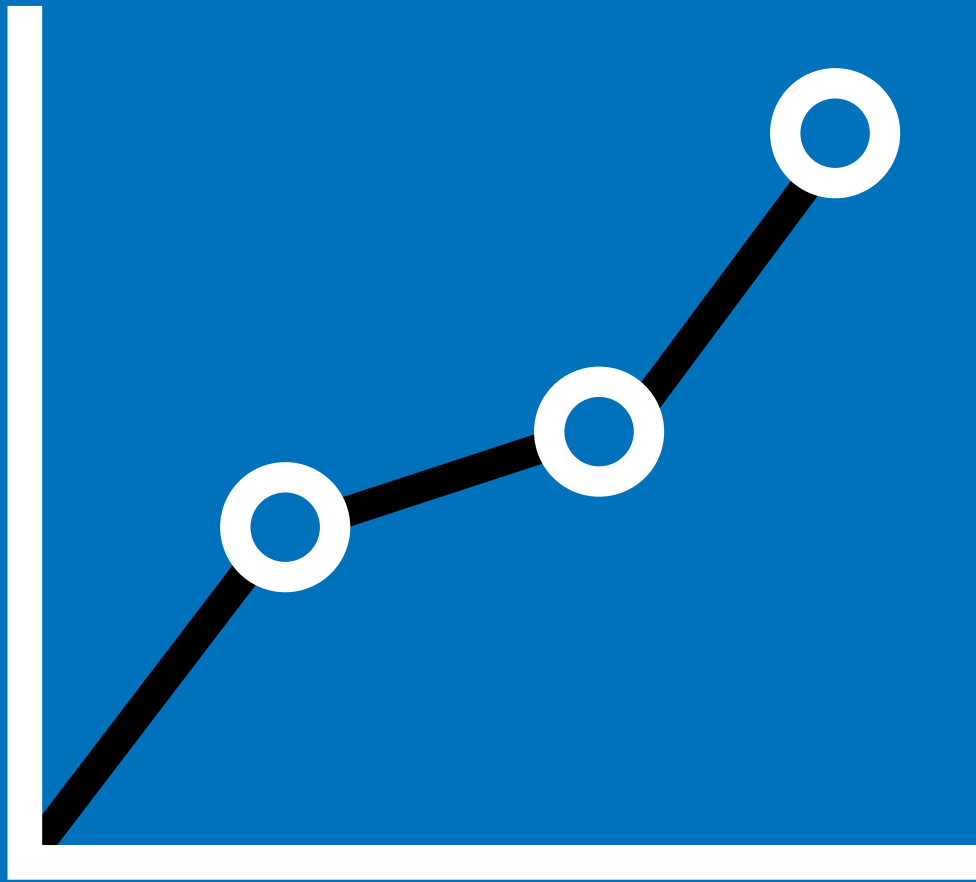


2017
CONSOLIDATED
FINANCIAL
STATEMENTS

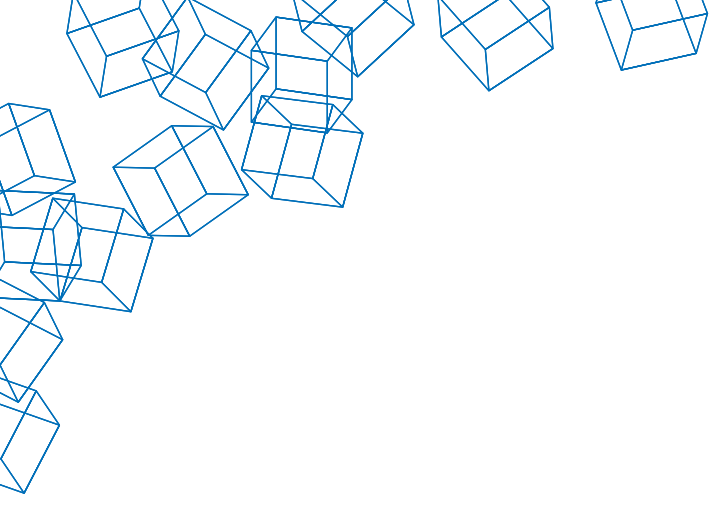


December 31st

2017

**Consolidated Financial
Statements**

80
years
1937-2017



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A letter from the CEO

A 2017 of celebrations and constant growth



Dr. Giorgio Squinzi
CEO

In 2017 Mapei Group celebrated 80 years of history and took another step forward in its process of growth and internationalisation. We reached a target which we are quite rightly proud of, but it also encourages us to keep looking forward.

The year closed on a positive note. The Group registered an annual turnover of 2,406 million Euros, an increase of 5.4% on the previous year, which was already an increase of 4.7% on 2015. The profit margin for 2017 was 67.3 million Euros. We carried on growing in 2017, in spite of the unfavourable trend in exchange rates: in fact, the real growth against stable exchange rates would have been more than 7.5%. This trend influenced the overall results of the Group, which was also hit by the effect of the increased cost of raw materials and their limited availability.

We are an increasingly global Group. Our push towards internationalisation was consolidated in 2017 with new acquisitions in strategic areas where there is a lot of potential to expand our business. We have strengthened our presence in Latin America through the acquisition of a company in Colombia and invested heavily in Egypt, a particularly interesting area with plans to develop its infrastructures.

Internationalisation and research are the driving forces behind our growth. In 2017 we set a new record by exceeding the 100 million Euros mark for annual investments, which enabled us to increase the production capacity of our manufacturing facilities and commission new production lines so that the Company can provide a quicker response to market demands. Operations that involved Mapei's presence all around the world, and in North America in particular.

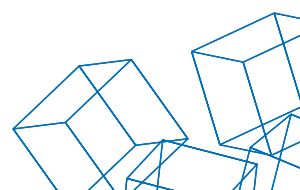
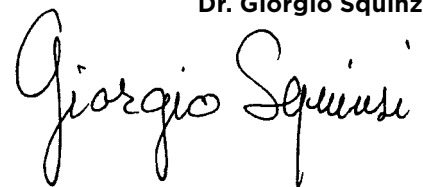
The significant increase in investments in 2017 was not only a response to the increase in demand at an international level; it also included R&D to enable our research centres to remain at the cutting-edge. Our Group focused its forces on particularly innovative projects such as analysis activities, the design and development of new products, the improvement of existing products and the development of highly innovative technology.

Investment in new production plants and research. But that's not all. For Mapei Group, 2017 was another year characterised by the considerable resources we invested into our personnel, the Company's most valuable resource. Compared with the previous year the total workforce increased by 10.2%, which equates to 880 new employees. An increase concentrated mainly in North America, Latin America and Western and Eastern Europe to support the Group's constant growth.

And now a few thoughts for 2018, which also started on a positive note. In the wake of a tradition dating back a long way and which looks to the future, our objective will be to consolidate our process of growth. We will focus on new acquisitions to strengthen Mapei's position on international markets and it could be another year that we have to deal with the effect of exchange rates, as already happened in 2017. But we are used to dealing with the uncertainties of economic cycles and the markets: we are always ready to react.

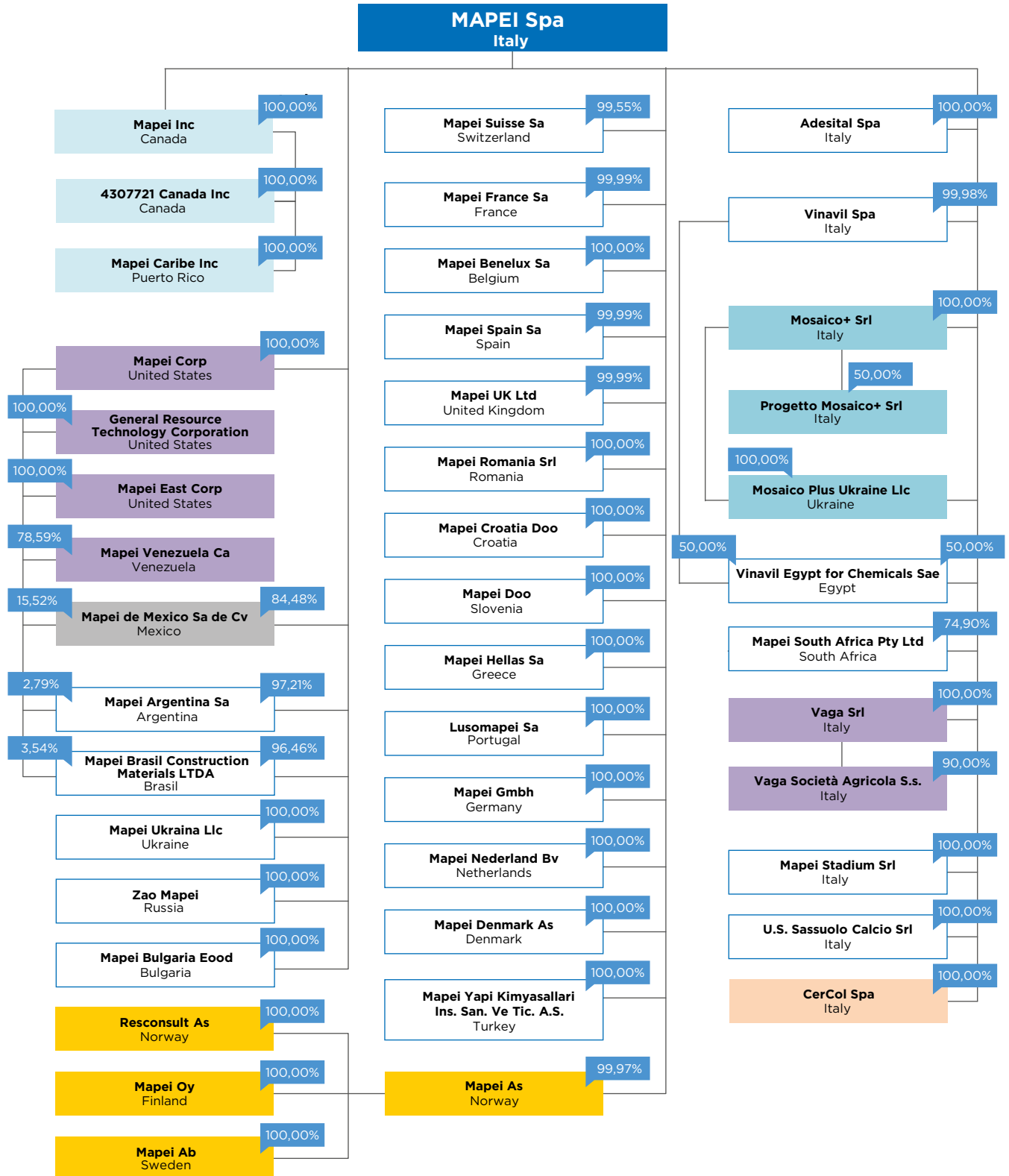
Eighty years of growth is a very important patrimony which three generations have contributed to.

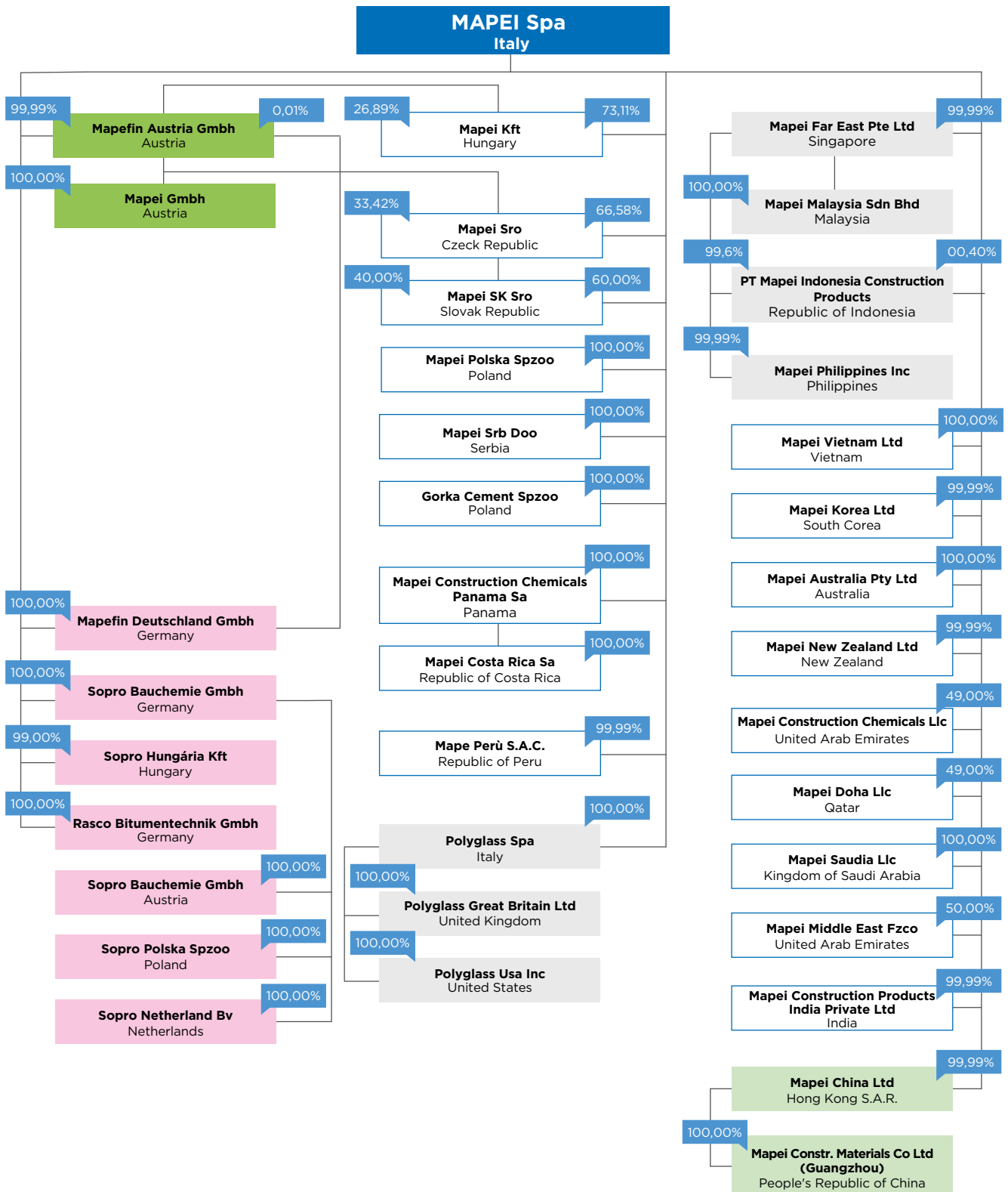
Dr. Giorgio Squinzi



Group Flow Chart

DECEMBER 31, 2017



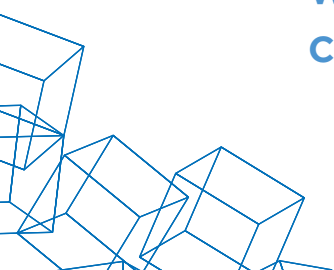


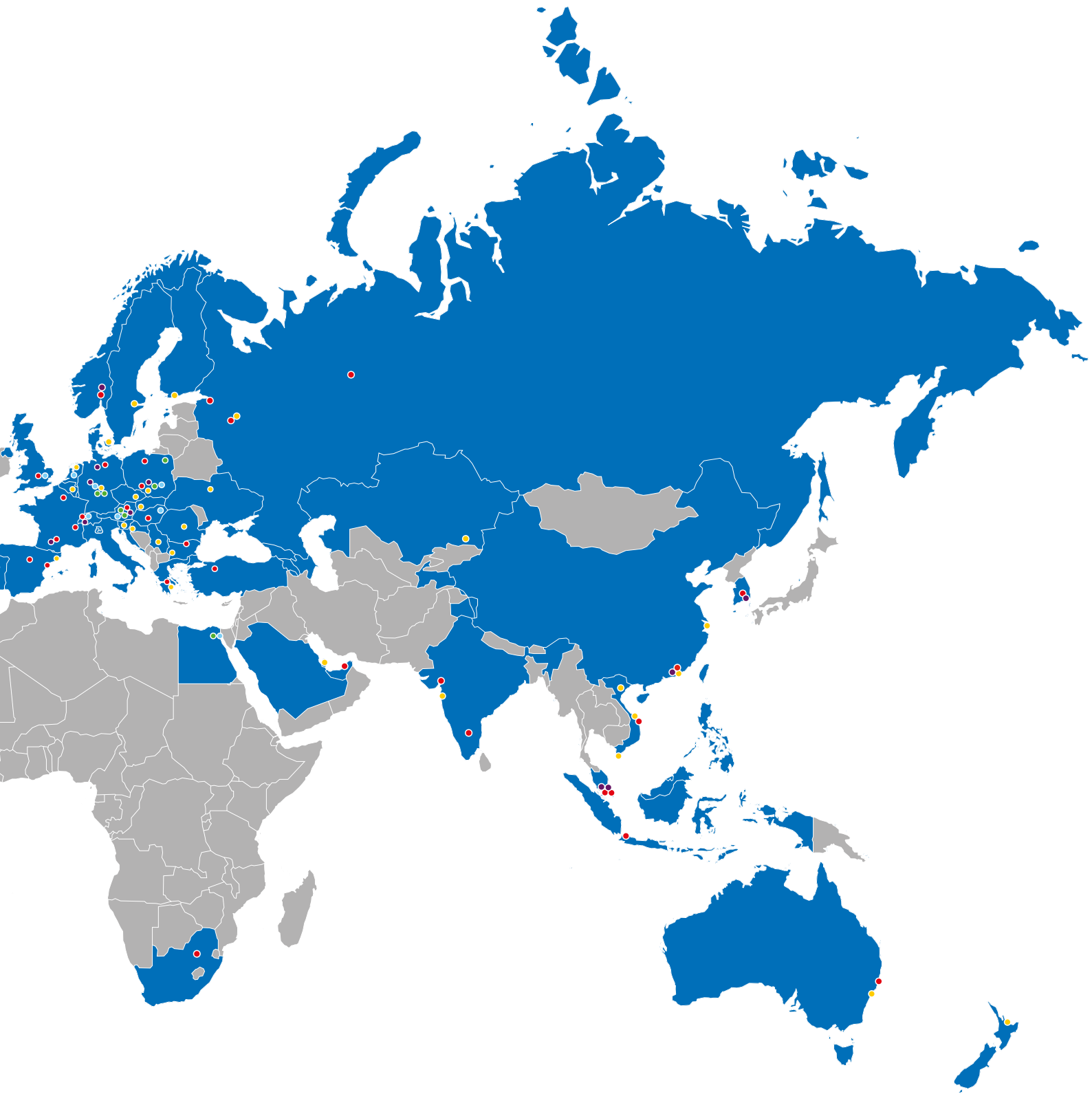
Mapei Group around the world







DECEMBER 31, 2017

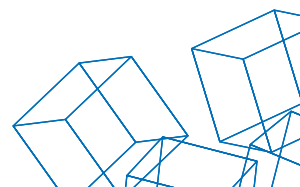


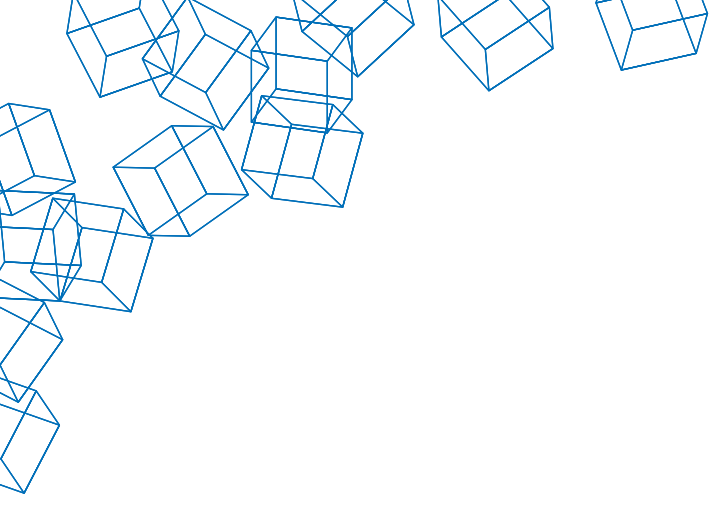
The dialogue between Mapei set-ups worldwide and building professionals strengthens the Group and helps everyone have the share of the developments. **Mapei continues to grow by building on the knowledge and relationships** from both within and outside the company.





