
The total amount was generated by fiscal losses, costs, provisions, amortisation/depreciation incurred by Group companies, whose tax deductibility is deferred to one or more subsequent financial years. The amount is recoverable on the basis of the income prospects. Where necessary, the rate has been adjusted on the basis of the Italian Stability Law and new US tax legislation. For further details, refer to the enclosed attachment 3.

CURRENT ASSETS - OTHER RECEIVABLES

Other receivables at the end of the year, totalling Euro 64,257,315 (Euro 54,236,983 in 2017) are as follows:

	12.31.2018	12.31.2017	DIFFERENCE
Receivables from insurance companies	636,767	536,904	99,863
Receivables from social security institutions	27,211	20,596	6,615
Receivables from employees	1,014,541	942,789	71,752
Advances to suppliers	10,066,481	11,600,496	(1,534,015)
Other receivables	52,512,315	41,136,198	11,376,117
TOTAL	64,257,315	54,236,983	10,020,332

The total amount of this item is mainly attributable to the company U.S Sassuolo Calcio Srl and is due to the disposal of the Football Players' registration rights.



CURRENT ASSETS - MARKETABLE SECURITIES

At the end of the year, marketable securities amounted to Euro 6,198 (Euro 6,223 as at December 31st, 2017) and consist mainly of securities held by Mapei As.

CURRENT ASSETS - CASH AND BANKS

This item is broken down as follows:

	12.31.2018	12.31.2017	DIFFERENCE
Bank and Postal current accounts	52,376,655	129,652,008	(77,275,353)
Cash	3,756,039	2,611,766	1,144,273
TOTAL	56,132,694	132,263,774	(76,131,080)

Bank and postal deposits represent temporary positions on bank current accounts at year-end.

The decrease in Bank and postal deposits is attributable mainly to Mapei Spa and for the most part to repayment of instalments on several loans.

CURRENT ASSETS - ACCRUAL AND PRE- PAYMENTS

This item amounts to Euro 12,954,056 as at December 31st, 2018 (Euro 10,143,617 as at December 31st, 2017) and is mainly composed by costs relating to future years of Mapei Spa (Euro 3,755,972), US Sassuolo Calcio Srl (Euro 2,941,434) and Mapei Suisse Sa (Euro 1,652,934).

The breakdown of this item is as follows:

	12.31.2018	12.31.2017	DIFFERENCE
Rent	4,354,151	3,691,785	662,366
Interests	265,868	263,341	2,527
Insurances	3,039,606	1,566,271	1,473,335
Non-capitalised grants	419,329	8,481	410,848
Others	4,875,102	4,613,739	261,363
<i>of which for U.S. Sassuolo Calcio Srl</i>	<i>2,941,434</i>	<i>3,251,377</i>	<i>(309,943)</i>
TOTAL	12,954,056	10,143,617	2,810,439

Liabilities

SHAREHOLDERS' EQUITY

The breakdown is as follows (movements are disclosed in the enclosed Annex no.2).

Share capital

The share capital of the Holding company as at December 31st, 2018 was Euro 100,000,000, fully paid-up, divided into 100,000,000 shares of a value of Euro 1 each, and was unchanged compared with 2017.

Revaluation reserve

The Holding Company and Vinavil Spa revalued tangible assets in previous years, recording a revaluation reserve of Euro 53,693,395 under equity; this item recorded an increase of Euro 5,856 compared with the previous year.

Legal reserve

This item refers to the legal reserve of the Holding company and amounts to Euro 20,000,000, the same as the previous year.

Other reserves

These amount to Euro 9,917,768 as at December 31st, 2018 (Euro 10,928,869 as at December 31st, 2017) and are mainly composed by provisions made by the Holding company and by Vinavil Spa, in compliance with specific tax laws.

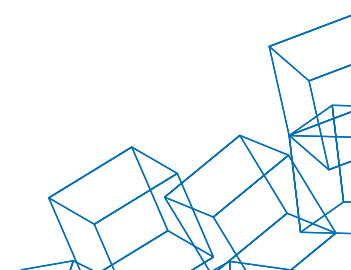
The difference compared with the previous year is mainly the result of the Holding company transferring the unrealised exchange gains reserve to profits carried forward.

Translation reserve

This reserve, deriving from the translation of financial statements expressed in foreign currencies using the current exchange rate method, shows a negative balance of Euro 28,579,087 as at December 31st, 2018 (Euro 28,023,107 as at December 31st, 2017).

Consolidation reserve

This reserve amounts to Euro 1,211,647 as at December 31st, 2018 (Euro 1,198,890 as at December 31st, 2017) and represents the difference between the book value of consolidated subsidiaries and the corresponding portion of shareholders' equity at the date of first consolidation. The variation compared with the previous year is the result of consolidation of Mapei Egypt for Construction Chemicals Sae.



Reserve for expected cash flow hedges

This reserve, introduced by accounting standard no. 32 of the Italian Accounting Organisation (OIC), has a negative value of Euro 668,593 and relates to the value deriving from the market information at the reporting date of the derivative instruments subscribed mainly by Mapei Spa (Euro 453,937) and by Polyglass Spa (Euro 214,656). These instruments, as already outlined in the section “Derivative instruments” are classified as “simple hedging relationships” and, as such, are aligned to the underlying for whose hedging they were subscribed.

Their main characteristics are summarised below:

COMPANY	BANK	INSTRUMENT	MATURITY	NOTIONAL VALUE
Mapei Spa	Unicredit	Interest Rate Swap	30.09.2019	7,500,000 €
Mapei Spa	Unicredit	Interest Rate Swap	15.07.2019	10,000,000 €
Mapei Spa	Intesa	Interest Rate Swap	30.09.2022	64,000,000 €
Mapei Spa	Unicredit	Interest Rate Swap	29.07.2022	20,000,000 €
Mapei Spa	Unicredit	Interest Rate Swap	28.03.2024	25,000,000 €

Accumulated profit brought forward

This reserve amounts to Euro 655,639,355 as at December 31st, 2018 (Euro 590,574,167 as at December 31st, 2017) and is composed by non-distributed profits, net of the dividend distributed by Mapei Spa of Euro 3,200,000.

The other change that has impacted the item Profit brought forward during 2018 is the reclassification of the unrealised exchange gains Reserve in Other Reserves.

The following changes occurred in this item:

	12.31.2018
Profits /(loss) brought forward -Dec 31 st 2017	590,574,167
Consolidated accumulated profit brought forward - 2017	67,225,891
Dividends	(3,200,000)
Other changes	1,039,297
PROFITS/(LOSSES) BROUGHT FORWARD AS AT DECEMBER 31ST 2018	655,639,355

Minority equity

This item includes portions of equity and profits, relating to consolidated subsidiaries, pertaining to minority interests. This item amounts to Euro 167,250 as at December 31st, 2018 (compared to Euro 239,254 as at December 31st, 2017).

SUNDRY RISKS AND OTHER FUNDS

This item amounts Euro 59,955,187 (Euro 60,705,583 as at December 31st, 2017) and breaks down as follows:

	12.31.2018	12.31.2017	DIFFERENCE
Pension fund	27,012,173	25,218,479	1,793,694
Taxation	15,684,101	13,463,141	2,220,960
Derivative financial instruments (liabilities)	562,881	486,270	76,611
Others	16,696,032	21,537,693	(4,841,661)
TOTAL	59,955,187	60,705,583	(750,396)

Pension funds mainly consist of agents' termination indemnity of Mapei Spa for Euro 3,877,255, the managers' bonus fund of Mapei Spa for Euro 8,979,965 and the pension fund of the Sopro Group for Euro 8,729,448. The provision for taxes is composed by the provision for deferred taxes and the risks fund.

The former, totalling Euro 13,052,765, relates mainly to Mapei Corp (Euro 6,116,479) and Mapei Spa (Euro 1,607,119).

The latter, totalling Euro 2,631,336 (Euro 992,487 as at December 31st, 2017), relates mainly to Mapei Spa for a tax provision.

Deferred tax liabilities are calculated on timing differences between the book value of assets and liabilities included in the statutory financial statements and their corresponding tax basis. Variations in this provision during 2018 are as follows:

OPENING BALANCE 01.01.2018	13,463,141
Exchange rate difference at opening balance	161,661
Increase	6,518,199
Decrease	(4,469,244)
Exchange rate difference variation	10,344
CLOSING BALANCE 12.31.2018	15,684,101

For further details, refer to annex 3 to these Notes.

The provision for financial instruments (payable), introduced by article 2424 of the Italian Civil Code, represents the market value of derivative financial instruments subscribed by Mapei Spa. This item amounts to Euro 562,881 as at December 31st, 2018 (Euro 486,270 as at December 31st, 2017).

Other funds of Euro 16,696,032, against Euro 21,537,693 as at December 31st, 2017, are basically formed of provisions by Mapei Spa during previous years of around Euro 7,131,743 for possible future risks from civil liability, the product warranty provision of the Polyglass Group of Euro 3,237,021 and the prize contest provision of Mapei Polska Spzoo of Euro 1,718,063.



STAFF SEVERANCE RESERVE

The amount records on the balance sheet as at December 31st, 2018 was Euro 11,911,136 (Euro 11,166,359 as at December 31st, 2017) and covers the entire liability to employees, in compliance with current legislation in each individual country. During the year, the fund shows the following trend:

OPENING BALANCE 01.01.2018	11,166,359
Exchange rate difference at opening balance	62,847
Increases	9,138,175
Decreases	(8,468,420)
Exchange rate difference variation	12,175
CLOSING BALANCE 12.31.2018	11,911,136

LIABILITIES

The composition of payables is commented below.

Banks repayable within 12 months

This item amounts to Euro 207,701,781 as at December 31st, 2018 (Euro 148,024,683 as at December 31st, 2017) and refers to the following companies:

	12.31.2018	12.31.2017	DIFFERENCE
Mapei Spa	147,422,937	94,727,675	52,695,262
Mapei Construction Chemicals Llc	24,027,348	22,939,560	1,087,788
Vinavil Egypt for Chemicals Sae	8,670,304	3,616,944	5,053,360
Mapei Turkey	4,751,666	5,998,105	(1,246,439)
Mapei Corp	8,800,764	8,377,433	423,331
U.S. Sassuolo Calcio Srl	9,649,309	10,000,000	(350,691)
Others	4,379,453	2,364,966	2,014,487
TOTAL	207,701,781	148,024,683	59,677,098

These amounts also include the current portions of the loans expiring in 2019, which amount to Euro 111,750,358 (Euro 82,316,928 in the previous financial year).

The increase in short-term indebtedness is mainly attributable to the Holding company for new loans taken out at banks (mainly Banca Passadore, Banco BPM and ING) and major use of credit lines.

Banks repayable after 12 months

This item amounts to Euro 347,783,661 as at December 31st, 2018 (Euro 282,669,187 as at December 31st, 2017) and refers to the following companies:

	12.31.2018	12.31.2017	DIFFERENCE
Mapei Spa	296,258,952	237,487,007	58,771,945
Mapei Construction Chemicals Llc	24,821,237	24,450,041	371,196
U.S. Sassuolo Calcio Srl	11,785,714	7,500,000	4,285,714
Vinavil Egypt for Chemicals Sae	12,998,420	-	12,998,420
Others	1,919,338	13,232,139	(11,312,801)
TOTAL	347,783,661	282,669,187	65,114,474

The increase during the year of Euro 65,114,474 is mainly attributable to new loans obtained by Mapei spa with the ING, Banca Passadore and Banco BPM banks.

The above loans from banks will expire due according to the following schedule:

	2020	2021	2022	2023 AND FOLLOWING	TOTAL
Loans from banks	130,692,900	93,748,451	80,494,146	42,848,164	347,783,661

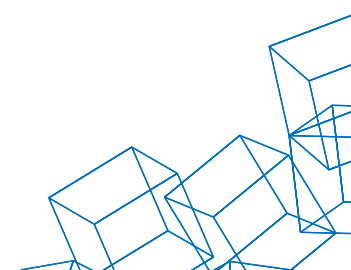
Debts to other financial institutions repayable within 12 months

These amount to Euro 19,872,427 as at December 31st, 2018 (Euro 21,146,664 as at December 31st, 2017) are mainly composed by the portions of the lease agreements stipulated with other financial institutions.

The decrease is attributable mainly to the factoring of trade receivables of sponsorship agreements by U.S. Sassuolo Calcio Srl.

Debts to other financial institutions repayable after 12 months

These amount to Euro 4,873,249 as at December 31st, 2018 (Euro 5,661,814 as at December 31st, 2017). The amounts are mainly attributable to the accounting of properties acquired through financial lease contracts according to International Accounting Standard no. 17. These properties relate to the following companies:



	12.31.2018	12.31.2017	DIFFERENCE
Mapei Spain Sa	473,773	455,144	18,629
Mapei Polska Spzoo	962,075	1,245,223	(283,148)
Mapei Corp	1,723,823	1,296,847	426,976
Polyglass Group	1,392,223	1,979,921	(587,698)
Other	321,355	684,679	(363,324)
TOTAL	4,873,249	5,661,814	(788,565)

The above loans expire according to the following schedule:

	2020	2021	2022	2023 AND FOLLOWING	BANK MATURITY
Loans from other financial institutions	2,263,949	1,692,186	527,591	389,523	4,873,249

Advances from customer

The balance of the item as at December 31st, 2018 was Euro 1,578,901 (Euro 2,603,586 as at December 31st, 2017) and due mainly to advances on account received from customers of Mapei Nederland Bv (Euro 345,754), Sopro Group (Euro 263,051), Mapei South Africa Pty Ltd (Euro 138,897) and Mosaico+ Srl (Euro 131,085).

Trade payables

This item amounts to Euro 293,662,264 as at December 31st, 2018 (Euro 282,638,062 as at December 31st, 2017) and is mainly composed by the following:

	12.31.2018	12.31.2017	DIFFERENCE
Mapei Spa	103,300,908	93,647,434	9,653,474
Polyglass Group	27,325,814	30,762,325	(3,436,511)
Vinavil Spa	25,503,402	24,039,950	1,463,452
Sopro Group	18,492,584	17,020,793	1,471,791
Mapei Corp	15,065,429	20,257,895	(5,192,466)
Mapei UK Ltd	10,293,056	10,012,431	280,625
Others	93,681,071	86,897,234	6,783,837
TOTAL	293,662,264	282,638,062	11,024,202

Draft and promissory notes

This item amounts Euro 2,105,259 as at December 31st, 2018 (Euro 2,884,943 as at December 31st, 2017) and includes draft and promissory notes to suppliers, mainly of Mapei Korea Ltd.

Payables to Holding company

This item amounts to Euro 3,200,000 as at December 31st, 2018 and is mainly attributable to the dividend to be paid by Mapei Spa to the Holding company.

Due to tax offices

These payables amount Euro 25,832,985 as at December 31st, 2018 (Euro 29,554,577 as at December 31st, 2017) and fully reflecting the current tax liabilities of the Group, to be paid within one year.

Social security contributions

This item amounts 14,130,523 as at December 31st, 2018 (Euro 13,813,268 as at December 31st, 2017) and are all payable within one year.

Other payables

These payables amount Euro 125,242,604 as at December 31st, 2018 (Euro 82,174,700 as at December 31st, 2017). This item is mainly composed by payables to the football club of US Sassuolo Calcio Srl (Euro 62,643,592) for the residual instalments on the purchase of Football Players' registration rights.

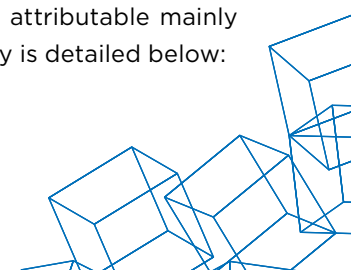
The breakdown by category is detailed below:

	12.31.2018	12.31.2017	DIFFERENCE
Payables to insurance companies	236,229	270,530	(34,301)
Payables to employees	49,836,316	45,507,268	4,329,048
Other payables	75,170,059	36,396,902	38,773,157
<i>of which for U.S Sassuolo Calcio Srl</i>	<i>62,643,592</i>	<i>35,398,533</i>	<i>27,245,059</i>
TOTAL	125,242,604	82,174,700	43,067,904

The increase relates primarily to US Sassuolo Calcio Srl, as a result of an increase in payables to football club, and to Mapei spa for payables to former shareholders of the companies Tecnopoli de Sistemas SL and Fili e Forme Srl for acquisition.

ACCRUALS AND PRE-PAYMENTS

This item amounts to Euro 22,181,311 as at December 31st, 2018 (Euro 17,392,736 as at December 31st, 2017) and is mainly composed by deferred income of the company U.S. Sassuolo Calcio Srl for television and advertising revenue attributable to the following year and insurance costs attributable mainly to Mapei Corp. The breakdown by category is detailed below:



	12.31.2018	12.31.2017	DIFFERENCE
Rents	761,297	1,615,517	(854,220)
Interests	812,595	325,573	487,022
Insurance	3,589,379	2,434,348	1,155,031
Leasing	142,238	158,321	(16,083)
Not capitalized grants	1,219,469	1,009,699	209,770
Other	15,656,333	11,849,278	3,807,055
<i>of which for U.S. Sassuolo Calcio Srl</i>	<i>14,473,724</i>	<i>11,086,212</i>	<i>3,387,512</i>
TOTAL	22,181,311	17,392,736	4,788,575

FINANCIAL EXPENSES BOOKED TO ASSETS IN THE BALANCE SHEET

No significant amounts for financial expenses are booked to assets on the Balance Sheet.

OTHER OBLIGATIONS NOT RECORDED IN THE BALANCE SHEET

There are no obligations not recorded in the statement of assets and liabilities.

NOTES TO THE PROFIT AND LOSS STATEMENT

VALUE OF PRODUCTION

Net Sales

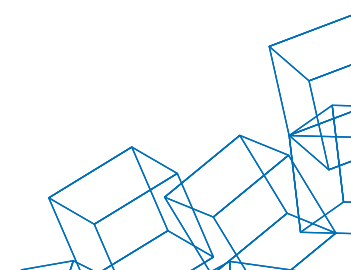
In 2018, our Group generated an aggregate turnover of Euro 3,033,269,116, compared to Euro 2,858,569,177 in 2017. Intercompany transactions totalled Euro 491,271,691, compared to Euro 452,556,596 in the previous year. The result is a consolidated Group turnover of Euro 2,541,997,425 in 2018, compared to Euro 2,406,012,581 in 2017, with an increase of Euro 135,984,844, equal to 5.7%.