-  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



80
years
1937-2017



Nothing is lost,
nothing is created,
everything
is transformed.

Antoine Laurent De Lavoisier



CORPORATE

CELEBRATING IN THE NAME OF ART AND CULTURE

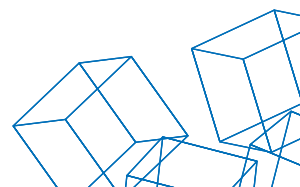
80 years of Mapei

80
years
1937-2017



Some pictures of the Squinzi family celebrating the 80 years of Mapei

“The future begins today”. Not only does this clear message have the flavour of a new beginning; it also adds a concrete meaning to the ideas shared by a formidable Group, destined to grow for many years to come. A slogan that characterised 2017, a year crammed with events and rich rewards. And how else could it have been; it was the year we celebrated **80 years of Mapei**. A long and highly successful history that is well worth remembering. 80 years

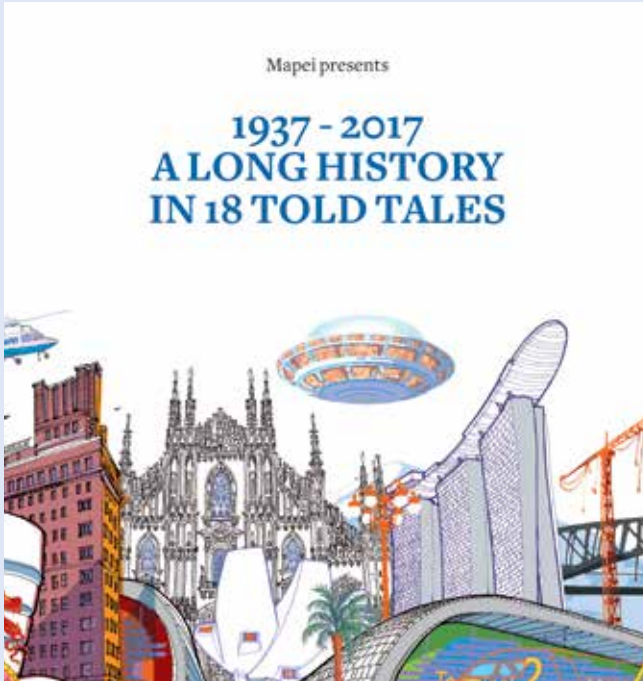


of producing “constant quality”: for our clients, buyers, the environment and our corporate culture. In the name of a tradition symbolised by a combination of work and the arts, the events that took place over the course of 2017 were held mainly in the most renowned places on the art scene. The celebrations kicked off with a triumphant concert by the **Chicago Symphony Orchestra** on the 21st of January at the Scala Opera House in Milan – marking the return of Maestro Riccardo Muti to La Scala – and continued throughout the year up to the final event in Poland on the 21st of December. With the participation of well-known names from the world of economics, industry, journalism, art, science and culture, and representatives from various associations, the events organised in Italy and in numerous countries around the world provided the opportunity to gather around the Squinzi family and the great world of Mapei. 80 years of experience available to all our clients. This is the summary of an anniversary that put a formidable team with a taste for a challenge under the spotlight: the challenge to continue to be world leader in quality construction work and to consolidate a leadership originating from unrivalled know-how. Ideas that also appeared in the corporate video created to celebrate the **80 years of Mapei** which won the **49th Key Award in the “Corporate/Industrial Films” category**.

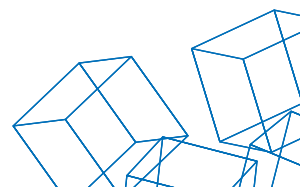
Concert for the 80 years of Mapei



18 told tales for the new monograph



For the occasion of the 80th anniversary, along with a complete restyling of the corporate website and a coordinated look transmitted on all the Company's communications mediums and networks, the new corporate monograph brought to the attention of the general public the objectives set by the Company mission and told them about the growth and results achieved until now. But we also went a little further. To tell the story of the Company, talk about its values and play a part in building up or strengthening the reputation the market is demanding, Mapei's new corporate monograph has ventured in the direction of a more effective but little used literary genre that "corporate literature" rarely explores. By following the simple rule that says, "If it's urgent, put it on the net. If it's important, get it down on paper", the elegant presentation box containing the Mapei monograph is such a beautiful object that it becomes impossible not to open it and leaf through its contents. After a carefully thought out presentation by the owner and CEO of Mapei, Giorgio Squinzi, followed by a brief overview of his past and origins, the monograph is a photograph of the Company's various branches and, along with a series of highly effective images, it also emphasises the figures and results attesting the Company's success. But that's not all. The presentation box contains a second volume that makes the collection even more precious. It is entitled "**1937 - 2017: a long history in 18 told tales**" and opens with a famous phrase from Rodolfo Squinzi, founder of Mapei: "Work can never be separated from the arts and passion". The words of Fabio Longhi and the illustrations by Carlo Stanga tell 18 different stories that talk about Mapei: the solutions and contribution the Company has made to help large projects in Italy and all around the world become a reality. The stories traverse eight decades and their central characters vary, from buildings to infrastructures and from famous people to actual Mapei products, and even passers-by and the occasional observer. Each story is a work of fantasy, but they are all inspired by facts and real events.



A subsidiary in constant growth

NORWAY

For Mapei, Norway represents a constantly expanding market. Year after year, there has been an excellent trend in terms of turnover. The company has 240 employees and 10 product lines, ranging from building products to resin and cementitious flooring, from products for installing resilient to waterproofing products and from cement admixes to products for underground construction. Research, development and training have always been key features. The Norwegian subsidiary is currently working on a new facility: they will



pass from the 16,000 m² of the current facility to 24,000 m² for the new one and there will be a proportional increase in production, making it Mapei's fifth most important facility in the world in terms of size. Also worth remembering is that

King Harald V and Queen Sonja of Norway (who both celebrated their 80th birthday in 2017) carried out a tour of the entire country and spent a wonderful, memorable day at the Mapei facility in Sagstua.

ZAO Mapei: three anniversaries in one go

RUSSIA

It was a special year for ZAO Mapei, the Group's Russian subsidiary. In all, there were three important anniversaries for them to celebrate: the eightieth anniversary of the founding of the parent company Mapei, the twentieth anniversary of Mapei's presence in Russia and the tenth anniversary of operations at the Stupino facility, situated around 100 kilometres to the south of Moscow. The three ZAO Mapei manufacturing facilities have an annual production of around 140,000 tonnes: the products they manufacture include Mapei finishes as well as products for installing ceramics and natural stone, insulating products, concrete repair mortars, levelling compounds, waterproofing products and other materials used in the building industry. With around 200 employees,



the company has grown continuously from when it was founded until today: which makes ZAO Mapei one of the leading suppliers on the Russian market for chemical products used in the building industry. Thanks to the excellence of their materials, Mapei has also had a role in important works throughout the entire Russian territory, amongst which we can mention Terminal D at Sheremetyevo

Airport in Moscow, the tunnel complex along the new Moscow-Sochi motorway, the new footbridge over the River Ural in Orenburg (which also acts as a link between Russia and Asia), the "Millenium Park" residential complex in Moscow, several shopping centres and various sports complexes for the 2014 Winter Olympics held in Sochi and the 2015 World Swimming Championships held in Kazan.

Bronco: the “American campaign” continues

COLOMBIA

Mapei continued with its strategy of internationalisation on the South American market through the acquisition of the Colombian company Productos Bronco S.A. In so doing, the Group strengthened its position in an area considered to be one of the most promising, with Colombia standing out for its high growth rates. The acquisition of the company, whose head office is in Medellín, is part of the Group’s strategy to penetrate overseas markets, a road to internationalisation that, on the one hand, enables the company to interpret regional needs more



effectively and develop products in line with specific demands and current standards, while on

the other hand promotes the optimisation of logistics.

A party in great style for Mapei de México

CENTRAL AMERICA

A party in great style for Mapei de México to celebrate the opening of its new offices, with clients, local authorities, members of local construction bodies and journalists amongst the 150 guests. The Italian consulate, Giovanni Bellei, was also present.

One of the aims of the event was to strengthen Mapei’s position as global leader in the construction industry, with particular focus on the company’s growth in Mexico and the opportunities for local clients.

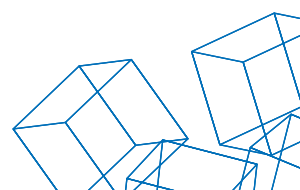
Mapei de México, a subsidiary in expansion in one of the most dynamic markets in Latin America, has been operating since 2010 in the central part of the country. Mapei de México has 113 employees



working at their Querétaro branch office – which also has a distribution hub and a training centre – and in their manufacturing facilities in Zimapán (central Mexico) and Cancún (in the south-western part

of the country), all strategically placed to offer a better service throughout Mexico.

The company mainly manufactures wall finishes and products for installing ceramics and stone.





CULTURAL EVENTS



LONG-LASTING BOND BETWEEN CULTURE AND SOLIDARITY

La Scala Theatre, Milan



The bond with the La Scala Theatre has deep roots in the story of Mapei. Corporate Subscriber since 1984, Mapei has contributed to the renovation and restoration of this prestigious Theatre by providing technical assistance and supplying a number of their own brand solutions, the result of the technology and research work of its laboratories, and became a Permanent Founding Member in 2008.

And it was the passion and dedication Mapei has always demonstrated for La Scala that led to the AGM voting unanimously for Giorgio Squinzi to join the Board of Directors.

Mapei has also sponsored numerous concerts and cultural events at La Scala, many of which were dedicated to scientific research and charity, such as the ones organised by the Negri Weizmann Foundation for medical research, the LILT (Italian Tumour Research League), the ladies' section of the Italian Red Cross and the Francesca Rava Foundation, which helps children from Italy and around the world facing hardship.

NATIONAL ACADEMY OF SANTA CECILIA, ROME

Mapei's commitment to art also extends to Italy's capital city. The Company, for example, is a Founding Member of the National Academy of Santa Cecilia in Rome, one of the oldest musical institutions in the world which, apart from being a prestigious musical academy, is also home of an internationally renowned symphony orchestra. This gives Mapei the chance to offer its stakeholders the opportunity to be together for special events, such as the Schumann concert conducted by Daniele Gatti (February 2017), sponsored exclusively by Mapei, or the concert conducted by Maestro Pappano (May 2017), creating joyous



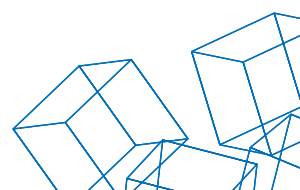
moments that help strengthen the Company's bond with people in contexts outside the workplace.

VENERANDA FABBRICA DEL DUOMO, MILAN

Mapei and the Squinzi family have always had a very close bond with Milan and it seems to become stronger and stronger as the years go by. Mapei has always been associated with the economic and cultural fabric of the city and its growth has led to the development of numerous Mapei brand products that have been used in restoration work on important buildings around the city, and which continue to be used for the most significant projects in modern-day Milan. A direct relationship with Milan, with Mapei often taking part in initiatives in support of the Duomo Cathedral, the symbol of the city,



where products and technology have been used in the past to restore and waterproof its terraces and to form a protective coating for the decorative façades. Another very recent example is confirmation of Mapei CEO Giorgio Squinzi as member of the new Board of Directors of the Veneranda Fabbrica del Duomo, undoubtedly Milan's oldest and most loved institution.



THE TRIENNALE FOUNDATION, MILAN

The bond with one of Milan's most prestigious institutions in the world of art and culture is growing and becoming stronger. After collaborating with the foundation for a number of years, Mapei has now become a Supporter of the Triennale Foundation of Milan, a cultural institution that organises exhibitions, conventions and artistic, design, architectural, photographic and fashion events, by becoming a Corporate Platinum member in the Friends of the Triennale initiative. For Mapei, sponsoring the Triennale of Milan represents an important achievement, both for 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. Through its contribution, Mapei helps with the organisation of cultural initiatives and carries out maintenance and restoration work on the Palazzo dell'Arte, home of the Triennale. Amongst the various initiatives

undertaken with the Triennale, Mapei also sponsored the exhibition "Il Bel Paese - A project for 22,621 Historic Centres", which focuses on presenting the different ways of interpreting the theme and features original drawings by Leonardo Benevolo, videos, graphic art and photographs.

PEGGY GUGGENHEIM COLLECTION, VENICE

2017 marked a memorable milestone for Mapei, the year in which, apart from celebrating its 80th anniversary, it also joined the Peggy Guggenheim Collection to celebrate the 25th anniversary of Guggenheim Intrapresæ. It all started in 1992 and, over the years, it has become a highly productive experimental collaboration between a private museum and a group of companies, a project heading towards a kind of long-lasting investment to promote the activities of everyone involved. Mapei chose to become part of this project in 2008 and joined the other member companies to share a journey of cultural and creative growth, developing joint projects,



along with the other companies in the group and the museum, in a relationship of shared and equal values. The contributions from the member companies of the Guggenheim Intrapresæ initiative also played a decisive role in the interventions carried out in 2017 at the Peggy Guggenheim Collection in Venice. The extension work on the exhibition space was completed, which included the acquisition in

2015 of an area of garden and a small building adjacent to the current home of the Collection. This area was used to create two exhibition rooms, or "Project Rooms", a veranda was converted into an exhibition area for sculptures and a relaxation area for visitors, an Education Centre with laboratories and workshops for children and adults was built and the Peggy Guggenheim Cafè was refurbished.

SAN DOMENICO MUSEUM, FORLÌ-CESENA



“Work can never be separated from the arts and passion”. In line with this belief expressed numerous times by the founder Rodolfo and the CEO, Giorgio Squinzi, for many years Mapei has been supporting important artistic initiatives and culture in general all around Italy. And it is by following this path that the Company chose to support the exhibition “Art Deco. The golden years in Italy”, held at the San Domenico Museum in Forlì in February. After already being a partner in 2016 in the very same location for the exhibition “Piero della Francesca. Investigation of a

Myth”, Mapei once again showed how close it is to the Romagna region and its pride in taking part in an event that has providing aid for the most needy children as one of its objectives. Part of the money raised from the sale of tickets for the exhibition was donated by the Cassa dei Risparmi Foundation of Forlì to Mediafriends, in support of projects initiated by the Fabbrica del Sorriso (Factory of Dreams) into the research, prevention and cure of tumours in children.

SPAZIO TEATRO NO'HMA, MILAN

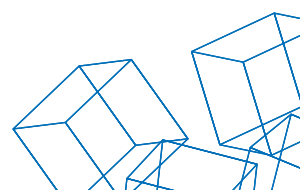
For a number of years Mapei has been a supporter of the Spazio Teatro No'hma theatre company which, since 2000, is home of the artistic activities of its namesake association, founded by Teresa Pomodoro.

Home of the association is the former drinking water works in Via Orcagna in the Universities area of the city, which was cleverly transformed to create more suitable surroundings. Right from the very start, Spazio Teatro No'hma chose to tackle issues carrying a cultural and social message by putting on plays, musicals, artistic, stage and musical performances, events and multimedia seminars. The strong point of the theatre is its focus on social issues, which is also displayed in their policy of offering all the events on the calendar free



of charge. No'hma's 2017 season of events was traversed by passion as the flame of life, that passion that conducts people to the heart of their existence.

And Mapei was more than happy to carry on being an enthusiastic supporter of the activities of one of Milan's most fertile and passionate cultural realities.