The companies that contributed to the increase in consolidated turnover were Gruppo Polyglass, Mapei Corp, Mapei Spa, Mapei Kft, Gruppo Sopro, Vinavil Spa, Mapei Polska Spzoo, Mapei Australia Pty Ltd, Mapei Construction Materials Ltd (Guangzhou), Mapei Uk Ltd, Mapei As, Mapei Construction Products India Ltd, Gorca Cement Spzoo, Mapei Inc, Mapei GmbH (D) and Mapei Romania Srl.

The increase was also affected by the result of inclusion of Tecnopol de Sistemas SL, Fili e Forme Srl and Mapei Egypt for Construction Chemicals Sae in the scope of consolidation for the first time.

The Group consolidated turnover by geographical area is the following (amounts in millions of Euro):

GEOGRAPHIC AREA	12.31.2018	12.31.2017	%DIFFERENCE	% INCIDENCE 2018	% INCIDENCE 2017
Italy	578.2	545.6	6.0%	22.7%	22.7%
Western Europe	672.6	638.6	5.3%	26.5%	26.5%
Eastern Europe	269.5	241.1	11.8%	10.6%	10.0%
North America	720.7	691.5	4.2%	28.3%	28.8%
Latin America	62.7	62.6	0.1%	2.5%	2.6%
Asia	101.7	96.3	5.7%	4.0%	4.0%
Middle East	45.8	50.2	-8.8%	1.8%	2.1%
Oceania	53.4	48.0	11.2%	2.1%	2.0%
Africa	37.4	32.1	16.5%	1.5%	1.3%
TOTAL	2,542.0	2,406.0	5.7%	100.0%	100.0%



Capitalised costs

This item amounted to Euro 989,724 (Euro 513,283 in 2017), attributable mostly to the Holding Company in relation to the capitalisation of personnel costs for the development of the new ERP system.

Other revenues

These amount to Euro 55,809,970, an increase of Euro 15,273,005 compared to 2017 and are composed mainly of gains on disposal of long-term Football Players' registration rights of US Sassuolo Calcio Srl (Euro 38,312,044), recharging of costs to employees and recognition of tax benefits in relation to investments in R&D activities of Mapei Spa (Euro 8,816,873).

PRODUCTION COSTS

Production costs amount to Euro 2,573,854,762, marking an increase of Euro 227,591,059 compared to 2017, and are broken down as follows:

COSTS:	12.31.2018	12.31.2017	DIFFERENCE
Purchase of raw materials, packaging and supplies	1,314,692,606	1,170,304,497	144,388,109
Purchase of services	478,535,313	448,358,431	30,176,882
Rentals and leasing	38,200,580	37,431,726	768,854
Labour costs	612,887,488	570,764,281	42,123,207
Amortisation, depreciation and doubtful credits provision	107,932,938	88,541,674	19,391,264
Decrease/(Increase) of raw materials, pack., suppl. and merch.	(23,988,466)	(25,166,379)	1,177,913
Sundry risk provisions	(321,282)	10,452,360	(10,773,642)
Other operating costs	45,915,585	45,577,113	338,472
<i>of which for U.S Sassuolo Calcio Srl</i>	<i>5,011,182</i>	<i>3,662,996</i>	<i>1,348,186</i>
TOTAL	2,573,854,762	2,346,263,703	227,591,059

Purchase of raw material, packaging and supplies

The increase in the costs of raw materials, packaging and supplies is essentially due to the increase in turnover, recorded particularly by several companies.

The relative incidence on revenues increased compared with the previous year, due both to the increase in price of several important raw materials and a negative exchange effect that made procurement of these materials more expensive.

Services

Purchase of services refers to industrial services (maintenance, consumption and third-party services), commercial services (transport, fees, advertising and marketing) and general services (consultancy, travel, courses, insurance, postal and telephone charges).

The breakdown by nature is detailed below:

	12.31.2018	12.31.2017	DIFFERENCE
Variable costs	78,295,671	75,636,747	2,658,924
Marketing and advertising	57,815,260	61,072,237	(3,256,977)
Travel and Entertainment	42,896,273	41,734,186	1,162,087
Freight costs	146,575,951	133,478,968	13,096,983
Insurance	10,086,707	9,608,725	477,982
Other industrial and general services	142,865,451	126,827,568	16,037,883
TOTAL	478,535,313	448,358,431	30,176,882

The increase in freight costs is mainly due to the increase in turnover and the higher cost of oil. The companies that recorded a significant increase in this item are Mapei Corp, Gruppo Polyglass, Gorka Cement Spzoo, Vinavil Spa and Mapei Australia Pty Ltd.

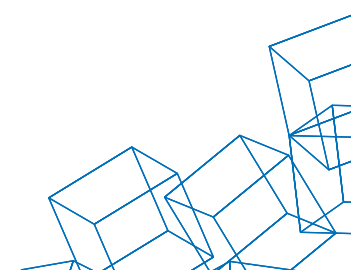
The increase in Other industrial and general services is partly attributable to US Sassuolo Calcio Srl for fees paid to football agents and to Mapei Spa for consulting services.

Labour costs

Labour costs in 2018 amount to Euro 612,887,488, marking an increase of Euro 42,123,207 compared to 2017, due primarily to the increases in personnel.

The highest increases relate to:

	12.31.2018	12.31.2017	DIFFERENCE
Mapei Corp	101,403,273	90,183,586	11,219,687
Mapei Spa	117,814,860	111,722,648	6,092,212
Polyglass Group	45,416,997	40,800,412	4,616,585
Sopro Group	42,352,947	39,577,221	2,775,726
Mapei Polska Spzoo	10,477,301	9,369,333	1,107,968
Others	295,422,110	279,111,081	16,311,029
TOTAL	612,887,488	570,764,281	42,123,207



The headcount by geographical area is the following:

GEOGRAPHICAL AREA	12.31.2018			12.31.2017		
	Blue-collars	White-collars	Total	Blue-collars	White-collars	Total
Italy	913	1,442	2,355	889	1,388	2,277
Western Europe	659	1,512	2,171	628	1,469	2,097
Eastern Europe	474	1,180	1,654	405	1,124	1,529
North America	1,358	907	2,265	1,086	914	2,000
Latin America	167	529	696	140	437	577
Asia	203	459	662	184	437	621
Middle East	26	122	148	25	102	127
Oceania	9	99	108	14	91	105
Africa	123	95	218	109	74	183
TOTAL	3,932	6,345	10,277	3,480	6,036	9,516

Amortisation and depreciation

Amortisation of intangible assets increased compared with the previous year, mainly due to higher amortisation of football players' registration rights of U.S. Sassuolo Calcio Srl for Euro 7,422,364 million.

The increase in this item was also partly the result of amortisation of the value of higher goodwill recorded in the year.

Depreciation of tangible assets increased compared to previous years, as a result of the investments made.

Provision for doubtful credits

This item includes the allocation to the provision for doubtful debts and to the provision for slow moving inventory and is composed mainly by the balances of Mapei Spa (Euro 4,318,101), Mapei Polska Spzoo (Euro 898,039), Mapei Australia Pty Ltd (Euro 861,801) and Mapei Doha Llc (Euro 814,516).

Sundry risks provisions

This item amount to Euro 321,282 (negative balance of Euro 10,452,360 at 31 December 2017). The increase compared to the previous year is the result of lower provisions by several of our subsidiaries.

Other operating costs

Other operating costs break down as follows:

	12.31.2018	12.31.2017	DIFFERENCE
Associations	3,639,258	3,415,396	223,862
Property taxes and rates	5,992,150	5,164,091	828,059
Other taxes and duties	5,207,057	5,180,614	26,443
Losses on disposal of assets	547,507	509,464	38,043
Consultancy on products	3,350,022	2,912,187	437,835
Gratuities and donations	3,725,260	3,686,241	39,019
Other operating costs	23,454,331	24,709,120	-1,254,789
TOTAL	45,915,585	45,577,113	338,472

FINANCIAL INCOME AND EXPENSES

Other financial income

The financial income of point (C16) of the Income Statement amount to Euro 444,795 (Euro 561,253 in 2017) and is mainly attributable to Gruppo Polyglass (Euro 107,024), Mapei de Mexico Sa de Cv (Euro 72,457) and US Sassuolo Calcio Srl (Euro 50,054).

This financial income refers to interest income on the Cash on hand and banks of companies in the Group.

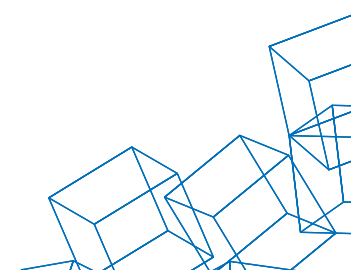
Interest paid and other financial charges

Interest paid, and other financial charges detailed in point (C17) of the Income Statement amount to Euro 11,532,854 (Euro 8,929,210 in 2017) and are mainly attributable to Mapei Spa (Euro 3,422,420), Vinavil Egypt for Chemicals Sae (Euro 2,011,822) and Mapei Construction Chemicals Llc (Euro 1,915,932), in relation to interest charges on bank loans and current accounts.

Gains and losses on exchange rates

The negative balance of exchange rate amounts to around Euro 272,866 and improved compared to 2017 (negative balance of Euro 9,872,264).

2018 was characterised by revaluation of the Euro against the other major currencies. The negative effect recorded by several companies, particularly Mapei Suisse Sa, Mapei As and Mapei Yapi Kimyasallari Ins. San. Ve Tic. As, was offset by the positive effect recorded by Mapei Spa.



INCOME AND ANTICIPATED (DEFERRED) TAX

This item amount to Euro 26,820,268 in 2018 (Euro 36,190,739 in 2017), of which Euro 24,794,526 for income tax provision, Euro 2,250,539 for taxes of previous years and Euro 224,797 for prepaid taxes.

The item in question mainly attributable to taxes of US Sassuolo Calcio Srl (Euro 5,233,435), Mapei Suisse Sa (Euro 4,372,427), Sopro Group (Euro 4,294,897) and Mapei spa (Euro 4,120,448). For further details, refer to annex 3 of these Notes.

RELATIONS WITH RELATED PARTIES

There were no significant transactions with related parties.

INFORMATION ON PUBLIC GRANTS

Starting from 2018 fiscal year, Law no. 124 of 4 August 2017 introduced several transparency obligations for entities that receive “grants, remunerated assignments or any financial benefits” from public administrations and equivalent institutions with recorded financial relations.

Considering that, doubts have been raised over the interpretation and application of this law and some have not been solved yet, the Group performed the necessary study and, based on the most recent guidelines, has concluded that it has not obliged to refer on the following:

- payment received for public works, services and supplies;
- remunerated assignments referred to the company own business;
- general measures applicable by all enterprises in relation of what established by the State (such as: the ACE);
- selective economic advantage, received in application of an aid scheme, accessible to all enterprises that satisfy certain conditions, based on pre-established general criteria (such as: grants on research and development projects and tax relief);
- public resources referable to public entities of other States (European or non-European) and to European institutions;
- grants for training program received from inter-professional funds (such as: Fondimpresa and Fondirigenti), since they are company established like Association and legal nature of a private entity, which are financed with contributions paid by the enterprises themselves.

As a consequence, for Mapei Spa and its Italian subsidiaries, it will be reported only information related to ad hoc public aid, so not granted on the basis of a general regime:

PAYMENT /USE DATE	AMOUNT PAID/USED	PROVIDER/ GRANTER	REASON
2018	Euro 193,000	GME (Gestore dei Mercati Energetici S.p.a)	Sale of "White Certificates" as a result of improved energy efficiency

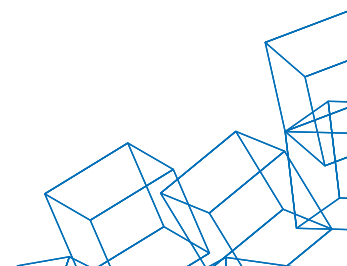
SIGNIFICANT EVENTS SUBSEQUENT TO THE CLOSE OF THE FINANCIAL YEAR

No significant events occurred after the end of the year with effects that could require changes or additional comments with respect to our Group's economic, equity and financial position as at 31 December 2018.

EMOLUMENTS TO THE DIRECTORS AND TO THE STATUTORY AUDITORS OF THE HOLDING COMPANY:

Managing Director: Euro 1,000,000
 Statutory Auditors: Euro 109,200
 Audit company for statutory and consolidated financial statements year end fee: Euro 215,049.

Managing Director
Giorgio Squinzi



ANNEX 1

DEVELOPMENT OF NET EQUITY OF MAPEI GROUP

	NET PROFIT	NET EQUITY
AS PER MAPEI SPA'S FINANCIAL STATEMENTS	46,140,014	464,143,769
Increase in net profit and net worth arising from consolidation	41,989,279	494,138,776
CONSOLIDATION ADJUSTMENTS:		
Dividends from consolidated investments	-76,610,379	0
Amortisation of Goodwill	-9,186,616	-115,253,110
Devaluation of consolidated investments	24,441,646	25,590,047
Fiscal adjustments	0	0
Adjustments due to the Group accounting principles	-2,735,175	-264,272
Elimination of intercompany extraordinary gain	-6,600	-1,309,887
Deferred taxation	336,473	-2,883,109
Translation Reserve	0	-28,579,087
GROUP	24,368,642	835,583,127
Minority Interest	67,035	167,250
AS PER MAPEI GROUP FINANCIAL STATEMENTS (TOTAL)	24,435,677	835,750,377

ANNEX 2

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY - 2016-2017-2018

2016 CHANGES	As at December 31, 2015	2015 Net Profit: Brought Forward	2015 Net Profit: Dividends	Translation of the Financial Statements	Change of inventories valorization	Other changes	2016 Net Profit	As at December 31, 2016
I Share Capital	50,560,000					49,440,000		100,000,000
III Revaluation Reserve	78,687,539					(25,000,000)		53,687,539
IV Legal Reserve	10,112,000							10,112,000
VI Other Reserves	21,707,900	4,828,389						26,536,289
Translation Reserve	8,900,183			292,272				9,192,455
Consolidation Reserve	1,493,976					(295,086)		1,198,890
VII Reserve for cash flow hedge	(812,091)					95,736		(716,355)
VIII Profit Brought Forward	510,679,829	40,736,554	(100,000)			(48,455,113)		502,861,270
IX Group Net Profit	45,564,943	(45,564,943)					88,217,386	88,217,386
X Own shares negative reserve	(51,515,113)					51,515,113		0
Group Net Equity	675,379,166	0	(100,000)	292,272	27,300,650	27,300,650	88,217,386	791,089,474
Minority Interest Capital and Reserve	683,778	(353,208)		(64,022)		0		266,548
Minority Interest Net Profit	(353,208)	353,208					40,661	40,661
TOTAL NET EQUITY	675,709,736	0	(100,000)	228,250	27,300,650	27,300,650	88,258,047	791,396,683

2017 CHANGES	As at December 31, 2016	2016 Net Profit: Brought Forward	2016 Net Profit: Dividends	Translation of the Financial Statements	Change of inventories valorization	Other changes	2017 Net Profit	As at December 31, 2017
I Share Capital	100,000,000							100,000,000
III Revaluation Reserve	53,687,539							53,687,539
IV Legal Reserve	10,112,000	9,888,000						20,000,000
VI Other Reserves	26,536,289					(15,607,420)		10,928,869
Translation Reserve	9,192,455			(37,215,562)				(28,023,107)
Consolidation Reserve	1,198,890							1,198,890
VII Reserve for cash flow hedge	(716,355)					272,328		(444,027)
VIII Profit Brought Forward	502,861,270	78,329,386	(6,400,000)		311,548	15,471,963		590,574,167
IX Group Net Profit	88,217,386	(88,217,386)					67,231,747	67,231,747
X Own shares negative reserve	0							0
Group Net Equity	791,089,474	0	(6,400,000)	(37,215,562)	311,548	136,871	67,231,747	815,154,078
Minority Interest Capital and Reserve	266,548	40,661		(141,692)		0		165,517
Minority Interest Net Profit	40,661	(40,661)					73,737	73,737
Total Net Equity	791,396,683	0	(6,400,000)	(37,357,254)	311,548	136,871	67,305,484	815,393,332

2018 CHANGES	As at December 31, 2017	2017 Net Profit: Brought Forward	2017 Net Profit: Dividends	Translation of the Financial Statements	Change of inventories valorization	Other changes	2018 Net Profit	As at December 31, 2018
I Share Capital	100,000,000							100,000,000
III Revaluation Reserve	53,687,539	5,856						53,693,395
IV Legal Reserve	20,000,000							20,000,000
VI Other Reserves	10,928,869					(1,011,101)		9,917,768
Translation Reserve	(28,023,107)			(555,980)				(28,579,087)
Consolidation Reserve	1,198,890					12,757		1,211,647
VII Reserve for cash flow hedge	(444,027)					(224,566)		(668,593)
VIII Profit Brought Forward	590,574,167	67,225,891	(3,200,000)		28,196	1,011,101		655,639,355
IX Group Net Profit	67,231,747	(67,231,747)					24,368,642	24,368,642
X Own shares negative reserve	0							0
Group Net Equity	815,154,078	0	(3,200,000)	(555,980)	28,196	(211,809)	24,368,642	835,583,127
Minority Interest Capital and Reserve	165,517	73,737		(139,039)		0		100,215
Minority Interest Net Profit	73,737	(73,737)					67,035	67,035
Total Net Equity	815,393,332	0	(3,200,000)	(695,019)	28,196	(211,809)	24,435,677	835,750,377