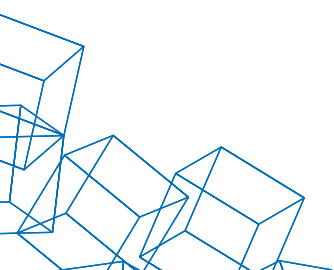
CHARITY AND SUSTAINABILITY



AFRICA

Renzo Piano and Emergency in Uganda

Mapei and its leading role with Emergency and Renzo Piano in Uganda. The Company is a partner in the project to build a Paediatric Surgery Centre in Entebbe as part of an initiative to develop a health network of excellence in Africa. In February, Gino Strada and Renzo Piano, along with the President of the Republic of Uganda, Yoweri Museveni, and the Minister for Health, Jane Ruth Aceng, lay the first stone of Emergency's new project: a Centre of excellence in Paediatric Surgery that is being built next to Lake Victoria, 35 km from the capital Kampala. Mapei played an active role in this important project and two of the Company's most highly qualified technicians, Elisa Portigliatti and Marco Cattuzzo, were also present at the inauguration ceremony. The need for a centre specialised in Paediatric Surgery, to serve Uganda and nearby countries, was highlighted by the African Ministers for Health from the member states of ANME (the African Network of Medical Excellence), created thanks to an initiative launched by Emergency in 2009 with the aim of developing health systems and networks in member states and bring free health care of excellence to Africa, a practical way of declaring every person's right to receive free health care of the highest order. Mapei's contribution has been decisive. After more than 3 years of intense research work at the Corporate R&D laboratory in Milan, Mapei now has an innovative system available for Emergency, the team of designers



from RPBW (Renzo Piano Building Workshop) and the main contractors to build the new hospital using the pisè technique.

This construction method, which is used all around the world, is an antique tradition based on compacting layer upon layer of locally-sourced soil in structures similar to formwork.



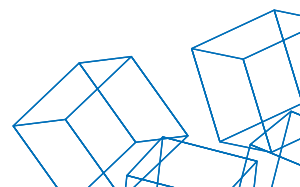
AFRICA

E4IMPACT, helping the continent to help itself

E4IMPACT
ENTREPRENEURSHIP FOR IMPACT

Helping Africa to help itself. Italy is in the front line when it comes to helping in the development of the African continent, where some of the country's most important companies are currently working. But there is also plenty of space for small and medium size businesses in this vast area where the rate of economic and demographic growth is accelerating.

Detailed studies, statistics and in-depth analyses to explain and underline how the active involvement of highly influential entrepreneurs and businesses in the industrial policy of African countries can play their part in helping the continent reach its market goals and then carry them forward until 2030: this is what lies at the heart of the African Economic Outlook 2017 (AEO) report published in 2017, the result of a joint effort by the African Development Bank (AfDB), the Organisation for Economic Cooperation and Development (OCSE) and the United Nations Development Programme (UNDP), which was presented



in Milan in the head office of Assolombarda during the convention “Improving Entrepreneurship for Industrialisation in Africa”. The event was organised by the E4Impact Foundation, of which Mapei is one of the founding group of associations and companies along with Confindustria and Assolombarda, with the patronage of OCSE and the Italian Ministry of Overseas Affairs and Cooperation. E4Impact is an initiative of ALTIS – the Business School of the Università Cattolica del Sacro Cuore – 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. In 2015 E4Impact became a Foundation, thanks to contributions from Securfin, Mapei, Salini-Impregilo, Bracco, ENI, Università Cattolica and the Always Africa Association. The activities of the Foundation will help many of the goals of the 2030 Agenda for Sustainable Development set by the United Nations to be reached, particularly those associated with quality education, decent work, economic growth, no poverty and zero hunger. For Giorgio Squinzi, the leading figure in Mapei and former President of Confindustria, “Africa is the continent of the future and the foreign policy of the EU should be more focused on Africa. The European Union and Italy can play an important role in the continent’s growth, but the development process must start from within, with training, otherwise we run the risk of repeating the same mistakes we made in the past”.

Cervia Garden City

ITALY

Europe comes into full bloom in Cervia in the summer and, as with every year since 2006, Mapei’s support was certainly not lacking. Last year was the 45th edition of Cervia Garden City and it is now considered to be one of the most important events on the landscape gardening calendar. The 2017 edition was particularly important because it coincided with the 60th anniversary of the Treaty of Rome, which laid the foundations for modern Europe, and, as far as Mapei is concerned, it was also the 80th anniversary of its foundation. From May to the end of September the gardens, flowerbeds, garden sculptures and a host of other creations were spread around various parts of



Cervia, Milano Marittima, Pinarella and Tagliata and looked after with great care for the entire summer by the Gardens Service. Every year, more than 350,000 plants and flowers and thousands of square metres of grass are used for the manifestation. Three gardens were

dedicated to Mapei: one in Rotonda Pertini in Cervia with a composition of perennials dedicated to 80 years of Mapei, one in Piazzale Genova in Cervia and one in Rotonda Cadorna, in Milano Marittima, where a panel was installed, again dedicated to Mapei’s 80th anniversary.

Tour of historic landmark residences

ITALY

The month of May saw the traditional Association of Historic Italian Landmark Residences Open Day, which every year offers free visits to more than 200 period homes, castles, farmhouses, courtyards and gardens all over Italy. Some of these had never been seen before, such as the medieval castle of Montemagno near Asti, the largest in Piedmont. Historic residences, parks and castles are an important part of Italy's historic and architectural heritage and are a strong attraction for tourists, not only to the great cities of art, but above all to the hamlets and smaller towns, following itineraries that offer the chance to discover and savour local wines and food of great quality with a long tradition. This special day, which saw Mapei Group among the list of sponsors, is the chance to raise the general public's awareness of the importance of conserving and promoting private cultural works with protection orders, whose owners are responsible for their upkeep.



FAI Spring Open Days

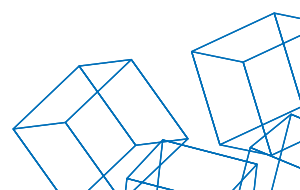
ITALY

The 2017 edition of FAI Spring Open Days was also highly successful, with almost 750,000 people visiting more than 1,000 sites in 400 different localities all over Italy. It was all carried out in the same spirit that has characterised the FIA (Italian Environmental Foundation) since its foundation in 1975: to invite Italians to discover the beauty that surrounds them and promote a culture of respect and protection for Italian art and nature, a patrimony that is an important part of the nation's history. It is thanks to the more than 500 companies that support and sponsor FAI that they are able to carry out their activities: the list also includes Mapei which, for more than ten years, has been a Corporate Golden Donor. Mapei Group has always paid particular attention to art and culture and cutting-edge technology developed in the Company's Research & Development Laboratories is often employed to restore and renovate

 Corporate Golden Donor FAI
NOI SOSTENIAMO IL FAI - FONDO AMBIENTE ITALIANO



heritage buildings and structures. These include the archaeological parks of Tilmen Höyük and Tasli Geçit Höyük in Turkey, Villa Reale in Monza, Villa del Balbianello, which is owned by FAI, and Villa Pliniana on Lake Como.



Navigli canal network: “Conca di Leonardo” award

ITALY

Over the course of its history Mapei has always been very close to the city of Milan, the city where it was founded eighty years ago. The Company has always supported events and important cultural institutions by providing expertise and equipment to help restore and promote the city’s most significant artistic and monumental sites.

And the fact that this love is reciprocal can be seen by the number of acknowledgements that organisations, institutions and associations have bestowed on the Company over the years. An important recent example was the “Conca di Leonardo” prize, an award made by the Navigli Institute-Friends of the Navigli Association and the Cariplo Foundation, which was awarded to Mapei - represented on this occasion by Adriana



Spazzoli, Director of Marketing and Communications - during the AGM of Friends of the Navigli held in the “Claudio De Albertis” Auditorium at Assimpredil Ance in Milan. The prize, which Mapei won jointly with Centro Studi Grande Milano, was awarded to the Company “For its support in the publication of the newsletter “Navigli News”

and for its technical and scientific contribution to the restoration plan for the banks and bridges along the Navigli presented at the “Bridges for Navigli” workgroup promoted by the Board of Engineers and Architects of Milan and the Navigli Institute”.

New schools following the earthquake

ITALY



The repeated earthquakes that shook central Italy destroyed homes, churches and a number of schools, or left them unfit for use. In the towns of Cascia and Norcia in particular almost all the schools had to be condemned. Within the very first few days of the earthquake, the Francesca Rava NPH Italia Onlus Foundation got involved. A new, temporary elementary school in Arquata del Tronto, an infant school and middle school in Norcia and two schools in Cascia were the result of their intervention, all completed very quickly thanks also

to Mapei’s contribution.

Taking part in this kind of initiative is part of the Group’s strategy of supporting projects in the name of solidarity and social responsibility, making the Company’s technology, laboratory engineers - to develop cutting-edge products - and site engineers available to provide assistance directly in the areas hit by the earthquake while work was being carried out.

“Diversity and Inclusion Award”

ITALY

To mark the Company’s participation at “Diversity Day”, an event created to promote better understanding between the world of work and those with some form of disability, Mapei was presented with the “Diversity and Inclusion Award”, recognition for companies with a policy to encourage and help those with disabilities and special needs to get into work. Mapei was proud to have received this award and further enhances the value of its team. The HR and Organisation department of Mapei Italy has been taking part in this event for a number of years and it is just part of a much wider framework of initiatives and roundtables focusing on contemporary issues and themes regarding the internal organisation of businesses.



Cresco Award - Sustainable Cities

ITALY

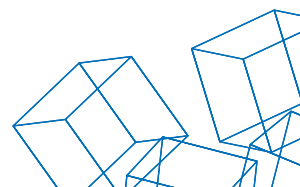
From the smallest town to the largest city, local councils are playing an important role in the sustainable growth of the country, with innovative projects to improve the quality of life in the various regions. Further proof of this commitment was the second edition of the Cresco Award - Sustainable Cities, an award promoted by the Sodalitas Foundation in collaboration with ANCI (the National Association of Italian Local Councils), which received the names of nominees for the award for innovative sustainability projects from more than 600 Local Authorities. Mapei awarded the prize to the Council that had proposed the implementation of energy upgrading projects by combining construction technology and external appearance in the school buildings sphere, which in this case was the Council of Vernole, in the Province of Lecce. Thanks to the renovation work carried out, a previously obsolete middle school is now operating to its full potential. By tapping into government funds from the Three Year School Buildings Plan (2015/2017), the building was



upgraded to make it safer in the event of seismic activity, more energy efficient and to bring it in line with current norms and standards.

Thanks to the technical consultancy service provided by Mapei, it was possible to identify the most suitable solutions to be adopted, in terms of both application cycles and suggested colours, enabling the entire system to become more sustainable, more efficient and more durable.

“With the Cresco Award”, said Adriana Spazzoli, President of the Sodalitas Foundation and Marketing & Communications Director for Mapei, “apart from showing that many local authorities have already adopted the best practice concept, our aim is to stimulate a sense of collaboration between businesses and the local territory and we are convinced that this is the best way to make our towns and cities more sustainable and more inclusive and to give an adequate response to people’s needs”.



Tour of Zalakaros in the name of solidarity

HUNGARY

Another great success for the cycling competition sponsored for the third time by the Hungarian subsidiary, Mapei Kft. A chance to reunite clients and friends in the name of sport and solidarity in the city of Zalakaros, in the western part of the country.

The race was also the chance to raise funds for the Gezenguz Foundation, which provides support for premature and disabled babies. The guest of honour was the Italian champion Andrea Tafi, winner in the 1990's of prestigious races such as the Paris-Roubaix and the Tour of Flanders, who took part in both the 33 kilometre and the 127 kilometre races. More than 300 Mapei clients and friends then joined the party with refreshments, which was livened up with children's games and other entertainment for the families. Once again, it was an impeccable demonstration of how Mapei combines sport, solidarity and close bonds with the local territory.



Mapei Hellas with GBI

GREECE

Greece took part in GBI (Global Biking Initiative) again this year, an event featuring a cycling community founded in 2008 which, since then, has never stopped growing and evolving. The mission of this event was to raise funds for charities in more than twenty countries.

Numerous cycling events are held throughout the year. The main one is the GBI Europe Tour, with hundreds of people from all around the world taking part in an event where they have to cycle across different countries in one week. The participants raise funds for the charity GBI Hellas, a branch of GBI Europe, which supports SOS CHILDREN'S VILLAGE. The aim of this association is to help children in need of care that have been orphaned or made homeless. This year marked the 10th anniversary of GBI and the participants in the event cycled around 1,000 kilometres

in 6 days through 5 European countries. Mapei Hellas supported this initiative as main sponsor on the GBI website, on its Facebook page, in articles published in papers and magazines and, above all, on the official team kits worn during the event itself, during training sessions and during other bike rides.



“Building homes, transforming lives”

NETHERLANDS

This is the motto of Habitat for Humanity, a non-profit organisation that builds homes and carries out home-improvement programmes for poor families in Indonesia. Mapei Netherlands sponsored this project to help make the Habitat for Humanity initiative possible. And the results were exceptional!

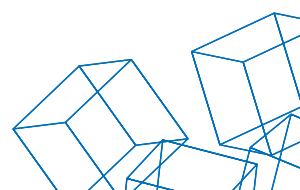


“Producto Solidario” campaign

SPAIN

To promote its activities in the field of Corporate Social Responsibility (CSR), in October Mapei launched a campaign in Spain called “Producto Solidario”. Thanks to this project, part of the proceeds from selling Mapei products was donated to charities, associations and other initiatives to help people with special needs or at risk of being marginalised.

The Company then continued with its charitable initiative, starting with an association close to its manufacturing facility in Cabanillas del Campo.



Mapei Kft: on the children's side

HUNGARY

Mapei are proud to be part of the programmes aimed at meeting the specific needs of less fortunate children, always demonstrating their strong commitment to corporate social responsibility.

This year the company managed to collect around 1,000,000 Hungarian Florins which were donated to the Paediatric Surgery Department of the Saint John Hospital.

Also, in November and December,

the employees of Mapei Kft. raised even more funds which were used to buy Christmas presents for children in need. Thanks to their support for the Age of Hope Foundation, they were able to deliver 100 parcels to the pupils of the Buratti Elementary School, a great way to wish them a Merry Christmas.



“Soup of love” for Vietnam

VIETNAM

In 2017 Mapei continued with its regular charity initiative called “Mapei soup of love” aimed at people in need in Vietnam. A name that fits like a glove because, thanks to this project, the staff of Mapei put on their company uniforms and hand out bowls of rice porridge to women and children who are patients at Danang Hospital.



Gary Sinise: homes for veterans

UNITED STATES

Keith Haney, Business Development Manager for Mapei Americas, wrote a special dedication on the Wall of Honour of a new, specially adapted smart house built in Tigard, Oregon by the Gary Sinise Foundation for the retired US Army Sargent First Class, Wade Mitcheltree.

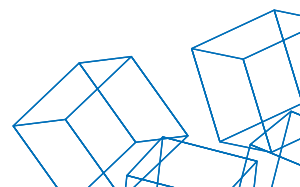
The Gary Sinise Founders invites donors and friends to visit the houses being built through his foundation once the foundations, beams and external shell have been completed. This gives everyone the chance to write messages of encouragement and their name on the beams and the covering on the outside of the house before the internal walls are built, so that their messages and wishes can remain enshrined in the heart of each house. "It was a particularly moving moment", commented Keith Haney, "And it gives me a feeling of great pride for what Americans are capable of doing to help each other". Wade Mitcheltree served three tours, one in Iraq and two in Afghanistan, and his platoon worked with local police to ensure the security of the surrounding area.

On August the 13th, 2012 near Kandahar, the Sargent was seriously injured by an improvised explosive device (IED).

His progress in rehabilitation has been constant and his outlook on life, after sustaining his injuries, has always remained positive, in spite of losing his right leg above the knee and his left leg below the knee, as well as receiving other traumatic injuries. Mapei is proud to have been able to provide its help by supplying all



the materials needed to install the tiles, stone and wood for Sargent Mitcheltree's new, intelligent home, which is filled with equipment and features specially adapted for his disability.





SPORTING EVENTS



SASSUOLO CALCIO

Confirmation in the elite category and a championship title for the youth team

The season for the Sassuolo Calcio soccer team, yet another in Serie A, was certainly not short of surprises. After playing in the 2016-17 Europa League, the club made its initial ambitions quite clear by pinning their hopes on a young team and an emerging trainer, Cristian Bucchi, who was also very upfront about his ambitions. "I feel lucky to be working in such an ambitious, stylish club where there is no stress and the group has a great understanding.

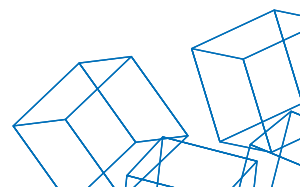
I feel fortunate to work in Mapei Group and our leader, Giorgio Squinzi, shows great enthusiasm". Unfortunately, because of a number of injuries and a series of unlucky breaks, things didn't go as well as they had hoped and, right from the first match, the team seemed to be struggling, in terms of both tactics and results. Shortly before the halfway stage of the championship, with Sassuolo just one point above the relegation zone, it

was decided to bring in changes by signing up a more experienced trainer, Beppe Iachini. “I owe a debt of gratitude to Giorgio Squinzi”, he said at his presentation, “and after the disappointments I gave him in the past when I was the trainer of opposing teams, I am hoping to give him plenty to cheer about”. The great progress made by the team in the second half of the championship earned them the right to remain in the top division, as well as achieving some great results, and Sassuolo seem to have found the right gear again. A highly satisfying season for Mapei Group was provided by the youth teams, particularly Sassuolo Calcio Beretti, who won the championship and then the Supercup in their category.



A great round of applause for ladies soccer

After their exciting promotion to Serie A, the ladies' Mapei-branded team, a collaboration between Sassuolo Calcio Ladies and Reggiana, proved to be worthy of the top category and deservedly won their right to remain in Serie A. “The collaboration with Mapei is fundamental because they bring enthusiasm and allows us to be always at the forefront, starting with the support of Mapei Sport Centre and tests we carry out there”, said the President, Betty Vignotto. A special round of applause for the girls, who have shown that ladies' soccer, just like in men's soccer, can be highly tactical and played at great speed, even though the players still need to study or work. A special thank you goes to Federica D'Astolfo, trainer extraordinaire, who retired from the team, and the best of luck to the numerous players in line for a place in the Italian team.