ANNEX 3

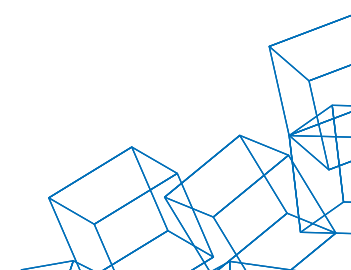
DEFERRED TAX ASSETS AND LIABILITIES

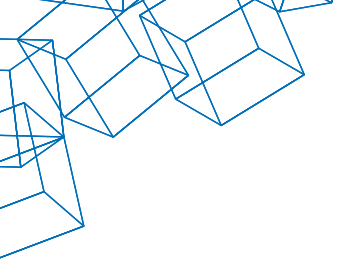
	2018			2017		
	Amount of timing differences	Tax Rate	Tax Effect	Amount of timing differences	Tax Rate	Tax Effect
DEFERRED TAX ASSETS:						
Cost deductible in more fiscal years	1,457,473	25,4%	370,619	1,289,974	25,7%	331,426
Differences in provisions	32,161,927	27,4%	8,815,065	35,684,764	26,1%	9,295,892
Differences in depreciations	17,879,455	24,5%	4,381,837	4,826,662	27,6%	1,330,820
Tax losses carried forward	42,790,162	23,9%	10,241,113	36,469,922	23,8%	8,681,863
Unrealised losses on exchange rates	2,675,750	25,3%	677,707	9,474,462	23,8%	2,252,937
Deferred tax assets based on tax credit	299,684	20,9%	62,715	308,298	19,7%	60,711
Others	4,912,842	24,2%	1,191,310	18,250,198	24,9%	4,547,721
TOTAL	102,177,293		25,740,366	106,304,280		26,501,370
DEFERRED TAX LIABILITIES:						
Tax effect on anticipated depreciations	26,526,247	24,7%	6,541,399	24,948,536	23,6%	5,887,778
Tax effect on leasing reclassification	5,241,113	30,3%	1,588,759	4,275,267	29,1%	1,242,038
Unrealised gains on exchange rates	969,469	23,8%	231,020	2,506,335	23,8%	597,400
Others	21,573,215	21,7%	4,691,587	15,965,598	29,7%	4,743,438
TOTAL	54,310,044		13,052,765	47,695,736		12,470,654
DEFERRED TAX LIABILITIES (ASSETS) NET			12,687,601			14,030,717

ANNEX 4

SALES, RECEIVABLES AND PAYABLES ANALYSIS BY GEOGRAPHIC AREA AS PER 12.31.2018

	CONSOLIDATED TURNOVER	CONSOLIDATED TRADE RECEIVABLES	OTHER RECEIVABLES	TRADE PAYABLES	OTHER PAYABLES
Italy	578,194,480	240,624,375	101,710,404	163,812,718	111,526,062
Western Europe	672,591,742	93,349,117	8,632,866	54,225,864	29,076,181
Eastern Europe	269,500,166	43,937,106	5,267,076	14,425,576	9,575,852
North America	720,764,693	79,533,068	10,156,022	31,572,334	7,953,352
Latin America	62,638,806	16,335,388	6,161,903	7,578,785	3,192,703
Middle East	45,800,238	19,983,546	407,682	5,894,321	1,137,157
Asia	101,702,101	22,028,861	1,313,026	13,036,056	5,678,453
Oceania	53,396,094	12,687,360	1,015,545	2,546,467	2,129,913
Africa	37,409,105	8,058,017	1,802,305	570,143	1,820,599
TOTAL	2,541,997,425	536,536,838	136,466,829	293,662,264	172,090,272







EY S.p.A.
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20123 Milano

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Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010 (Translation from the original Italian text)

To the Sole Shareholders of
Mapei S.p.A.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Mapei Group (the Group), which comprise the balance sheet as at December 31st, 2018, the income statement and consolidated statement of cash flows for the year then ended, and explanatory notes.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at December 31st, 2018, and of its financial performance and its cash flows for the year then ended in accordance with the Italian regulations governing financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Mapei S.p.A. in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the sole director and Those Charged with Governance for the Consolidated Financial Statements

The sole director is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with the Italian regulations governing financial statements, and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The sole director is responsible for assessing the Group's ability to continue as a going concern and, when preparing the consolidated financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The sole director prepares the consolidated financial statements on a going concern basis unless they either intend to liquidate the Mapei S.p.A. or to cease operations, or have no realistic alternative but to do so.

The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the Group's financial reporting process.

EY S.p.A.
Sede Legale: Via Po, 32 - 00198 Roma
Capitale Sociale Euro 2.525.000,00 i.v.
Iscritta alla S.O. del Registro delle Imprese presso la C.C.I.A.A. di Roma
Codice fiscale e numero di iscrizione 00434000584 - numero R.E.A. 250904
P.IVA 00891231003
Iscritta al Registro Revisori Legali al n. 70945 Pubblicato sulla G.U. Suppl. 13 - IV Serie Speciale del 17/2/1998
Iscritta all'Albo Speciale delle società di revisione
Consob al progressivo n. 2 delibera n.10831 del 16/7/1997

A member firm of Ernst & Young Global Limited



Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the sole director;
- we have concluded on the appropriateness of sole director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to consider this matter in forming our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- we have evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- we have obtained sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We have communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Report on compliance with other legal and regulatory requirements

Opinion pursuant to article 14, paragraph 2, subparagraph e), of Legislative Decree n. 39 dated 27 January 2010

The sole director of Mapei S.p.A. are responsible for the preparation of the Report on Operations of Mapei Group as at December 31st, 2018, including its consistency with the related consolidated financial statements and its compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to express an opinion on the consistency of the Report on Operations, with the consolidated financial statements of Mapei Group as at December 31st, 2018 and on its compliance with the applicable laws and regulations, and in order to assess whether it contains material misstatements.

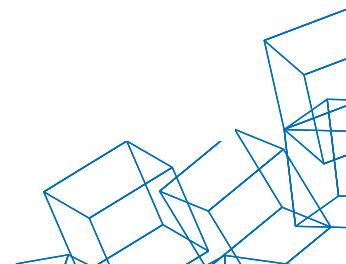
In our opinion, the Report on Operations is consistent with the consolidated financial statements of Mapei Group as at December 31st, 2018 and comply with the applicable laws and regulations.

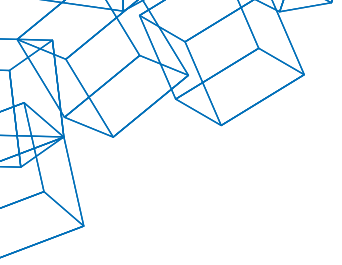
With reference to the statement required by art. 14, paragraph 2, subparagraph e), of Legislative Decree n. 39, dated 27 January 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Milano, June 17th, 2019

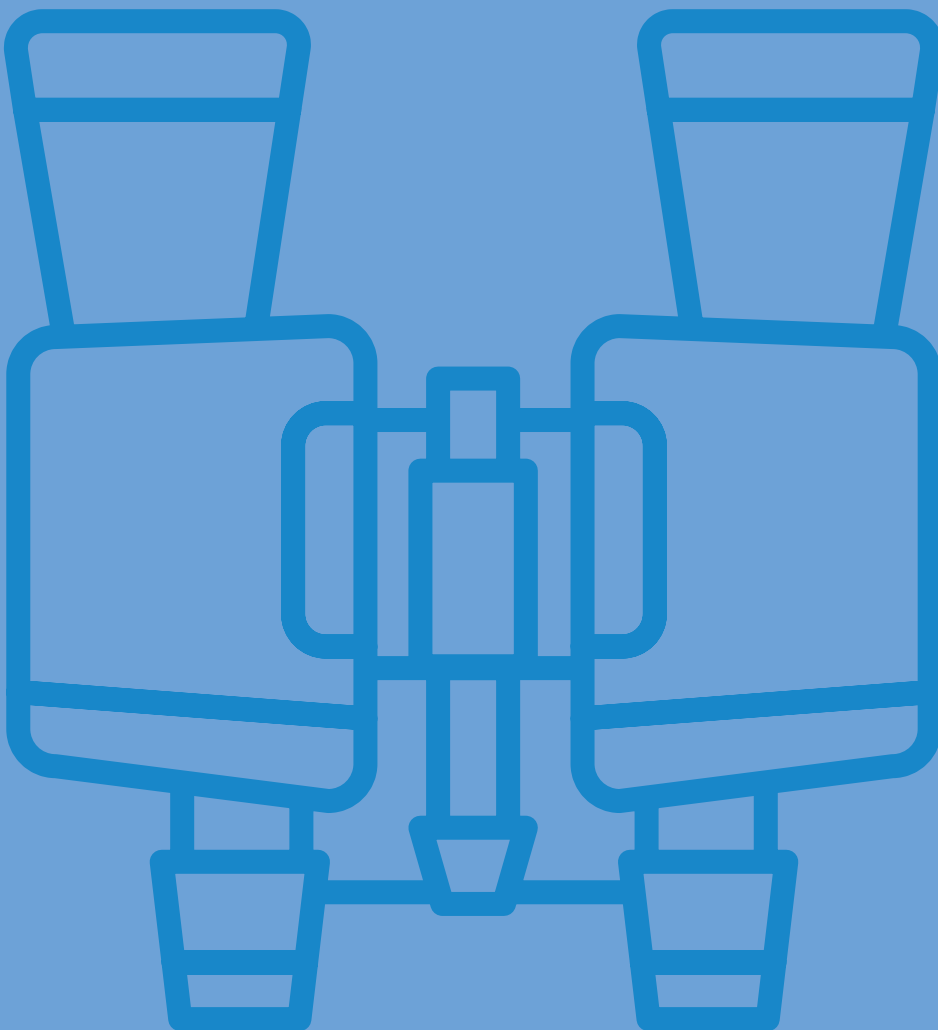
EY S.p.A.
Signed by: Renato Macchi, partner

This report has been translated into the English language solely for the convenience of international readers.





MAJOR PROJECTS 2018





ITALIA | Camerino (Macerata)

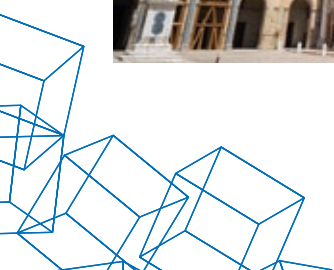
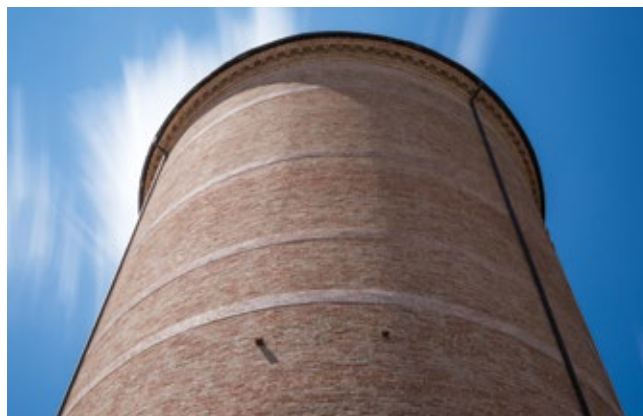
SANTA MARIA ANNUNZIATA CATHEDRAL



ITALY

Camerino (Macerata)

What a charming place! The centre of Camerino is, after all, famous for having kept its layout dating back to medieval times practically intact over the years. The disastrous earthquake that struck the cathedral severely damaged the apse but, thanks to the surveys carried out by a team of experts from Mapei, it was made safe again by applying carbon fibre wrapping and covering them with a layer of fine-textured mortar before completing the final renovation work.



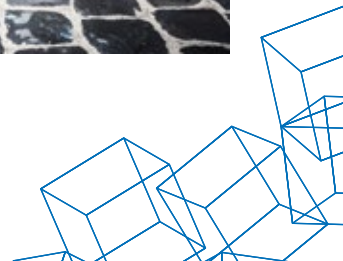


SPOLETO MARKET SQUARE



ITALY
Spoleto (Perugia)

For more than two thousand years this has been the most important place in the city: we are in Market Square in Spoleto. Just think: they had been trying to find a way to redevelop the Square since the 1960's but it was only in 2018 that a solution was finally found. And you can see with your own eyes the beauty and robustness of this new surface: these are the Mapei systems for architectural stone road pavings!



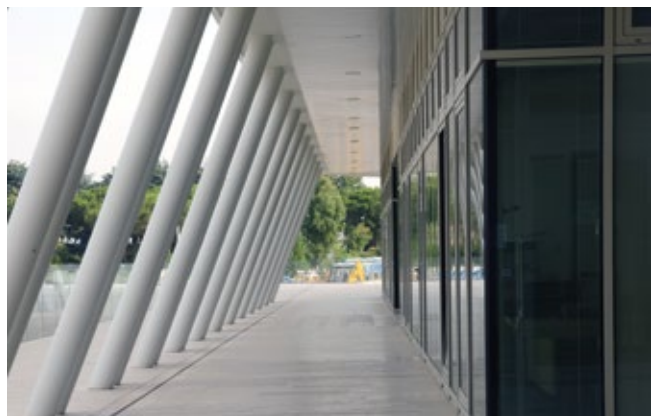
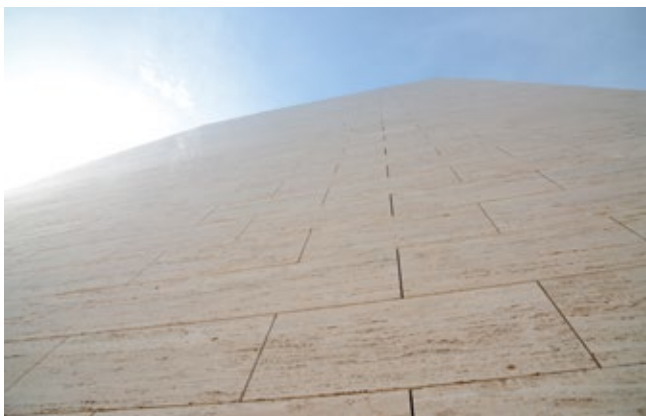


TOR VERGATA UNIVERSITY OF ROME



ITALY
Rome

“Exercising our free will; that is true happiness” are the words of Aristotle evoked by the wonderful, luminous marble coatings adorning the external walls of the Tor Vergata University of Rome. And now it has been further enhanced by adding three new trapezoidal-shaped buildings that knit together the empty spaces between the faculty, the Polyclinic and the university residential blocks. Mapei’s cementitious ultra-white powder was chosen to install the marble.



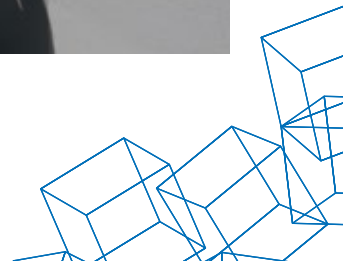
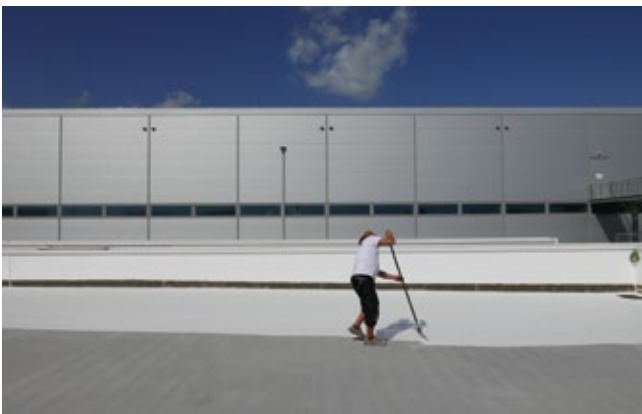


PHILIP MORRIS INTERNATIONAL PLANT



ITALY
Crespellano (Bologna)

The big names go for innovation: Philip Morris Manufacturing & Technology's new Italian facility has a large car-park available for its employees and visitors with a perfectly watertight, impermeable roof suitable for vehicles. The choice was for a pure polyurea-based membrane and the experience of a team of roofing experts from Mapei.





OTTAVIO BOTTECCHIA VELODROME- STADIUM



ITALY
Pordenone

We at Mapei often say: “Never stop pedalling”, whatever the conditions and no matter how hard things get. For the historic “Ottavio Bottecchia” velodrome in Pordenone, in Italy, the condition of the track was at risk of ruining the reputation of the structure, considered to be one of the ten best open-air velodromes in the world. For this particular intervention, Mapei products were chosen to restore and upgrade the surface of the track by applying a multi-layered, acrylic resin-based system.



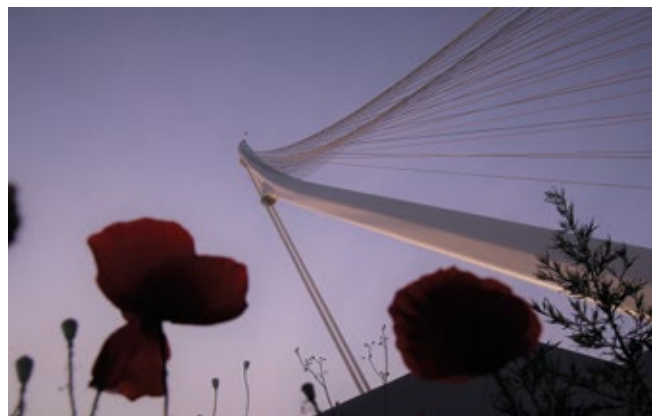


SAN FRANCESCO DI PAOLA BRIDGE



ITALY
Cosenza

Like a modern harp playing the sweet notes of technology and innovation: that is just one way of describing the San Francesco di Paola suspension bridge in Cosenza, designed by the architect Santiago Calatrava. The best Mapei solutions available took to the field for the tallest cable-stayed bridge in Europe, including super-plasticising admixtures and anchoring mortars and mortars to construct, skim and finish load-bearing structures.



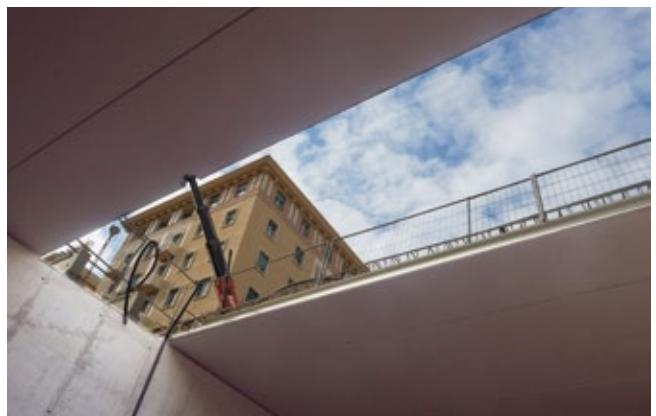


BISAGNO CREEK SIDES



ITALY
Genoa

Cities such as Genoa have learned through past experience how important it is to keep waterways safe: which is why along this particular creek, following the widening of the river, Mapei sacrificial anodes were installed in direct contact with the steel reinforcement to protect the concrete abutments and longitudinal dividing walls from the aggressive saltwater.