PALLACANESTRO REGGIANA

The bond between Mapei and the Pallacanestro Reggiana basketball team became even stronger during the 2017-18 season. In fact, the Mapei brand received even more exposure when the team from Reggio put up an honourable display in the Eurocup. An opportunity to showcase the brand that was exploited to the full by the owner of Mapei, which often also included inviting clients to watch the matches. A satisfactory run in the league championship, but above all the same passion that had already livened up the city in the previous seasons was once again on full view.

A new era has now begun for Pallacanestro Reggiana following the departure of their historic trainer, Max Menetti, and Amedeo Della Valle, but the ambitious quest for prestigious goals continues.



SACES-MAPEI-GIVOVA NAPOLI

Mapei also sponsors a promising team from the ladies Italian basketball league called Saces-Mapei-Givova Napoli, which had a great season in the Serie A1 championship and the Eurocup, which is managed by the sports company Dike Napoli. Mapei got involved in the project by Beppe Puttini, owner of the company Saces. "For more than 50 years the staff of the company founded by my father has been distributing Mapei products in the Campania region; we are the area managers". But their commitment to professional basketball is not the whole story. There are 600 girls signed up for the youth teams, ranging from girls still at elementary school age right up to high school age. Very often the social side of the game is more important than the actual results: many of the girls who have signed



up with the club have a difficult home life and live in areas of Naples where life can be really challenging.

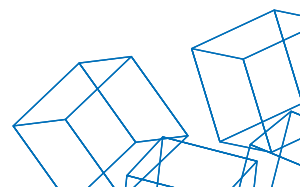
WORLD CHAMPIONSHIPS, BERGEN

Mapei, Italy and the champion of champions, Peter Sagan, lit up the town of Bergen in Norway during the Road World Cycling Championships. The Group headed by President Giorgio Squinzi was the main sponsor for the UCI (International Cycling Union), demonstrating once again a relationship based on passion and commitment that shows no sign fading. It all started back in 1999 and that year's edition of the championships in Treviso and Verona and then, since the 2008 championships in Varese, Mapei and its subsidiaries have always

been sponsors of the World Road Championships, promoting its brand and reinforcing its bond with clients, friends and collaborators. The impeccable Mapei Hospitality Area, which was open every race day during the event in Bergen, played host to clients from Norway, Sweden, Finland, Denmark, Belgium and Italy, as well as to managers, VIPs and champions from the past. The former world champion Thor Hushovd was also present, where he was interviewed by the famous TV journalist Davy Wahne and spent time with clients and autographed their jerseys.

The Hotel Radisson, in the old part of Bergen, was the venue for a seminar aimed at clients to present Mapei Group and its Norwegian subsidiary, the way it is structured and its values.

There was glory for the Italian colours in Bergen, with Elena Pirrone winning gold and Alessia Vigilia winning silver for Italy in the women's junior individual time trial. The sensational Elena Pirrone then went on to win the junior women's road race. In the men's events, 18-year-old Antonio Puppio won silver in the junior individual time trial, while the men's junior road race (133.8 kilometres) was won by the Danish rider Julius Johansen, who at the finish had managed to open up a lead and beat the two Italian riders, Luca Rastelli and Michele Gazzoli, into second and third place. Amongst the professional riders, there was triumph for the third year running for Peter Sagan.



RE STELVIO BORMIO

Three thousand competitors from numerous countries took part in the XXXIII edition of Re Stelvio, an event which, once again in 2017, cemented the special relationship between Mapei (main sponsor) and the splendid territory around Bormio. Extraordinary success for a unique race, a true pilgrimage to the “Sacred Mountain” for all those who love cycling. Almost one thousand Mapei clients and friends from Italy and abroad signed up for the Re Stelvio event on the Mapei website. While the competitive “Re Stelvio Mapei” race was the main event, there was a similar level of enthusiasm and number of participants for the “Mapei Memorial



Aldo Sassi” cycling rally in memory of the unforgettable professor, former manager and co-founder, with Giorgio Squinzi, of the Mapei

Sport Research Centre, for the half-marathon and for the athletics event open to all participants.



A RESEARCH BURSARY FROM MAPEI SPORT RESEARCH CENTRE

The Mapei Sport Research Centre has now been operating for more than twenty years and adopts a rigorously scientific approach with total respect for the value of ethics in sport. It promotes scientific research in the field of sports and provides assistance to athletes to help them improve their performance, adopting a highly evolved approach and philosophy to sports while remaining equally concerned for the health of the athletes in their care.

The operational headquarters in Olgiate Olona – a four-storey building in steel and glass extending over an area of 1,400 square metres – includes highly proficient and functional laboratories, clinics and other departments to carry out analyses, research, preparation and prevention work so that sport and ethics can come together to form a solid partnership.

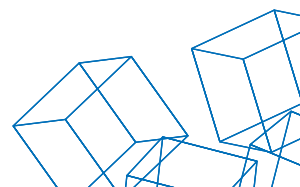
These are the values that have always been at the heart of this Centre of excellence since the day it was founded in 1966, thanks to the desire of Giorgio Squinzi and its co-founder Prof. Aldo Sassi, who passed away in 2010. Promoted by Mapei Sport Research Centre, “Training, recovery and injury: the trilogy of sport performance” was the main event at the 7th Mapei Sport convention held in May at the Hotel Le Robinie in Solbiate, in the province of Varese. This has always been a highly anticipated annual event for the world of scientific



research specialised in sport and registered a record attendance, with more than 250 mainly young students, sector specialists, athletes and people that simply love sport. All animated by the conviction that, in Italy, businesses and the academic world need to collaborate in order for the younger generation to fulfil their true potential.

There was also a slot available in the proceedings for the presentation of the 6th “Aldo Sassi” research bursary for graduates in Sports Science, featuring speeches from Prof. Amilcare Collina, Paola Vago from the Università Cattolica del Sacro

Cuore, the wife of the unforgettable Aldo Sassi, Marina, and Andrea Bosio from Mapei Sport Research Centre, who presented the research project “The acute effect of training with restricted peripheral blood flow in soccer and cycling”, on which the winner of the bursary is working.



Some of the new products from the main Mapei lines presented at the most important Trade Fairs

RESILIENT LINE

- ULTRABOND ECO 140
- ULTRABOND ECO 195
- ULTRABOND ECO TX3
- ULTRABOND TX57
- ULTRABOND ECO REMOVE
- ULTRABOND ECO VS30
- ULTRABOND ECO MS 4 LVT
- ULTRABOND ECO MS 4 LVT / WALL
- PLANIPREP REMOVE 4 LVT
- PLANIPATCH FAST TRACK
- PLANEX HR
- PLANEX HR MAXI
- EPORIP SCR
- MAPESONIC GD 4 LVT
- MAPESONIC SA 4 LVT
- MAPECOAT 4 LVT

WOOD LINE

- ULTRACOAT BASE ONE
- ULTRACOAT FILLER S1
- ULTRACOAT SOLVENT BASE
- ULTRACOAT MT SPORT

WATERPROOFING LINE

- AQUAFLEX ROOF PREMIUM
- MAPEBAND EASY

SEALANTS LINE

- MAPEPUR MULTI ADHESIVE G
- MAPEPUR ALL-IN-ONE
- ULTRABOND PU STRONG

ADMIXTURES LINE - COLOR PAVING LINE

- MAPECRETE MINERAL
- MAPECRETE MINERAL NEUTRAL

ADMIXTURES LINE - MAPESTONE LINE

- MAPESTONE JOINT
- MAPESTON JOINT CLEANER

STRUCTURAL STRENGTHENING LINE

- MAPEWRAP 31 T

CEMENTITIOUS AND RESIN FLOORING LINE

- MAPEFLOOR I 350 SL

BUILDING PRODUCTS LINE

- PLANITOP 600 RASAGESSO



TRADE FAIRS AND PRODUCTS

CERSAIE

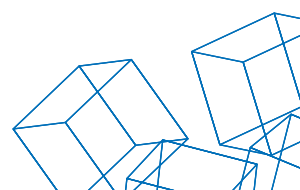
BOLOGNA (ITALY)



Design, colour and materials for the most functional and highest performing installation

Materials, design and colour, the latest and most innovative, cutting-edge systems and the activities taken on by Mapei over the course of the last year: these were the main themes of Cersaie 2017, the annual trade fair and exhibition which was another occasion to celebrate the 80th anniversary of the Group. The International Exhibition of Ceramic Tiles and Bathroom Furnishings, which was held in Bologna from the 25th to the 29th of September, once again proved to be the year's most important commercial event for the world market with 111,604 attendances (+4.7% compared with the 2016 edition).

Most importantly of all, for Mapei, Cersaie 2017 was the chance to reiterate its commitment to environmental sustainability. The Company has always taken great care to safeguard the environment and invests heavily in R&D activities to develop eco-sustainable products created specifically to have less impact on the environment. This is why Mapei products are formulated with innovative, recycled and ultra-lightweight raw materials and are developed to reduce energy consumption, to have very low emission of volatile organic compounds (VOC) and a very high level of durability. In compliance with the most recent environmental standards, Mapei has phased in EPD's (Environmental Product Declarations), a kind of "identity card" which documents the impact a certain product has on the environment during its entire life cycle.



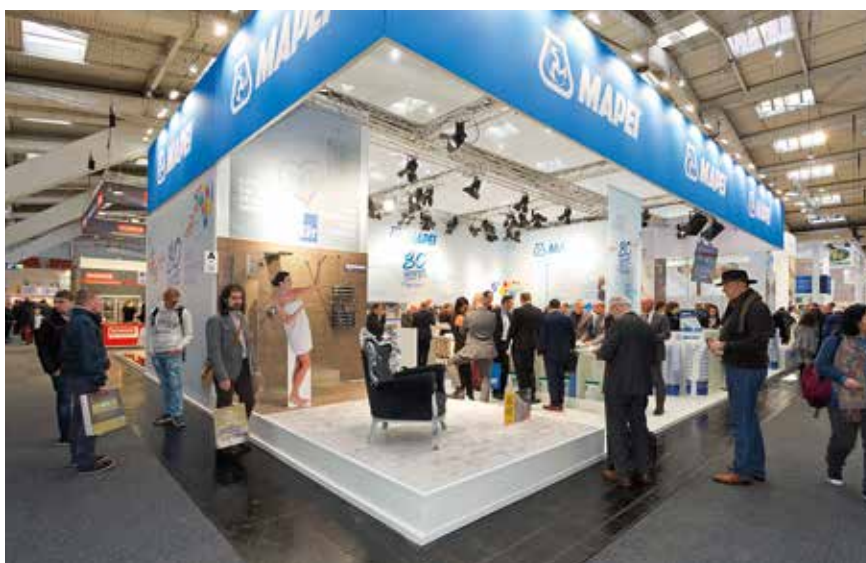
For Cersaie 2017, Mapei focused on design and colour and, thanks to a series of photo shoots with Marie Claire Maison, a monthly home furnishing magazine, in collaboration with Studio Nava, Mapei recreated two important settings for the exhibition so visitors could see for themselves the results that can be achieved by using the Company's solutions. Mapei products were proposed in these settings as if they were actual "pieces of furniture": to the eyes of the visitors Mapei materials no longer seemed to be simply functional and high performance products. They became characteristic features which enhanced the setting in which they were used. They included coloured finishes to decorate and protect internal and external walls, cementitious products to form seamless floors and wall coverings with a marbled effect, coloured grout lines for ceramic tiles and mosaics, masonry mortar for exposed-finish walls and, lastly, coloured, protective oils and lacquers for wooden flooring. On the stand it was also possible to consult the new MASTER COLLECTION coloured finishes chart. In the area dedicated to the display of materials, there was a presentation featuring KERAFLEX cementitious adhesives and ULTRALITE lightweight adhesives. And so, apart from adhesives to install tiles and fillers and sealants for grouts, visitors to the stand could also get the latest news on waterproofing products, amongst which there was MAPEGUARD WP200. Other products on display at the exhibition included solutions for seamless floor and wall coverings: ULTRATOP LOFT, trowellable cementitious pastes for an impressive effect, highly appreciated by interior decorators and designers for its wide range of areas of use and spectacular colour combinations.

Domotex: everything for floors

HANNOVER (GERMANY)

At the start of the year in Hannover, Mapei, along with its German subsidiary Mapei GmbH, took part at the international Domotex trade fair dedicated to the latest products and technology for textile, resilient and wooden floors.

The Mapei Group was there along with its entire range of dedicated products and systems: everything for the application, care and installation of floor coverings. Once again Mapei focused on cutting-edge materials and exhibited various new products for installing LVT (Luxury Vinyl



Tiles) flooring: ULTRABOND ECO mat and PLANIPREP REMOVE MS 4 LVT polymer-based adhesive, 4 LVT ready-to-use smoothing MAPESONIC 4 LVT soundproofing compound.

BAU: what's new in the building industry

MUNICH (GERMANY)

Also in January, this time in Munich, there was the two-yearly international BAU trade fair, dedicated to architecture, materials and systems, with Mapei teaming up with its German subsidiary to present various new items for operators from the building industry. These included products and systems for tiles, natural stone, resilient, textiles and wooden flooring, construction materials, admixtures for concrete and roofing sealants. This offered the chance for visitors to find out more about primers, sealants, surface protection products, adhesive mortars and grouting materials.



Klimahouse: how to safeguard the environment

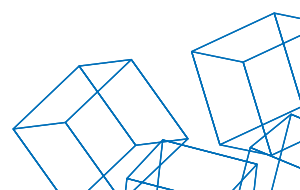
BOLZANO (ITALY)

Improving energy efficiency, the design of eco-sustainable buildings and comfort in the home were the main topics on the agenda at the Klimahouse trade fair held in Bolzano from the 26th to the 29th of January. This was another opportunity for Mapei to reconfirm its awareness of environmental issues by having their EPDs (Environmental Product Declarations) on hand and presenting products and systems certified by the most severe independent international institutes in the field of environmental protection. As underlined during the course of the trade fair, Mapei's commitment is not limited to just offering products with very low emission of volatile organ-



ic compounds. In fact, Mapei also has a range of products dedicated to improving the energy efficiency of buildings: the latest generation of systems for making seamless flooring, the new colour collection for wall

finishes and solutions for “exposed” concrete and for repairing sewer systems and complete systems for the installation of new external thermal insulation and for the maintenance of damaged or deteriorated insulation.



MADE: a host of surprises for our guests

MILAN (ITALY)

At MADE (Milano Architettura Design Edilizia 8th-11th of March 2017), once again Mapei had plenty of surprises for their guests with lots of new products and numerous solutions and systems for designers and professionals from the building world. A charming, functional backdrop provided the ideal setting for all the latest products and systems for restoring masonry buildings, the highly anticipated new range of coloured grouts for stone flooring and solutions for renovating pervious concrete. And there was more: the new, high-performance versions of waterproofing solutions for roofs and underground structures, the recently introduced systems for installing LVT, the latest generation of systems for making seamless flooring, the new colour collection for wall finishes and solutions for “exposed” concrete and for repairing sewer systems.



Tektònica, construction

LISBONA (PORTUGAL)

Mapei was one of the main participants at Tektònica, the International Building and Public Works Trade Fair held in Portugal. Taking part at this event was very important for the company to promote the Mapei brand, present its latest products and systems, meet new clients and make strategic new contacts. One of the outcomes, for example, was Mapei being chosen to supply items from the resilient line for the new flooring at the Doce Vita Tejo shopping centre in Portugal. In so doing, the company managed to strengthen its relationship with Lisbon City Council to introduce its building products for the urban development sector.



Construma, games and savings

BUDAPEST (HUNGARY)

Construma: the most important and largest exhibition in Hungary and where Mapei has concentrated its forces and been a participant for a number of years. The Mapei stand focused on proposing solutions aimed at reducing costs. More than 4,000 visitors, an increase of 25% compared with the previous edition. And there was a lot of interest in the practical demonstration area and in the games, where there was lots of fun and prizes.



Middle East Stone & Covering Exhibition

DUBAI (UAE)

During the Middle East Stone Exhibition, held in May at the Dubai World Trade Center, Mapei presented its new products from the ceramic and resilient lines.

The company was particularly interested in exhibiting three unique innovations that have helped strengthen its position as the most innovative construction company on the market in the development of these kinds of product. Mapei launched its new MAPESTONE system, presented its new range of coloured mortars and highlighted its range of products for LVT flooring in particular.



WTC: tunnels and congress

BERGEN (NORWAY)

His Royal Highness Prince Haakon of Norway opened proceedings of the congress held at the Grieg Concert Hall in the city of Norway, an event that Mapei certainly couldn't miss out on.

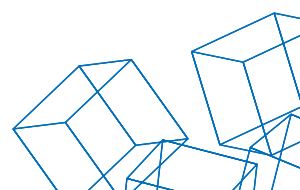
During his opening speech, the Prince and heir to the throne talked at length about the vital importance of tunnels as a way of ensuring the whole of Norway remains connected. This is because they connect Norwegian cities with roads and railway lines running through the middle of mountains and provide a stable connection



between the country's spectacular islands, fjords and coastline. The event was attended by around 1,600 people and they all paid a visit to the Mapei stand, located in a strategic position in the main

entrance to the hall.

For Mapei, taking part at WTC proved to be another excellent occasion for people to get to know the brand and the products and services available.



Marmomac: new technology and systems

VERONA (ITALY)

Mapei presented its stand at Marmomac (VeronaFiere, 27th-30th of September) with an innovative range of technology and systems. Particular emphasis was put on materials for substrates, waterproofing products, adhesives and grouts for natural and engineered stone and marble and the new solutions for street furniture added to its recent Mapestone and Mapei Color Paving systems. Marmomac was also the chance to present visitors with the latest figures and targets reached by the company over the last few years in Italy and around the world. As per tradition, Mapei accompanied a group of guests from overseas, on this occasion



from the United States led by the American subsidiary Mapei Corp., to take a closer look at Mapei's technology and systems.

EXPO CIHAC: architecture and design

MEXICO CITY (MEXICO)

More than 500 exhibitors were on show at the EXPO CIHAC exhibition held in Mexico City in October, the most important event for the Construction, Architecture and Design sector in Mexico.

Over the course of the five-day event, Mapei presented its main products for finishing off surfaces, installing tiles and for construction work in general. The Mapei stand extended over an area of 70 square metres and included a VIP area on the second floor reserved for business meetings. The main aim of this exhibition was to attract



and forge new partnerships with industry figures such as distributors, buyers, contractors and installation companies: and this target was reached with great success, thereby strengthening the distribution network and give more exposure to the Mapei brand.

FSB: the world platform for sport

COLOGNE (GERMANY)

People on the move in a changing society: this was the main theme of FSB, the International Trade Fair for Amenities, Sports and Pool facilities, which was held in November in Cologne with a series of forums, workshops and congresses. Design, construction and maintenance: for the entire life cycle of a sports installation, Mapei presented tailor-made solutions specific for grass and resin pitches and courts, wooden surfaces, athletics tracks in rubber and for stadiums and spectator stands. All in the name of multi-functionality.

All the systems presented by Mapei comply with the specifications and standards of the most important sporting bodies and institutions,



such as FIFA (soccer), ITF (tennis) and AITG (Golf). Mapei has also become a partner of various sporting bodies, such as the

forementioned AITG, and an official supplier for FIT (Italian Tennis Federation).

MetsTrade: all that's best for the sea

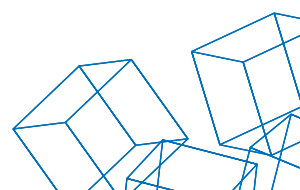
AMSTERDAM (NETHERLANDS)

At MetsTrade, the international exhibition dedicated to the marine industry which in November registered a record number of attendances (24,856 visitors from 116 different countries), Mapei presented solutions and systems for maritime transport that combine know how and the force behind Mapei research with ease of application and a wide range of colours, so that anybody can make a statement even in the middle of the ocean. The Company proposed its own brand Marine systems



following its recent makeover, more focused on aesthetics and design, tailor made and Made in Italy:

making its products become real features of interior design.



The International Vietbuild Exhibition

HCM CITY (VIETNAM)

2017 was the eightieth anniversary of Mapei Group and the tenth anniversary of the company's manufacturing facility in Vietnam. Two great reasons which made the International Vietbuild Exhibition an ideal opportunity for Mapei to celebrate and create a new stand. The design of the stand included the introduction of the logo for "80 years of Mapei" and the addition of two illuminated wings with Coloured Cubes at the back of the stand. This exhibition showed everyone the milestones reached by Mapei Group and Mapei Vietnam since they first started and which have given them



the ambition to strive for an even better future. The overriding theme of the stand was also clearly on show: quality and respect for values

applied to the construction world and environmental sustainability, an issue which the Company has always firmly believed in.

Exhibitions in the United States: success in the name of internationalisation

LAS VEGAS-ORLANDO (USA)

It was in the name of internationalisation – one of the cornerstones of success – that in 2017 Mapei also took part in numerous trade fairs in the United States, receiving acknowledgements and meeting with success wherever they went. In January, Mapei Corp. took part at **World of Concrete**, the most important trade fair in the United States dedicated to the concrete industry and technology, with the CRS (Concrete Restoration System) division presenting systems for repairing concrete and waterproofing structures below ground level and its concrete



admixtures division represented by its subsidiary GRT. At **TISE** (The International Surface Event), an important gathering in Las Vegas that comprises the Surfaces, StonExpo/Marmomac Americas and Tile Expo trade fairs under

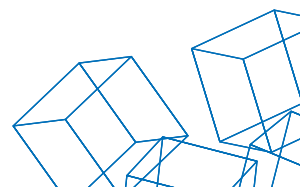
the same umbrella, apart from presenting its products with numerous practical demonstrations, Mapei, through its United States subsidiary Mapei Corporation, grabbed the opportunity to celebrate its 80th anniversary with

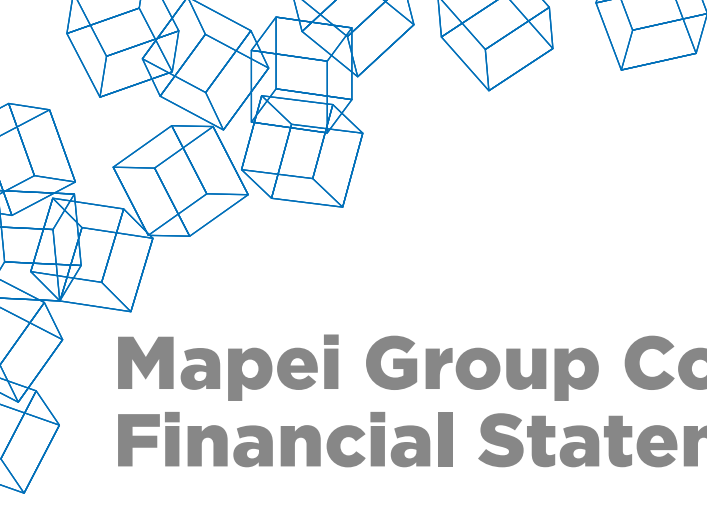


clients and friends. At **Coverings**, the most important international trade fair for the ceramic and stone industry in North America (April in Orlando), Mapei shone out thanks to its launch of FLEXCOLOR 3D, a ready-to-use, translucent grouting product with a shimmering effect finish. Another product that also

received very positive feedback was MAPEGUARD UM, a membrane used to waterproof and even out pressure from underground vapours, with the capacity to provide anti-fracture protection below ceramic tiles and stone slabs. Another eagerly awaited appointment at Coverings 2017 was

the Installation Design Showcase (IDS), an initiative sponsored by NTCA (the National Tile Contractors Association). Each year there are practical demonstrations on how to install tiles in various settings and, on this occasion too, Mapei was a highly appreciated key exhibitor.





Mapei Group Consolidated Financial Statements

Management Report



80
years
1937-2017



One never notices
what has been done;
one can only see
what remains to be
done.

Marie Skłodowska Curie

REPORT TO THE SOLE SHAREHOLDER YEAR ENDED
DECEMBER 31ST, 2017

Management Report



The consolidated financial statements of the Mapei Group as of December 31st, 2017, which we hereby submit for your approval show a consolidated net profit of € 67.3 million, compared to a net profit of € 88.3 million in 2016, after amortisation/depreciation and impairment losses of € 88.5 million (€ 93.4 million in 2016).

The net profit of the Group is € 67.2 million (€ 88.2 million in 2016).

GLOBAL ECONOMIC TRENDS

In 2017, the growth of the global economy stood at 3.7%, registering a net improvement compared to the previous year, in which global GDP increased by 3.1%. In developed countries, real economic growth was 2.3%, while the increase in emerging economies reached 4.7%. The International Monetary Fund forecasts that the global GDP growth rate in the 2018-2019 two-year period will improve to around 3.9%.

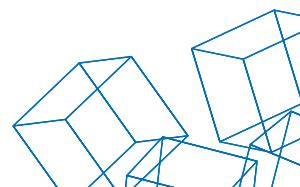
The year 2017 was characterised by a modest increase in the economy of Western Europe, where GDP recorded growth of 2.1%. Eastern Europe recorded a clear improvement in the economic situation last year compared to 2016, which closed with a 1.5% increase in GDP. In fact, the economy of the region increased by more than 3.2%.

Among the other advanced economies, the growth occurred in 2017 was 2.3% in the US, and 3.0% in Canada.

GDP in Latin America is estimated to have increased by 0.6%, influenced partly by moderate growth in Argentina and Colombia and the major recession in Venezuela.

GDP increased by 1.4% in the countries of the Persian Gulf, due partly to the recession on the Saudi Arabian economy (-0.7%). The economic situation in Qatar and also in the United Arab Emirates was moderately positive in 2017.

China recorded the highest rate of economic development among the emerging countries, with a 6.8% increase in GDP in



2017, similar to India, where growth was 6.7%.

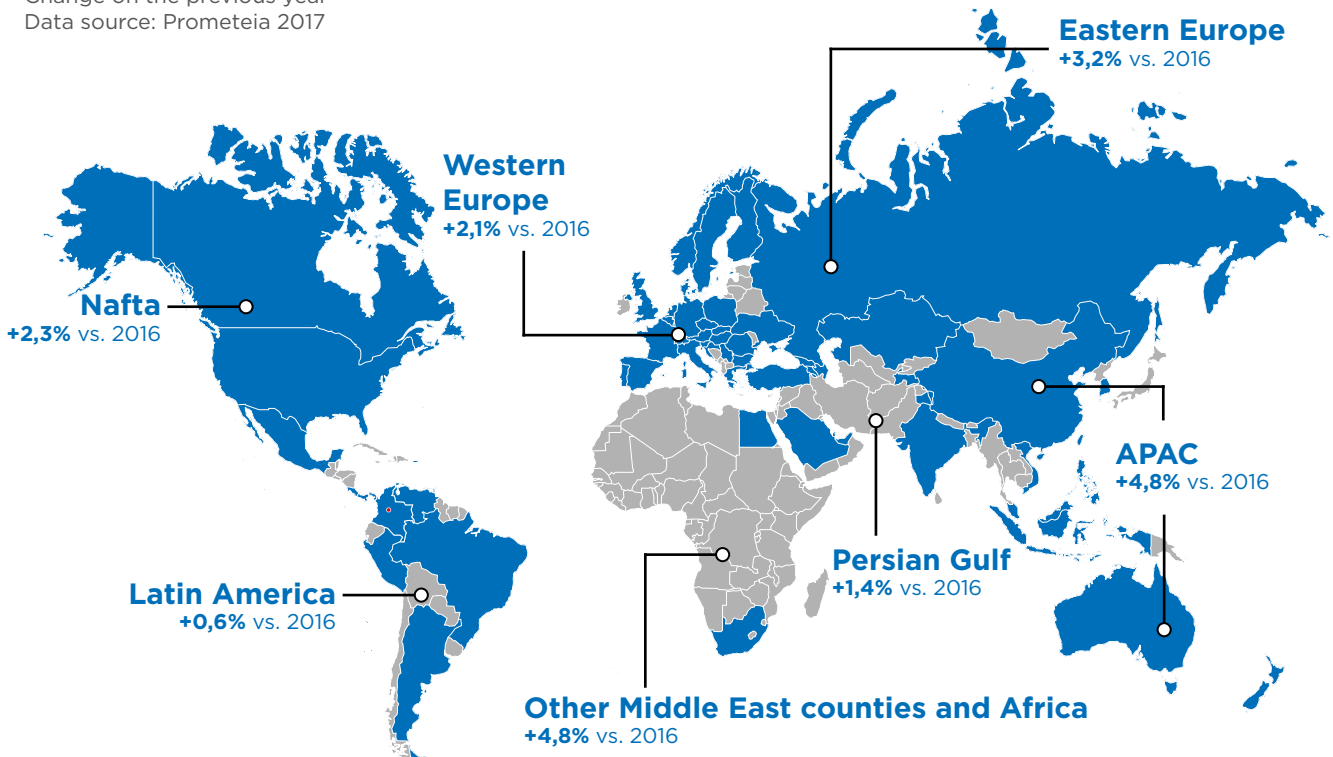
Development of the economic continued at a fast pace in Oceania: GDP increased by 2.3% in Australia and by 3.5% in New Zealand.

GDP improved considerably in Africa and in the other Middle Eastern countries during 2017 and the economy is estimated to have had 4.8% growth. Egypt and Morocco benefited from a favourable macroeconomic situation. In the Sub-Saharan region, growth of 2.7% was recorded in 2017, a much higher rate of growth than in the previous year (+1.6%).

The following chart shows the change in GDP in 2017 in the various regions compared with the previous year.

2017 Trend in world GDP

Change on the previous year
Data source: Prometeia 2017

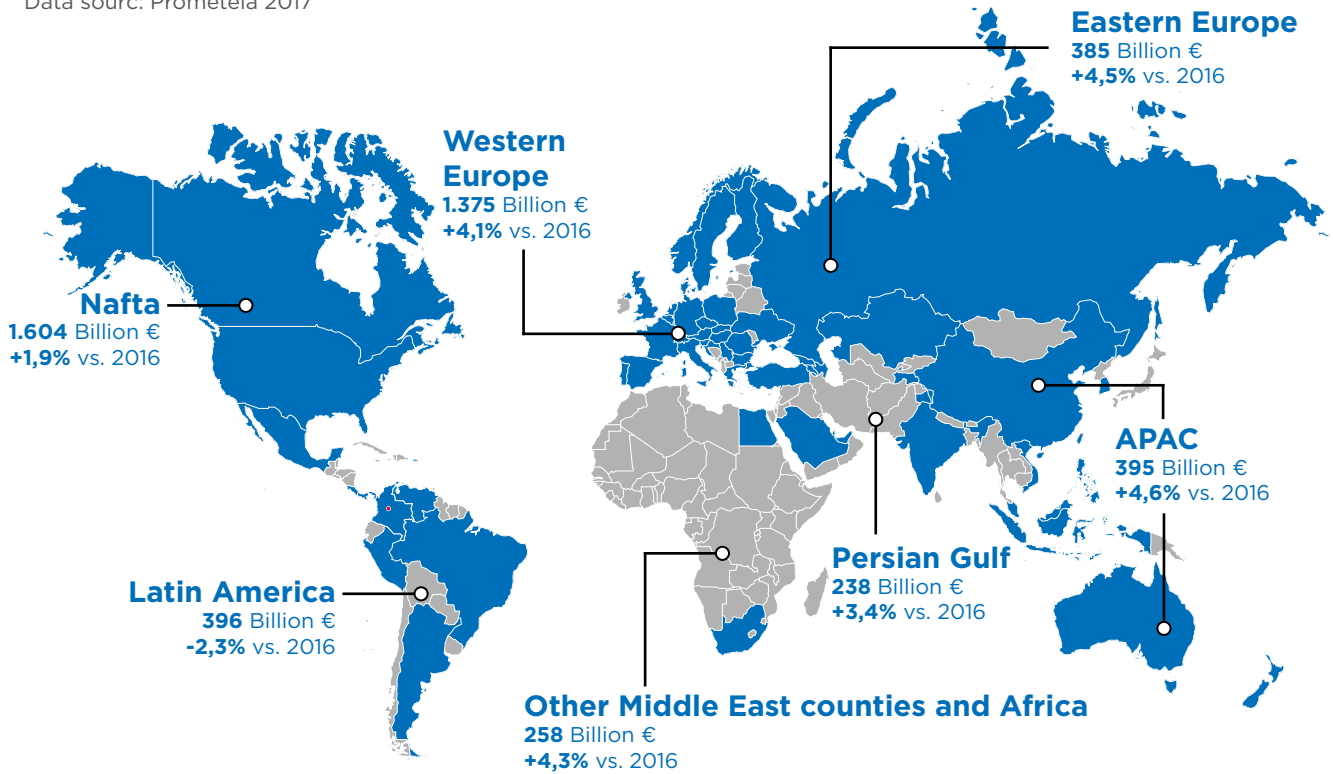


In 2017, the world market value of building stood at around € 8,200 billion, marking an increase of 3.6%, slightly below the global economy. There was a positive trend in investments in construction last year in all regions, with the exception of Latin

America. The following chart summarises the estimated size and trend in investments by geographical macro-areas.

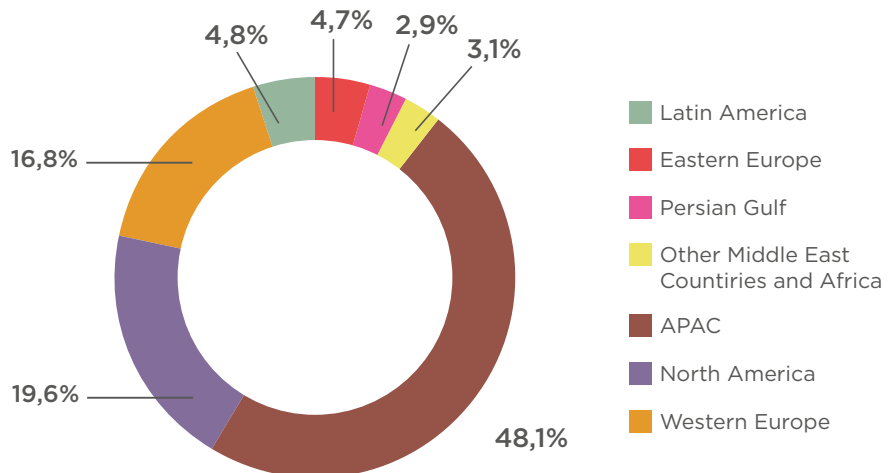
The 2017 Global Construction Industry

Investment value and % variation vs. previous year
Data source: Prometeia 2017



The following graph shows the breakdown of global construction investments.

2017 Split of the Global Construction Industry



GROUP ECONOMIC TRENDS

2017 Consolidated Financial Statements include U.S. Sassuolo Calcio Srl and Mapei Stadium Srl on a line-by-line basis, in compliance with accounting standard OIC 17.