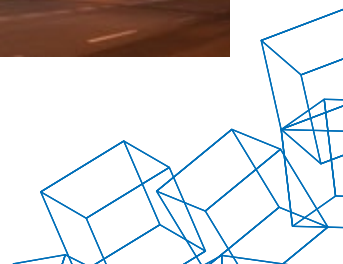


FORMER ZEDDA PIRAS DISTILLERY



ITALY
Cagliari

To destabilise parallel lines and create new perspectives: choices borne out of passion, but ones that require so many allies, such as excellent materials. For the redevelopment work on the former Zedda Piras Distillery in Cagliari, Italy, Mapei high-performance, lightweight cementitious adhesives were chosen to install large-format compact slabs. The result? A new, mixed residential and commercial hub which left everybody looking upwards for a very long time.



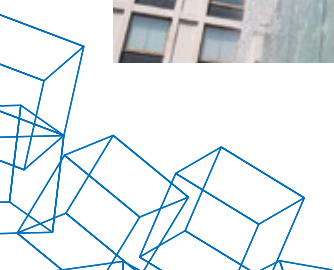


APPLE STORE



ITALY
Milan

Think different. Eat that apple. Welcome to the kingdom of high-tech, welcome to the Milan Apple store. At the base of this grand structure there is the work required to create more than 4,000 horizontal and vertical chemical anchors using MAPEFIX. The KERAQUICK range features on the imposing stairway coated with slabs of granite. The foundation slab was built and waterproofed using solutions from Mapei, Polyglass and Vaga and inside the store there is a striking cementitious floor. And to round it all off, Mapei was chosen to install the tiles and seal the joints.



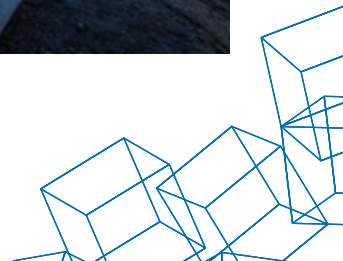


UREDD REST AREA



NORWAY
Helgelandskysten

I have not even reached my destination yet, but I have already fallen in love with the views and incredible Nature in Norway! After hours of travelling, I am taking a break in a rest area along Helgelandskysten, one of the country's national tourist routes. Only the best solutions have been chosen for Uredd Rest Area, including Mapei admixtures, the very best when it comes to durability and reliability, even in extreme climates and situations like these! Sorry, but I just have to photograph everything!





ZEELAND BRIDGE



THE NETHERLANDS

What poetry: the Zeeland Bridge in the Netherlands, the longest in Europe. As everyone knows, to keep structures like this in good condition, you have to pay extra attention to regular maintenance when in service. Static safety, preservation, resistance to aggressive climatic conditions and constant contact with water: this is the winning combination provided by the Mapei systems supplied for this site, with a dedicated line of products for restoring and protecting bridges and viaducts.



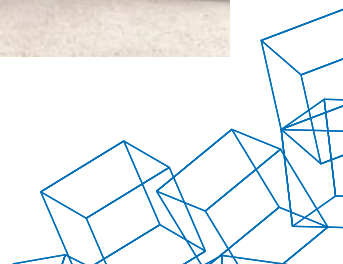


BRAÇO DE PRATA PROJECT



PORTUGAL
Lisboa

The leading lights in architecture have no boundaries when expressing their visions. And this is how simple design ideas – such as a view of a river or buildings equipped with every type of comfort – are often the inspiration behind innovative lines and forms – such as the house designed by Renzo Piano that seems to be “split in two” to draw in the intense blue of the water and the more delicate sugar-paper blue of the sky and extend them onto dry land. For this creation art has chosen technology: waterproofing systems and external thermal insulation by Mapei.



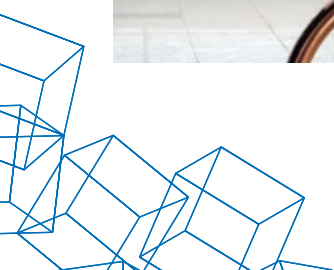


MOSCOW- DOMODEDOVO AIRPORT



RUSSIA
Domodedovo

For volume of passengers, we are in the second busiest airport in the Russian Federation. 7 floors, 2 of which are below ground level. It's a delight for international travellers. And to withstand the passage (and weight!) of so many people, large granite slabs were installed in the busiest areas using Mapei high-performance cementitious adhesives.





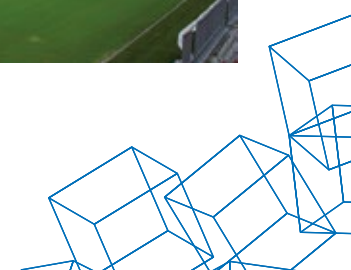
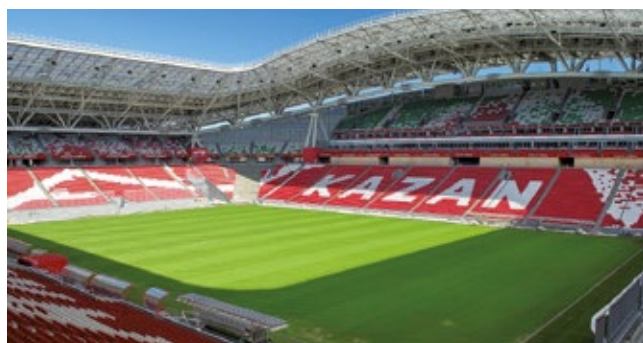
STADIUMS HOSTING THE 2018 FIFA WORLD CUP

Ekaterinburg Arena, Kazan Arena,
Luzniki Stadium, Mordovia Stadium,
Nizhny Arena, Rostov Arena, Samara Arena,
St. Petersburg Stadium



RUSSIA

Do you know what is really needed for a stadium? To be safe and to host matches that make you dream. Just think about the stadiums in Russia that hosted the 2018 FIFA World Cup, think about the construction work and the restoration and upgrading work that was carried out in those temperatures on structures designed to hold so many people. Mapei was there in 8 of the 12 stadiums used for Russia 2018 with their own-brand solutions to help prepare, restore and waterproof concrete and to install ceramic...and much more besides. Solutions created to accompany the fans on their journey towards their dream. Mapei, for the winning goal...





MILWAUKEE BUCKS ARENA



USA
Milwaukee

From a stadium in ruins to a futuristic, visionary space: this NBA arena in Wisconsin was demolished and then remodelled to fulfil the needs of the modern era. Fibre Wi-Fi connectivity, modern design and futuristic cutting-edge details. And, to cap it all, the floors in this new arena have all the rights to be classed as “5 star”: the “People’s Choice Award” from the American tile manufacturers association NTCA earned it the title of project of the year! Waterproofing, tile laying and grouting: a world of quality for a floor of the highest order!



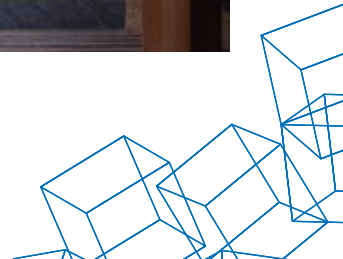


PARK LANE



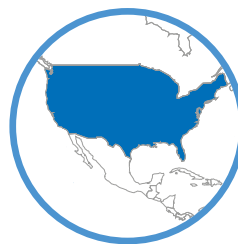
USA
Park Lane

Façades exposed to the beating tropical sun, bathrooms with a view of the Pacific Ocean and pathways in materials with a warm sensation, such as wood and resilients, to accompany the inhabitants of this residential area down to the sea. A long-standing favourite destination for tourists, surfers, biologists and volcanologists alike, Hawaii is an over-the-top meeting place and this luxury resort certainly didn't wish to be outdone: 217 private residences and a 630 m² penthouse in which 40 of the best Mapei products were used to install ceramic, resilient, rubber and wood flooring and to waterproof surfaces, as well as systems to build the façades.





THE RITZ CARLTON



USA
Miami

A lion's head emerging from an antique crown: the famous Ritz Carlton logo was inspired by the British navy of yesteryear and the world of finance at the beginning of the 1900's. With such a powerful identity and tradition, aesthetics and beauty were a must: the exclusive finishes chosen for more than 15,300 m² of façades along Miami Beach were developed specifically for this project in the Mapei laboratories. But before reaching that stage, a team of experts from Mapei dedicated their time to studying the adverse weather conditions that had damaged the surfaces so badly: humidity, blistering heat, high winds, soluble salts from the nearby sea or carried by sea-spray and the devastating effects of Hurricane Irma in 2017. From the waterproofing of surfaces to renovation of the concrete for the façade, right up to its final decoration.



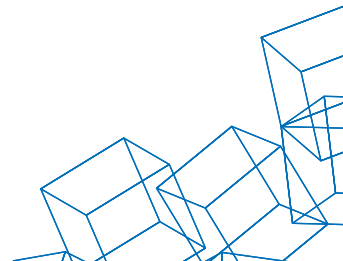


ST. AUGUSTINE'S CHURCH



CANADA
Vancouver

Crumbling, worn and abandoned. The surface of the floor in this Canadian church was crying out for a new lustre and consistency. From the construction techniques of the end of the nineteenth century to contemporary industrial expertise: thanks to Mapei systems for foundations and for installing ceramic tiles and solutions for waterproofing surfaces, a new substrate was created and a new lease of life was given to the sturdy new substrate this place of worship deserved.