In contrast with the last two annual financial statements, it is now considered unnecessary to prepare also a Mapei Group pro-forma Consolidated Profit & Loss Statement and Balance Sheet, in which U.S. Sassuolo Calcio Srl and Mapei Stadium Srl were evaluated by using the equity method. These two companies have now achieved stable financial results and the presentation of Pro-forma consolidated Financial Statements would have few benefits, at this point, in the evaluation of the typical activity of our Group. These companies contributed € 46.4 million to Group revenues in 2017 (€ 50.2 million in 2016). The table below summarises the main Group financial indicators according to the Consolidated Financial Statements:

PROFIT & LOSS (M€)	2017	2016	VAR %.
REVENUES	2,406.0	2,282.1	5.4%
EBITDA	225.8	267.9	-15.7%
<i>% on revenues</i>	9.4%	11.7%	
EBIT	126.8	165.9	-23.5%
<i>% on revenues</i>	5.3%	7.3%	
Profit before tax	103.5	142.9	-27.6%
<i>% on revenues</i>	4.3%	6.3%	
Net Result	67.3	88.3	-23.8%
<i>% on revenues</i>	2.8%	3.9%	
BALANCE SHEET (M€)			
Net Invested Capital	1,143.8	1,084.8	5.4%
Group shareholders' equity and minority interests	815.4	791.4	3.0%
Financial position (Surplus)/Deficit	328.4	293.4	11.9%
HEADCOUNT	9,516	8,636	10.2%

In 2017, Mapei Group increased its turnover by 5.4%, despite a negative exchange rate effect (excluding the exchange rate effect real growth of around 7.5%), with a growth in the majority of areas and in almost all product lines. The consolidated turnover is € 2,406.0 million, compared to € 2,282.1 million in 2016, marking an increase of € 123.9 million. The profit for the year is € 67.3 million, compared to € 88.3 million in 2016, marking a decrease of 23.8%. It should be considered that the 2016 result was positively influenced by a fall in the cost of raw

materials, in contrast to 2017, in which there was a diametrically opposed trend.

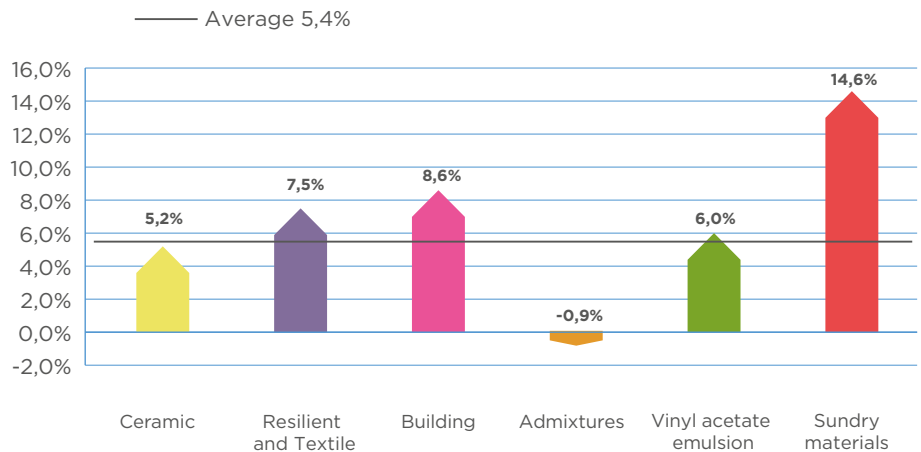
The growth in turnover was achieved primarily with internal growth, given that the companies consolidated for the first time, Mapei Colombia Sas and Mapei Philippines Inc, generated a modest contribution.

REPORT ON GROUP OPERATIONS

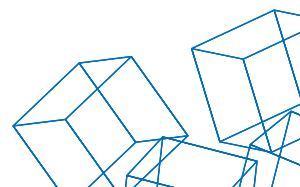
Turnover in almost all the main product lines recorded growth over the previous year. Ceramics products rose by 5.2%, flooring adhesives, resilient and textile coverings by 7.5%, building products by 8.6%, vinyl acetate and acrylic resins by 6.0% and sundry materials by 14.6%. Only concrete and cement admixtures fell slightly, by 0.9%.

The chart below shows the trend in selling lines in 2017:

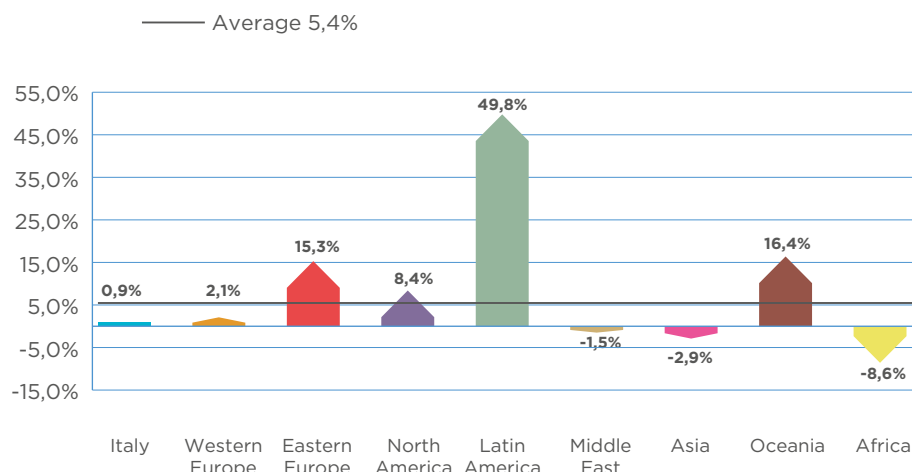
% increase in selling lines in 2017



The geographic areas that recorded an increase in turnover are Italy, Western Europe, Eastern Europe, North America, Latin America and Oceania. The Middle East, Asia and Africa registered an opposite trend. The chart below shows the percentage change in the various areas compared to the previous year:



% increase in the macro-areas in 2017 compared to 2016



The table below summarises the turnover of the Mapei Group 2017 Consolidated Financial Statements, split by macro-areas, with an indication of the increases or decreases compared to the previous year and the incidence of each single area on total sales:

	2017	2016	% INCREASE	INCIDENCE % 2017	INCIDENCE % 2016
Italy	545.6	541.0	0.9%	22.7%	23.7%
Western Europe	638.6	625.7	2.1%	26.5%	27.4%
Eastern Europe	241.1	209.1	15.3%	10.0%	9.2%
North America	691.5	637.9	8.4%	28.8%	28.0%
Latin America	62.6	41.8	49.8%	2.6%	1.8%
Middle East	50.2	50.9	-1.5%	2.1%	2.2%
Asia	96.3	99.2	-2.9%	4.0%	4.3%
Oceania	48.0	41.3	16.4%	2.0%	1.8%
Africa	32.1	35.2	-8.6%	1.3%	1.6%
TOTAL	2,406.0	2,282.1	5.4%	100.0%	100.0%

The Mapei Group is made up of 81 operating companies. It is present in five continents with 48 manufacturing companies in 77 plants, each one equipped with a quality control laboratory, 24 trading companies, 9 services companies and 29 R&D labs. We will now analyse Group company sales and profitability results in the macro areas in which we are present, together with some highlights relating to the economy of the area, with a special focus on the building industry sector.

ITALY



GROUP COMPANIES:

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

Turnover in the Italian area of our Group rose slightly. In fact, we recorded an increase from € 541.0 million in 2016, to € 545.6 million in 2017, with an increase of 0.9%.

Our Group is present in Italy with 10 companies: 6 manufacturing companies with 9 plants, 1 trading company and 3 services companies. 5 R&D labs are also located in Italy.

The profitability of the area fell slightly, given that the healthy profits of Vinavil Spa, Cercol Spa and U.S. Sassuolo Calcio Srl absorb the losses of Adesital Spa, Mosaico+ Srl and Polyglass Spa. In terms of turnover, the best performances in this area were obtained by Mosaico+ Srl (+14.9%) and Vaga Srl (+6.2%).

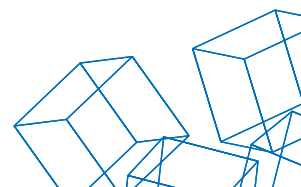
In 2017, Italian GDP recorded estimated growth of 1.5%. Therefore, the growth rate improved slightly from +0.9% in the previous year. The growth of GDP was boosted by development of exports and investments. Once again, the Italian growth rate was the lowest among the major economies of the European Union, which, on the whole, registered growth of 2.4% (the same as for countries in the Euro Area). Last year was characterised by a slight reduction in the unemployment rate, which stood at 11.2%. The percentage unemployment remained above the 8.6% recorded in the European Union. The inflation rate increased by slightly less (+1.3%) than the EU average (+1.7%).

Growth in the Italian economy should remain unchanged in 2018 and is estimated to grow by 1.5%. The inflation rate should also remain unchanged at 1.3%, compared with a slight increase in growth in EU countries. Improvement of the labour market is forecast in 2018 and the percentage of unemployment should drop by 0.7%, against a reduction in the expected unemployment rate of 0.8% for countries in the European Union.

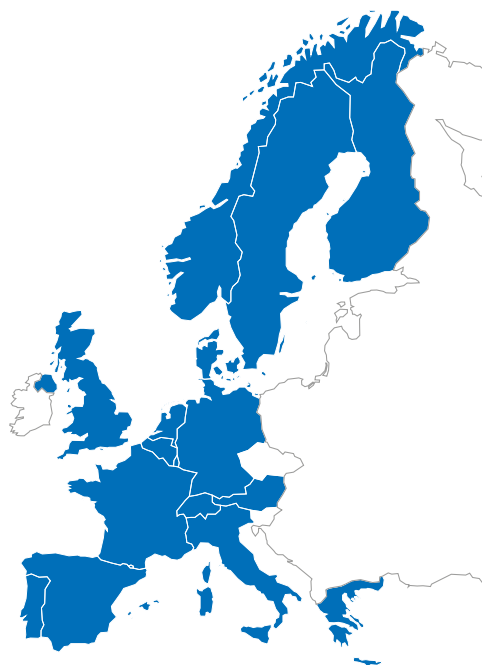
	GDP		INFLATION		UNEMPLOYMENT RATE	
	2017	2018	2017	2018	2017	2018
Italy	1,5	1,5	1,3	1,3	11,2	10,5
Euro Area	2,4	2,3	1,5	1,5	9,1	8,5
European Union	2,4	2,3	1,7	1,9	8,6	7,8

Source: European Commission and Oecd

Last year, the Italian building industry recorded low growth. The estimates for investment growth rates vary depending on the source, but it is believed that building output may have grown by around 1%. Therefore, in 2017, the building segment recorded a performance in line with the one registered by the economy as a whole.



WESTERN EUROPE



This area recorded a modest increase in turnover, up from € 625.7 million in the previous year to € 638.6 million in 2017, with an increase of 2.1%.

Western Europe is the area with the highest number of companies in our Group, with some 22. There are 13 manufacturing companies with 17 plants, 6 trading companies and 3 services companies. In this area we have 7 R&D labs.

Although there was a slight fall in profit compared with the previous year, this area remains in the top position for Group profitability. The excellent economic results achieved by Mapei Suisse Sa, Sopro Bauchemie GmbH (D), Mapei Uk Ltd and Mapei Spain Sa stand out.

In terms of turnover, the companies that recorded the best performances in 2017 were Mapei Hellas Sa (+28.4%), Sopro Nederland Bv (+11.2%) and Mapei Spain Sa (+10.2%).

Last year, Euro area economies recorded growth estimated at 2.1%, a slight improvement on 2016.

In Germany, in 2017, the economy is estimated to have grown by 2.5%, while growth in France was 1.8%. Among the main economies in Western Europe, Spain recorded the highest rate of growth: in fact, GDP rose by 3.1%. The UK economy recorded growth of 1.7%, lower than the average for Western Europe.

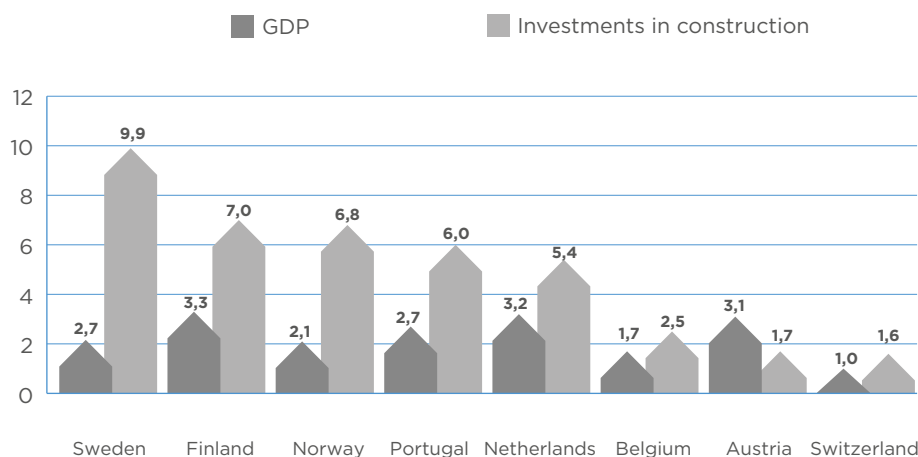
GROUP COMPANIES:

- 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

In 2017, the value of the building market in Western Europe recorded total growth of 4.1%. Development in the building sector was therefore double the general economic growth reported in the area. Investments in construction increased in almost all the major countries of the region, although at a different pace.

Trend in GDP and investments in construction

% Change 2017 v. 2016



EASTERN EUROPE



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 Srb 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

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 of this area increased from € 209.1 million in 2016 to € 241.1 million in 2017, marking an increase of 15.3%. Almost all the companies in Eastern Europe experienced growth.

The area's EBIT was excellent and increased with respect to 2016, making it among the best of our Group. The positive results of Mapei Polska Spzoo, Gorka Cement Spzoo, Mapei Kft and Mapei Sro should be highlighted.

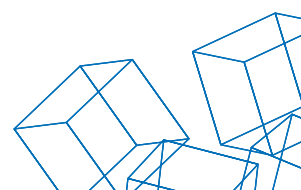
The companies with the greatest increase in turnover were Mapei Srb Doo (+49.8%), Zao Mapei (+35.6%) e Mapei Bulgaria Eood (+33.9%).

In 2017, the economy of this region recorded growth estimated as 3.2%, double the growth rate of GDP in the previous year. The improvement in the area's economy is due primarily to the end of the recession in Russia (the region's main market), where GDP increased by almost 2%. The economic situation in Romania was also highly favourable in 2017 and growth of GDP reached a record 6.7%. Economic growth improved considerably in Poland and the Czech Republic, where GDP increased by 4.5%; estimated growth in Hungary is 3.8%. Growth was only modest in the Ukraine and, despite signs of recovery, GDP is estimated to have increased by under 2%.

With regards to the other major economies in the area, Turkey recorded an extremely high growth rate, estimated by the OECD as 6.9%, the highest growth rate recorded among the G20 countries.

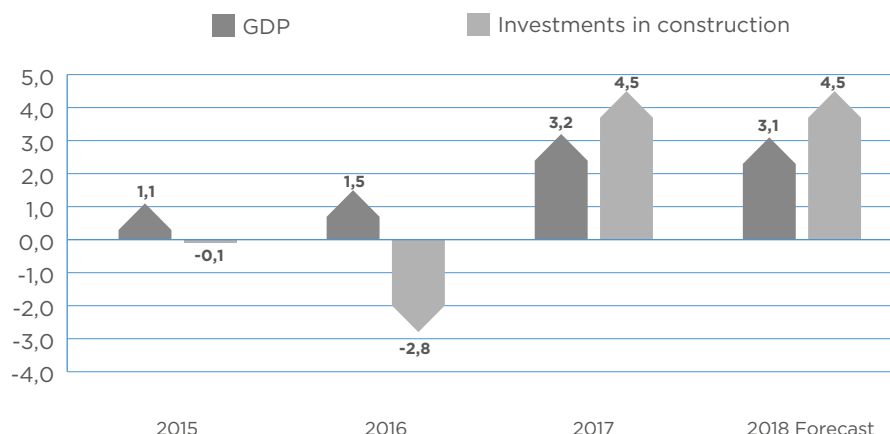
During the current year, the economic situation in Eastern Europe is expected to remain positive, although a slight drop in the growth rate is expected on its main markets. As a whole, the GDP of the region should increase by 3% in 2018.

The general trend in the building market in Eastern Europe was positive last year and it is estimated that investments rose by over 4% compared with 2016. The graph below shows the estimated changes for building investments in the eastern region.



Trend in GDP and investments in construction in Eastern Europe

Variation % vs. previous year



NORTH AMERICA



The turnover recorded by our Group in the North America exceeded € 691.5 million, compared to € 637.9 million in 2016, with an increase of 8.4%, despite the negative effect of the Euro/Dollar exchange rate.

We operate in the area with 7 companies: 4 manufacturing companies with 20 plants and 3 services companies. We have 6 R&D labs operating in the area.

The Euro/Dollar exchange rate slightly influenced profitability of the area, which is nonetheless ranked second in our Group. This effect was produced mainly by Mapei Corp and Polyglass Usa Inc.

The companies with the biggest increase in turnover in this area were Polyglass Usa Inc (+10.7%) and Mapei Corp (+9.2%).

In 2017, the GDP growth rate in the US improved considerably, reaching +2.3%, compared to +1.5% in the previous year. The US economy was supported by good levels of consumption, which took advantage from the good conditions on the employment market, recovery of investments and growth in exports.

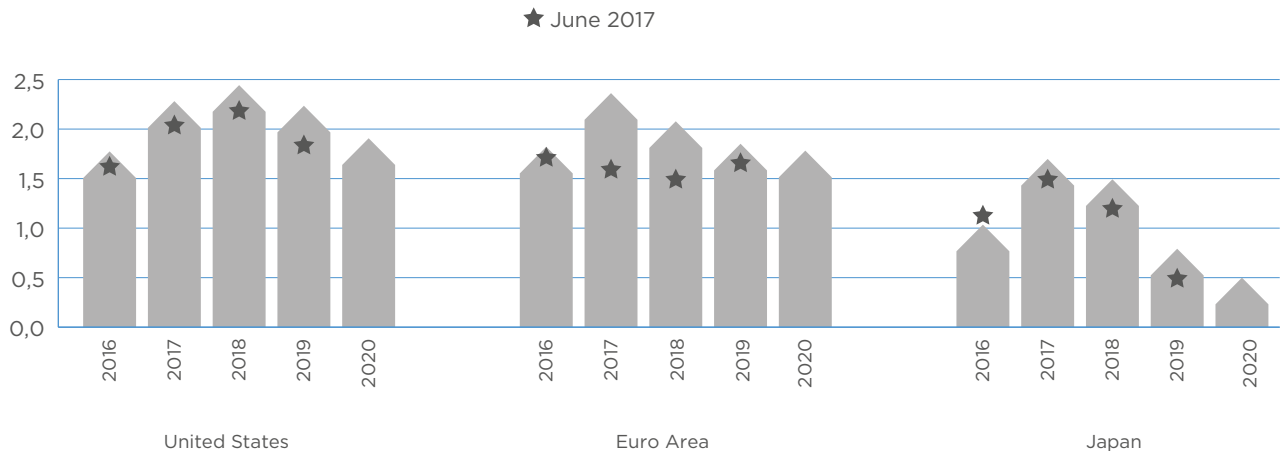
The graph below summarises trends in GDP on the main advanced economies and forecasts for the coming years. In 2017, the growth rate of the US economy was in line with the rate for the Euro Area. The estimates for 2018 and the following two years indicate that the US macroeconomic situation will improve and achieve growth rates higher than those of other advanced economies. The growth in US GDP will probably be supported by increase of investments and domestic consumption.

GROUP COMPANIES:

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

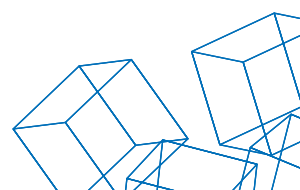
Growth of GDP in the main advanced economies

Source: World Bank Economic Outlook, January 2018



In 2017, GDP in Canada increased by 3% compared to the 1.4% in 2016. There was 2.3% growth of the Canadian economy during the year, a rate equal to the average rate estimated for advanced economies.

In 2017, the construction market in the NAFTA area recorded modest growth of around 1.9%. The overall result was influenced by the slowdown of the US residential sector in the two central quarters of 2017. The slowdown of the US residential sector has to be evaluated taking into consideration the historical market trends. In the period 2012-2016, in fact, investments in residential buildings increased by over 8% per annum.



LATIN AMERICA



GROUP COMPANIES:

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

In Latin America, our Group recorded turnover of € 62.6 million, against € 41.8 million in 2016, an increase of 49.8%.

We operate in the area with 9 companies: 7 manufacturing companies with 9 plants and 2 trading companies. We have 3 R&D labs operating in the area.

This is the area where the Group is intensifying its investments and, despite the excellent increase in turnover, profitability is still negative. The best results were obtained by Mapei Construction Chemicals Panama Sa.

The companies with the biggest increase in turnover in this area were Mapei Mexico Sa de Cv (+82.8%), Mapei Brasil Construction Materials Ltda (+66.8%) and Mapei Argentina Sa (+63.0%).

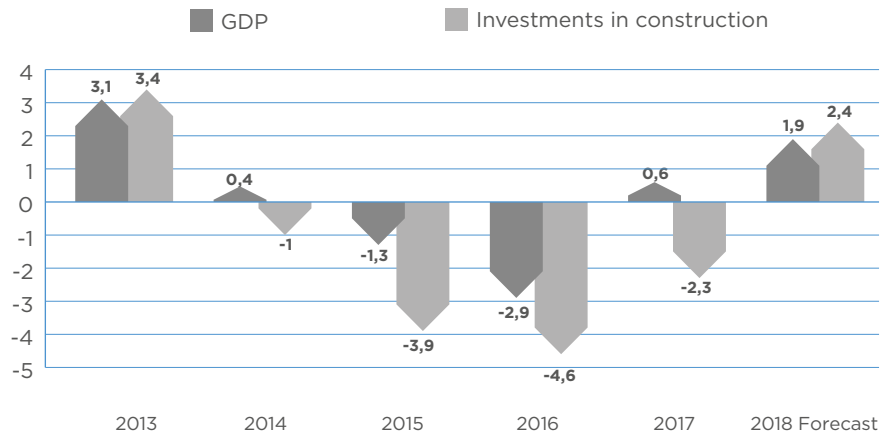
Mexican GDP growth is closely related to the economic situation in the US. Economic growth in Mexico in 2017 was 2%. In 2018, according to available estimates, there should be 2.3% growth of the Mexican economy, which will benefit from increased US demand.

In South America, GDP recorded estimated growth of 0.6%, which is the lowest worldwide. Brazil, which is the region's major economy, came out of the recession and took advantage from the increase in international prices of raw materials and the step-up in Chinese demand. However, growth of Brazilian GDP was moderate and estimated as just 1%. The economic situation was better in Argentina, where growth reached 2.7%, and in Peru, where 2017 ended with a growth rate of 2.6%. There was modest growth of the Colombian economy, estimated as 1.8%. In Venezuela, the political and social instability exacerbated 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 12%.

The building market in Latin America recorded the worst performance worldwide in 2017. Investments in construction fell once again, and are estimated as 2.3%. As the graph shows, the recession in building activities was longer and more marked than the one hitting the region's GDP, which was one of the world's most dynamic areas until 2013, in relation both to development of the economy and the construction sector.

GDP and construction investments trend in Latin America

Variation % vs. previous year



MIDDLE EAST



GROUP COMPANIES:

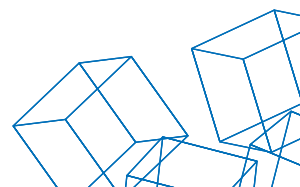
- Mapei Constr. Chemical Llc
- Mapei Doha Llc
- Mapei Saudia Llc

We are present in this area with two operating companies and a company that is not active yet (Mapei Saudia Llc). Turnover fell from € 50.9 million in 2016 to € 50.2 million this year and is substantially in line with the previous year.

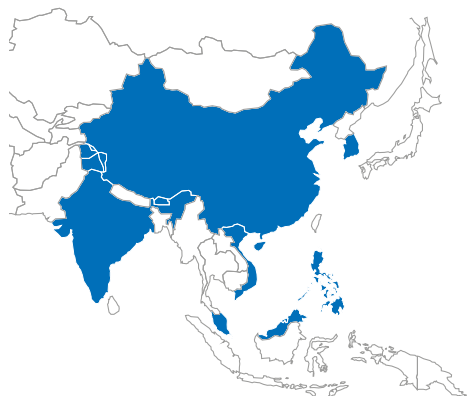
We are present in this area with 3 companies: 1 production company with 1 plant, 2 trading companies and 1 R&D lab. Although operating income fell slightly, it remained at satisfactory levels for our Group, with Mapei Construction Chemicals Llc standing out.

The business results of the Middle East were positive for Mapei Construction Chemical Llc (+2.9%) and negative for Mapei Doha Llc (-39.6%), due to the lack of large projects.

In the Middle East, with 1.4% growth of GDP in 2017, the shrinkage in oil production negatively impacted growth of Saudi Arabia (-0.7%). The shrinkage in oil volumes had not a significant impact on the economy of The United Arab Emirates, as their economy does not depend solely on the energy sector. There was modest growth of 1.4% in GDP in the Emirates. Among the other main countries of the area, Iran experienced growth of 3.6% in GDP. In 2017, performance of the main construction markets of the Persian Gulf was highly diverse. Building activity was modest in Saudi Arabia. However, investment dynamics resulted in a significant improvement in the Emirates, with positive performance in all market segments.



ASIA



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 Korea Ltd
Mapei Malaysia Sdn Bhd
Mapei Philippines Inc
Mapei Vietnam Ltd

After years of growth, the turnover of this area decreased from € 99.2 million in 2016 to € 96.3 million in the year just ended, marking a decrease of 2.9%.

We are present with 9 companies: 7 manufacturing companies with 8 plants and 2 trading companies. In this area we have 5 R&D labs.

The profitability also fell and was lower than the average of our Group. The best income performances refer to Mapei Malaysia Sdn Bhd and Mapei Vietnam Ltd.

The best results in Asia in terms of sales were obtained by Mapei Construction Products India Private Ltd (+19.3%) and by Mapei Korea Ltd (+16.6%). Mapei Far East Pte Ltd registered the opposite trend, due to stagnation of the real estate market.

In 2017, emerging Asian economies were once again the drivers of global GDP growth, posting an increase the International Monetary Fund estimates at 6.5%.

Growth of Chinese GDP last year was 6.8%, boosted by a series of government initiatives to support growth. Despite a slight slowdown in 2017, India registered growth of 6.7%.

In 2017, the economic situation in Indonesia, Malaysia, Vietnam and the Philippines was strengthened by average growth of 6%, compared with 5% the previous year.

Korea achieved a growth rate of 3.1% in 2017, a slight improvement compared with 2016.

Growth of the building market throughout the Far East last year was around 5%. The market situation remained basically positive, although there was a slight drop in the growth rate compared with 2016.

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 a significant increase of 16.4%, reaching € 48.0 million, compared to € 41.3 million in 2016.

The profitability of the two companies, which increased heavily, continued to stay among the highest of our Group.

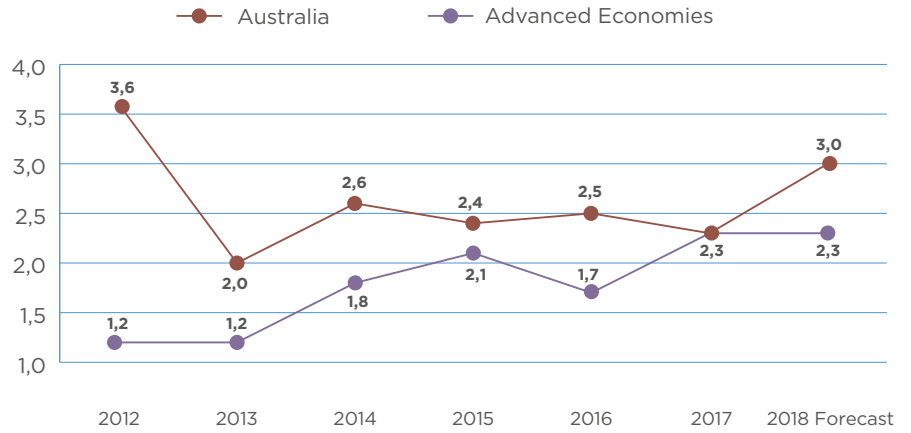
Mapei Australia Pty Ltd recorded an increase of 20.1% in sales, while Mapei New Zealand Ltd registered a slight drop of 1.1%.

In 2017, the Australian economy achieved estimated growth of 2.3%, slightly lower than the 2.5% the previous year. Last year's result was heavily impacted by the highly adverse weather conditions in 2017 and by a partial slowdown in exports to China. Australia nonetheless remains one of the world's strongest economies and has recorded major growth over recent years.

The graph shows a comparison between the trend in Australian GDP and the GDP of advanced economies and the forecasts for 2018.

Australian's GDP trend compared to advanced economies' average GDP

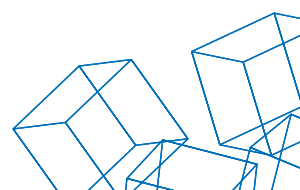
Variation % vs. previous year



The expansionary phase of the New Zealand economy continued in 2017. GDP increased by 3.5%, a growth rate in line with the one achieved the previous year. The New Zealand economy is also one of the strongest among the advanced economies. It is characterised by modest inflation and unemployment rates stably below 5%.

The different segments of the Australian building sector experienced differing trends last year. The residential sector suffered a slowdown after a lengthy expansionary phase that took residential building to record levels.

In 2017, the New Zealand building sector achieved estimated growth of around 4%. Performance of the construction segment was therefore slightly better than the economy as a whole.



AFRICA



Turnover in this area fell from € 35.2 million in 2016 to € 32.1 million in 2017, marking a decrease of 8.6%.

We are present on the African continent with 2 manufacturing companies with 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. The second, Mapei South Africa Pty Ltd, 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 profitability in Africa highlighted two different trends: Vinavil Egypt for Chemicals Sae performed fairly well, while Mapei South Africa Pty Ltd did not perform as well.

In terms of turnover, the two companies had fluctuating performance: Vinavil Egypt for Chemicals Sae closed the year with an 11.0% decrease, due mainly to devaluation of the Egyptian Lira, while Mapei South Africa Pty Ltd increased its sales by 5.3%.

In 2017, there was robust economic growth in North Africa, registered in all countries. Egypt registered the best performance of the markets in the area, with GDP increasing by 4.4% compared to the previous year.

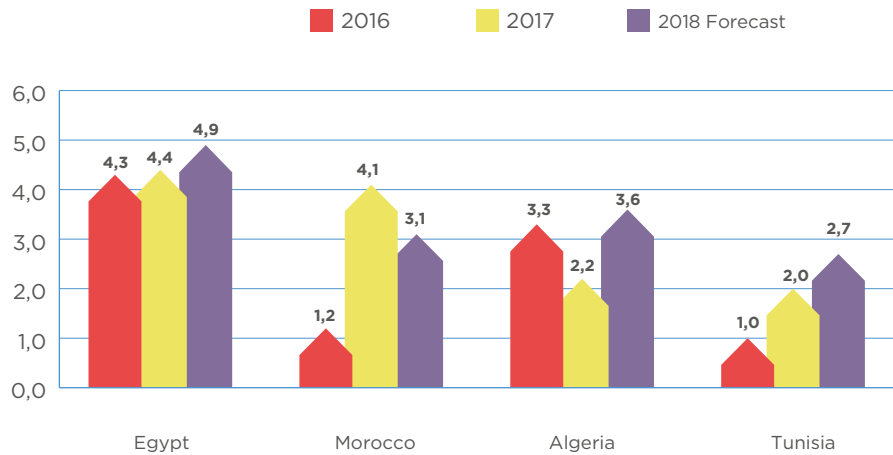
GROUP COMPANIES:

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

In 2017, the expansionary phase of investments in construction in North Africa continued. The highest growth rates were registered in Egypt, where there were highly positive dynamics on the infrastructures and residential building market.

Trend in GDP in North Africa

Variation % vs. previous year
Source World Bank. January 2018

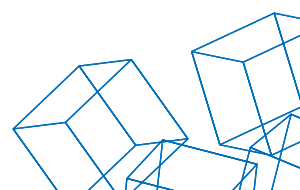
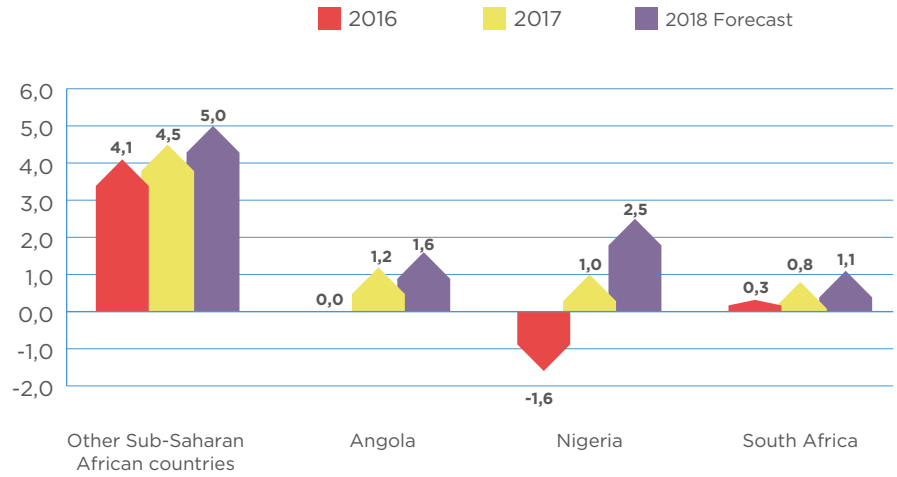


Growth was modest in the three main economies in Sub-Saharan Africa - Nigeria, South Africa and Angola. There was partial recovery of GDP, which should be consolidated in 2018.

In 2017, the South African building sector registered modest growth, in line with the domestic economy as a whole.

Trend in GDP in Sub-Saharan Africa

Variation % vs. previous year
Source World Bank. January 2018



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 values of the financial statements as at December 31st, 2017, compared them with the correspondent data as at December 31st, 2016, through a reclassified Balance Sheet by functional areas and a Profit & Loss Statement by relevant management criterion:

RECLASSIFIED BALANCE SHEET AS AT 31 ST DECEMBER	2017	2016	% VAR
NET FIXED ASSETS			
Intangible assets	114.0	107.5	6.0%
Tangible assets	566.9	550.0	3.1%
Financial assets	4.0	4.0	0.0%
Total	684.9	661.5	3.5%
NET WORKING CAPITAL			
Inventory	326.1	295.0	10.6%
Trade receivables	625.6	586.2	6.7%
Other current assets	10.1	10.0	1.0%
Trade payables	-413.7	-380.7	8.7%
Other current liabilities	-17.3	-14.0	23.6%
Total	530.8	496.5	6.9%
SUNDRY RISK PROVISION AND STAFF SEVERANCE FUND			
Sundry risks provisions	-60.7	-61.9	-1.9%
Staff Severance Fund	-11.2	-11.3	-1.1%
Total	-71.9	-73.2	-1.8%
NET INVESTED CAPITAL (NIC)	1,143.8	1,084.8	5.4%
NET FINANCIAL POSITION			
Cash and cash equivalent	-132.3	-173.7	-23.8%
Short-term borrowings	172.4	110.2	56.4%
Medium/long-term borrowings	288.3	356.9	-19.2%
Total	328.4	293.4	11.9%
SHAREHOLDERS' EQUITY	815.4	791.4	3.0%
TOTAL SOURCES OF FINANCING	1,143.8	1,084.8	5.4%

A comparison of the reclassified Balance Sheet for 2017 and 2016 shows a slight increase in the net financial position from € 293.4 million in 2016 to € 328.4 million as at December 31st, 2017, mainly due to the high investments of our Group.

In particular, cash on hand and banks decreased from € 173,7 million to € 132.3 million. Financial payables remained substantially unchanged, with an increase in short-term borrowing and a decrease in medium/long-term borrowing.