MUSEO NACIONAL DE LA MUSICA



CUBA
Havana

The allure of Cuba is reflected in its colours, atmosphere, smiles and.....its music. We are in the Temple of Music, or the National Music Museum of Havana, the home of more than 40 years of Cuban history. To refurbish this structure, the choice went to the finesse and robustness of the Mapei restoration line, a range of Eco-Pozzolan based mortars created and developed to preserve, repair and protect historic and listed buildings.



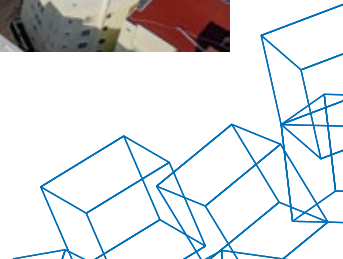
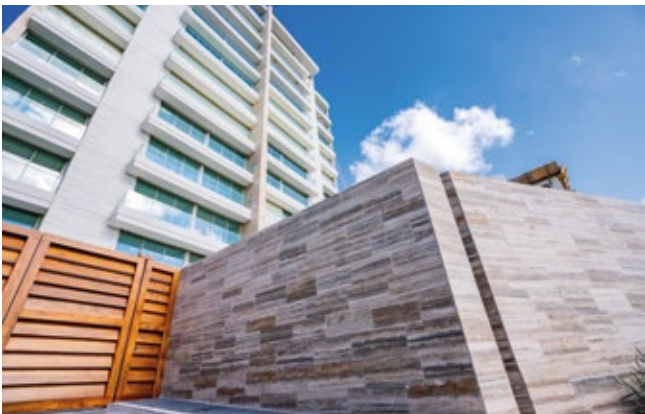


KAANA RESIDENCE



MESSICO
Benito Juarez

Traditions represent what we are but sometimes they provide us with a challenge that needs to be overcome if we are to become what we would like to be. As in the case of the Kaana Residence in Mexico where its proximity to the sea inspired innovative choices, such as the use of the tried-and-tested Mapei cycle for installing large format stone slabs on façades: from waterproofing to grouting, success is always guaranteed!





THE VILLE RESORT CASINO



AUSTRALIA
Townsville

To create an oasis of relaxation, hospitality and fun water features: that was the aim of the refurbishment of the large Ville Casino resort and its hotels, casino, bars, restaurant and numerous swimming pools. Mapei was in charge of guaranteeing that the substrates for the swimming pools and bathrooms were perfectly waterproofed by fielding the ideal products for every need. Mapei waterproofing solutions: the champions of water-tightness.



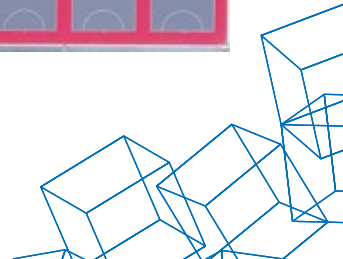


WAVERLEY DISTRICT NETBALL CENTRE



AUSTRALIA
Ashwood (Melbourne)

Red like the stone that forms Ayers Rock, the rocky formation and spiritual heartland of the Aborigines of Australia. Grey like asphalt, the material originally used for the asphalt courts in the centre. 12 the number of netball courts in the Waverley District Netball Centre, in Ashwood, restored and coated with acrylic resin to help improve performance and comfort for the players during matches.



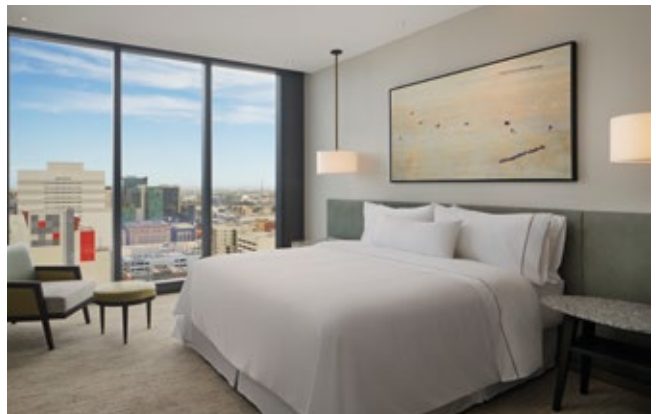


WESTIN HOTEL WA



AUSTRALIA
Perth

While the city is waking up outside, we are inside walking barefoot on warm carpet: the world of hospitality is a marriage of concepts and sensations and is always on the lookout for new combinations and influences from different styles and ways of travelling. Thanks to their versatility, which makes them suitable for different types of carpet, Mapei adhesives were chosen to install the various types of textile floor coverings.



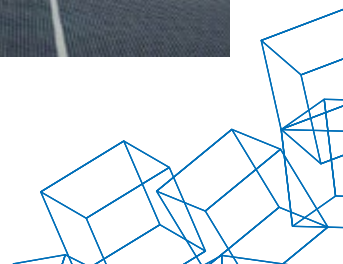
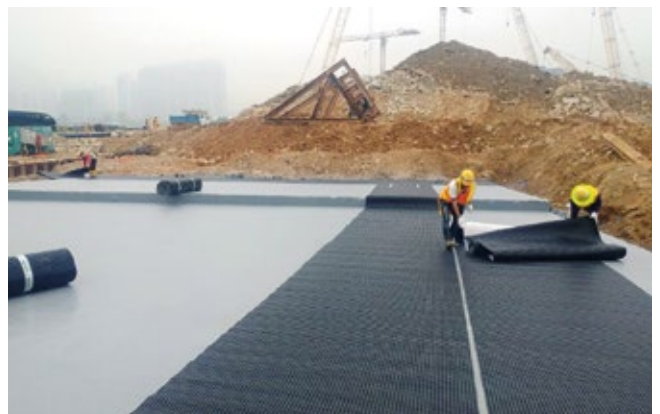
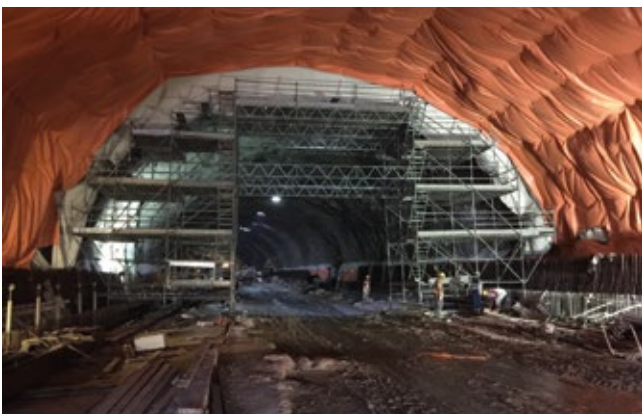


THE TUEN MUN-CHEK LAP KOK LINK (NORTHERN CONNECTION)



CHINA
Hong Kong

Reach the airport in 10 minutes by going under the sea: an investment of 2 billion Euros and deployment of the largest slurry shield TBM in the world to excavate one of the longest and deepest sub-sea tunnels in Hong Kong, reducing transit times to Lantau, the airport and Macao. Numerous technical and environmental challenges had to be overcome during this project but the use of high-performance Mapei products and the quality of the Company's service guaranteed an excellent result.





GAGGENAU FLAGSHIP SHOWROOM & RESTAURANT



CHINA
Chengdu

In the financial district of Chengdu, the economic hub of western China, a number of foreign brands have opened new branches and stores. But there are those who do so in great style: the homeware manufacturer Gaggenau opened a new showroom that is a fusion of German traditions and Asian charm. Wooden floors played their part in the end result, installed using a Mapei system that guarantees durability, a great finish and, thanks to the use of materials with low emission of volatile organic compounds, the sustainability the client was looking for.



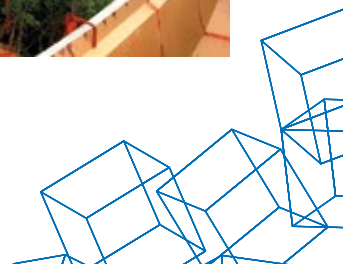


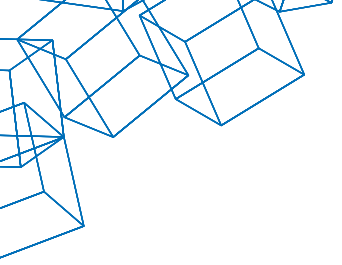
THE GOLDEN BRIDGE

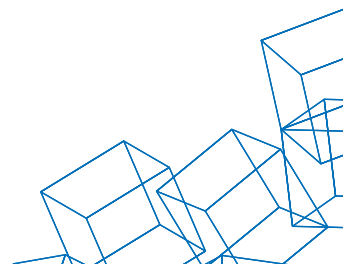


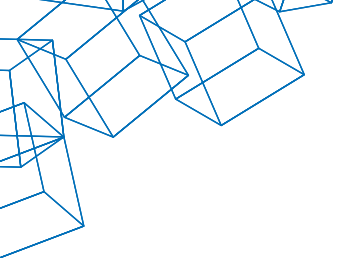
VIETNAM
Da Nang

Walking through the clouds, surrounded by green hills, towards a horizon of the most enchanting colours: the Golden Bridge in the Ba Na Hills appears to us as if it were a divine gift, with two imposing hands that seem to emerge from the mountains to offer us a long golden ribbon. Even CNN, Time Magazine and the Independent were bewitched by this special suspended footbridge, built thanks to technology from the DYNAMON SR line that was able to improve the performance properties of the concrete and reduce the amount of water that had to be transported to mix the concrete, making the logistics task much simpler.









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