The ratio between the two types of borrowing remains good in any case.

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

RECLASSIFIED PROFIT AND LOSS AS AT 31 ST DECEMBER	2017	2016	% VAR
Revenues	2,406.0	2,282.1	5.4%
Internal production	21.5	8.9	141.6%
VALUE OF PRODUCTION	2,427.5	2,291.0	6.0%
External operating costs	-1,630.9	-1,489.6	9.5%
GROSS MARGIN	796.6	801.4	-0.6%
Personnel costs	-570.8	-533.5	7.0%
EBITDA	225.8	267.9	-15.7%
Amortisation/depreciation and provisions	-99.0	-102.1	-3.0%
EBIT	126.8	165.8	-23.5%
Other revenues/costs	-5.0	-2.5	100.0%
Financial Income	0.5	0.8	-37.5%
ADJUSTED EBIT	122.3	164.1	-25.5%
Extraordinary items	-	-	
EBIT WITH FINANCIAL INCOME	122.3	164.1	-25.5%
Financial expenses	-18.8	-21.2	-11.3%
PROFIT BEFORE TAX	103.5	142.9	-27.6%
Income taxes	-36.2	-54.6	-33.7%
NET RESULT	67.3	88.3	-23.8%

FINANCIAL RATIOS

We hereby report some financial ratios that are significant and generally used in the world of finance. The ratios compared the results of the year with those of the previous year.

a) Capital ratios

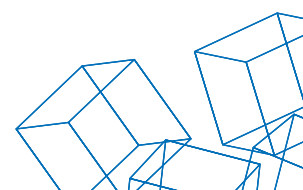
2017 2016

Equity to fixed assets ratio (Equity/Fixed assets)	1.19	1.20
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Stability of this ratio confirms the financial solidity of our Group. Equity is more than sufficient to finance fixed assets.

Fixed Assets Coverage [(Equity + Consolidated liabilities) / Fixed assets]	1.72	1.85
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The fixed assets coverage ratio fell slightly, since the ratio between equity and consolidated liabilities and fixed assets improved due to the reduction in medium-term borrowing.



b) Leverage ratios **2017** **2016**

<u>Total debt-equity ratio</u> [(Consolidated liabilities + Current liabilities) / Equity]	1.18	1.18
<u>Financial debt-equity ratio</u> (Net financial position / Equity)	0.40	0.37

These two ratios (the first stable and the second slightly increased) highlight the limited increase in bank debt, offset by the increase in Shareholders' Equity.

c) Profitability ratios **2017** **2016**

<u>Net ROE</u> (Net profit/Equity)	8.2%	11.1%
<u>Gross ROE</u> (Profit before tax/Equity)	12.7%	18.1%

Both ratios highlight the clear decrease in Group profitability.

<u>ROI</u> [EBIT/(NIC - Operating liabilities)]	11.4%	14.9%
<u>ROS</u> (EBIT/Revenues)	5.3%	7.3%

These two ratios also decreased, highlighting the fall in the results of the Group operating result.

d) Liquidity ratios **2017** **2016**

<u>Current ratio</u> (Current assets/Current liabilities)	1.81	2.11
<u>Quick ratio</u> [(Trade and other receivables + Cash and cash equivalents) / Current liabilities]	1.66	1.29

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

CAPITAL EXPENDITURE

In 2017, the Group established the record for capital expenditure, which totalled € 110.4 million.

Here below the investments by geographical area.

In Italy, the main investments refer to:

- Mapei Spa, which invested € 4.1 million mainly in renovation of the Mediglia and Latina production sites and for purchase of analysis instruments for the Milan laboratories.
- Vinavil Spa, which invested € 3.3 million, mainly in the construction of a new production line for acrylic products and for adaptation of the cogeneration plant in Villadossola plant.

In Western Europe, the following investments should be noted:

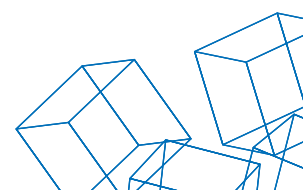
- Mapei As, for € 6.0 million, mainly to purchase a land and for construction of a new warehouse in Sagstua.
- Mapei UK Ltd for € 3.5 million, mainly for construction of a new production line.
- The Sopro Group for € 2.5 million, for the purchase of a new plot of land by Sopro Polska Spzoo and for renewal of the production lines of Sopro Bauchemie GmbH and Rasco Bitumentchnik GmbH.

In Eastern Europe, the investments related to:

- Mapei Kft, for € 5.0 million, mainly for the construction of a new production building in Sostuk.
- Zao Mapei, for € 2.5 million, mainly for the finalisation of purchase of the new Kikerino plant.
- Mapei Polska Spzoo, for € 2.5 million mainly for extraordinary maintenance and purchase of equipment in Barcin and Gliwice production sites.
- Gorka Cement Spzoo, for € 1.7 million for renewal of the production plants.

The most relevant production investments in North America were made by:

- Mapei Corp, for € 25,000,000, related to the construction of new powder plants in West Chicago and New Jersey, to increase the production capacity on the powder line in California and for completing the production site in Georgia.
- Polyglass Usa Inc, for € 14.0 million, mainly for construction of a production site in Waco, for expansion of the Hazleton plant and for purchase of land and the relative production site in Phoenix.
- Mapei Inc for € 1.2 million, for renovation works carried out on production plants.



In Latin America, the investments related to:

- Mapei Colombia Sas, for € 2.6 million. These investments mainly refer to the tangible assets of the company, which was purchased in 2017 and included in consolidation for the first time.
- Mapei Argentina Sa, for € 2.5 million, mainly for the construction of a new production building.
- Mapei Mexico Sa de Cv for € 2.0 million, for the renovation of the Zimapan production site.

Investments in the Middle East concerned:

- Mapei Construction Chemical Llc, for € 5.0 million, for the construction of new offices and the extension of the existing warehouse.

In Asia, the main investments refer to:

- Mapei Korea Ltd for € 5.0 million, mainly for construction of the new Cheonan production site.

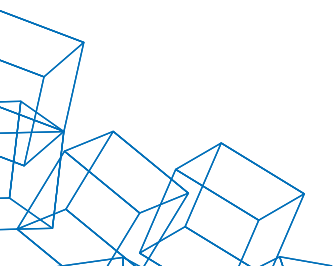
The main investments in Africa were made by:

- Vinavil Egypt for Chemicals Sae for € 1.5 million for the construction of a new acrylic resins production line.

The remaining investments of € 21.0 million were made by our subsidiaries, involving a unitary amount of less than € 1.0 million, and refer mainly to the renovation and extraordinary maintenance of offices and production sites.

Disposals for the year amount to € 5.9 million, net of the accumulated depreciation.

The capital expenditure value as at December 31st, 2017 is also affected by the negative exchange rate effect, reporting a decrease of a full € 55.8 million, mainly referred to the devaluation of the US Dollar, the British Pound Sterling, the Egyptian Lira and the Argentinian Peso against the Euro.



RESEARCH & DEVELOPMENT

During 2017, 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 also with the support of the labs of the following Group companies:

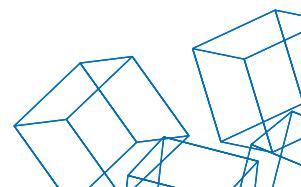
- Mapei Corp
- Mapei Inc
- Mapei As
- Mapei France Sa
- Mapei Malaysia Sdn Bhd
- Mapei Gmbh (A)
- Mapei Construction Chemical Llc
- Mapei Far East Pte Ltd
- Cercol Spa
- Mapei Australia Pty Ltd
- Mapei Korea Ltd
- Mapei Construction Materials Co Ltd
- Adesital Spa
- Mapei Construction Products India Private Ltd
- Mapei Argentina Sa
- Mapei Colombia Sas
- General Resource Technology Corp
- Mapei Mexico Sa de Cv

All the projects, which continue during the current year too, are coordinated by the Central Laboratory in Milan.

The Mapei Group has worked for years to create a solid and systematic relationship with the scientific community, and this has allowed the company to ensure its basic know-how is up-to-date and also to boost the creativity and innovation of its own research. For its part, the scientific community benefits from the Mapei know-how and experience.

In order to participate actively in this long-term collaboration, researchers and trained young graduates have been taken on at our companies to promote and support basic and applied research.

We are confident that the positive effect of these initiatives will produce good results in terms of turnover, with favourable consequences on the profitability of our companies.



ENVIRONMENT, HEALTH AND SAFETY

A new Group HSE Policy document was issued in April 2017 and published on the Mapei Spa website.

The monitoring of performance indicators for accidents recorded at Group sites (accident frequency rate and accident severity rate) continued in 2017; these indicators were collected from roughly 85 plants and warehouses worldwide.

In the Italian sites, the frequency rate increased slightly, to 6.7 (6.4 in 2016), but remains in line with the national rate for the chemical industry.

For the European area, the frequency rate recorded a downward trend in 2017, from 14.1 in 2016 to 13.4. The rates collected for the other areas (America, Asia, Africa) are still not comparable, as many countries use different calculation criteria. We are attempting to standardise the different systems, in order to obtain comparable rates.

During 2017, the project for environmental certification according to standard ISO 14001 and safety according to standard OHSAS 18001 for the Milan R&D labs was completed. This project, which started in 2015, concluded with the certification issued in July 2017.

A project is planned to extend these certifications also to the Management, administration and technical offices of Mapei Spa in Milan, to Cercol Spa, to Adesital Spa and to the Mapei Spa warehouse in Sassuolo. Lusomapei Sa also started a similar project in 2017, with the objective of obtaining the certification during 2018.

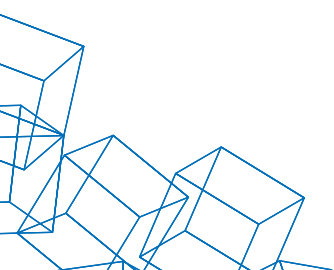
As far as concerns improved energy efficiency activities, which involved all the major Italian sites, activities continued in 2017 to implement the actions originally identified as improvement objectives and resulting from the energy audits envisaged by current regulations.

QUALITY MANAGEMENT

As a result of the commitment of the central departments, all Group companies operate with management and control processes consistent with the Group Corporate model but adjusted to their needs, which is the basic requirement for certification.

In 2017, the number of Group companies with an ISO 9001 certified QMS increased from 40 to 43; these companies produce over 90% of Group turnover and are located in Italy (9), in Europe (18), in North and South America (6); in Asia, Australia and Africa (10).

Several companies had already obtained the new certificate of conformity with ISO 9001:2015 in 2017 and this is expected to be obtained in 2018 for Mapei Spa and for the other Group companies, on completion of the current activities. The



new versions of the standards have a format that facilitates coordination and integration of the systems.

A review of the selection criteria of certification agencies and definition of audit plans was also started, considering, where possible, coordination between the “Quality, Environment, Health and Safety” systems. The aim is to optimise costs, benefits and commitments, partly in consideration of the large number of projects in progress.

In order to achieve this objective, an initiative was agreed with Certiquality and an international qualified entity, to harmonise the Group certification systems at a single and qualified institute, and will start in 2018.

The implementation of the plan to improve the management of reports on products and services continued, with training and instruction of the various local and central company departments in activities that are also supported by claims management software.

In 2017, in collaboration with the Technical Assistance Service, the claims management software was installed at a further 7 subsidiary companies. There are currently 26 companies using this software.

INFORMATION TECHNOLOGY

In January 2017, we carried out the “go live” at Vinavil Spa, Adesital Spa, Cercol Spa, Vaga Srl and Polyglass Spa based on Mapei Group Core Model, continuing the activities in line with the release plan of the new ERP to Group subsidiaries.

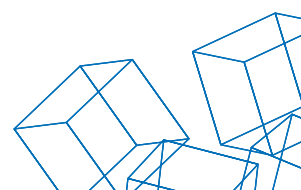
In this case as well, the start-up of the new system at 5 companies, between 2nd and 9th January, was completed without any significant issue.

The strategy of developing several technical tools to support parallel go lives (“copy company”, “migration path”) during the second part of the last year proved to be successful, as elements that facilitate preparation and operational management of simultaneous “go lives”.

The go live process continued during the year for other affiliates (Mapei Mexico Sa de cv, Mapei Construction Chemicals Panama Sa, Mapei Vietnam Ltd).

For several countries, where particular attention must be paid to local tax regulations, it was necessary to identify a customized version for the Core Model.

Our Group works constantly, with investments and qualified internal and external resources, to ensure that the systems always operate in accordance with regulations governing tax and statutory aspects in the various countries where Group companies operate.



HUMAN RESOURCES

The Mapei Group once again invested heavily in human resources in 2017. The overall increase in the headcount compared to the previous year was 10.2%, equal to 880 employees. This increase was focused in particular on North America, Latin America, Western Europe and Eastern Europe, to support continued growth of the Group.

The main issues this year were once again salaries and wages, organisational consolidation and adaptation of the top management quality level in the various geographical areas.

The “Compensation” aspect has also a central issue in Central and Eastern European countries and the efforts of Top Management to ensure wage and salary policies are efficient (MBOs/market benchmarking) therefore increased further. This approach is part of the Group’s commitment to placing increasing focus on attracting and keeping resources within the organisation.

Organisational consolidation of structures and the upgrade of technical and overarching skills at the various subsidiaries continues, partly through careful definition of the content of the main roles, in order to satisfy the needs of our business and our customers.

The activities to recruit managers with sufficient experience in all the main Group companies was completed during the year.

Digitalisation of all processes continued, and is becoming operational, in particular the international training through definition of an e-learning platform for global training. The Group will continue to be heavily committed to this activity in the next few years.

The Group also continued to invest in international mobility projects, as a means of developing a global mental attitude and raising awareness of our approach and our values within the Group, as well as obviously ensuring the exchange of best practices and technical know-how.

	12.31.2017			12.31.2016		
	Blue-collars	White-collars and directors	Total	Blue-collars	White-collars and directors	Total
Italy	889	1,388	2,277	874	1,328	2,202
Western Europe	628	1,469	2,097	612	1,396	2,008
Eastern Europe	405	1,124	1,529	400	1,022	1,422
North America	1,086	914	2,000	953	862	1,815
Latin America	140	437	577	85	161	246
Middle East	25	102	127	20	100	120
Asia	184	437	621	171	399	570
Oceania	14	91	105	16	82	98
Africa	109	74	183	102	53	155
TOTAL	3,480	6,036	9,516	3,233	5,403	8,636

Lastly, it should be noted that the commitment in implementing and auditing the Code of Ethics at global level continued throughout 2017, also in collaboration with the Internal Audit department.

Finally, we feel committed to thank all Mapei employees and collaborators who, with their responsibility, ability and enthusiasm, have worked for the Group companies. Without the collaboration of everyone involved, it would have been difficult to achieve the results obtained by the Mapei Group over the years.

RISK MANAGEMENT

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

Financial requirements and cash management risks

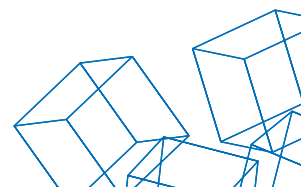
These risks are constantly monitored by the Corporate Treasury, in collaboration with the operating units of the individual companies, so that immediate action can be taken if necessary, with the objective of ensuring that the resource requirements of all subsidiaries are adequately managed.

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, mainly issued by the Parent Company, which are used to support the development of our business. Some of these loans are subject to the observance of covenants. Any available cash is held temporarily in the bank current accounts so that it can be used immediately.

In the Notes to the financial statements, paragraph “Payables due to banks”, we have outlined the exposure to the banking system, broken down by company. We should also note that, as at the end of the financial year, in addition to cash on hand and banks totalling € 132.3 million, the Group holds further credit lines amounting to more than € 415 million, not drawn down but which can be used immediately if necessary, provided by leading credit institutions.

Interest rates risks

This is the risk resulting from any significant increase in financial charges on floating rate loans. The risk of significant effects is currently considered to be limited. Our Corporate Treasury has decided to use mainly loans, both short and medium/long-term, at floating rates which enable us to obtain a lower cost of borrowing.



There were three derivative contracts in place at the end of the year, two of Mapei Spa and one of Polyglass Spa, entered into 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 two transactions, have been booked in the financial statements of the year. As at 31st December 2017, the notional value of these contracts amounted to € 43,4 million, compared to € 67.3 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 barely impacted by currency fluctuations. For loans in foreign currency, our Corporate Treasury, together with the Financial Divisions of the subsidiaries, constantly monitor currency fluctuations in order to take prompt action if necessary.

Credit management risks

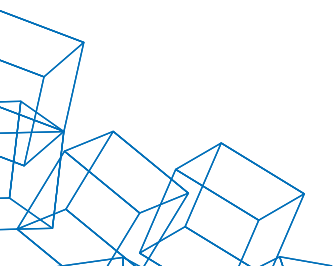
This risk is considered highly significant and is monitored through procedures implemented by all the Credit Managers of the Group companies, targeted at evaluating customer solvency through the granting of credit limits established on the basis of internal ratings. The maximum exposure to this risk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

We have intensified our collaboration with companies specialised in credit rating in the building sector. With regards to this risk, nonetheless, the sales activities of the Group are considered to have satisfactory credit quality.

It should also be noted that, by working with quite a high number of customers, our Group does not show significant credit positions which imply an excessive concentration of credit.

Environmental risks

Our Group pays special 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

The dispute promoted by Flag Spa, a subsidiary of the French group Soprema, against Polyglass Spa and Mapei Spa, for the claimed violation of confidential information and fair competition principles related to the construction of the first synthetic membranes plant by Polyglass Spa, is still in progress. The company S.A.T. Engineering di Francesco D'Ursi & C Sas subsequently intervened in the pending proceedings, in its role as holder with Flag Spa of an Italian invention patent regarding a "heating system" allegedly similar to the one used in the plant involved in the proceedings, and part of the know-know whose protectability is being laid claim to.

The Court of Milan, with sentence of July 17th, 2017, rejected the appeals Flag Spa and D'Ursi/SAT proposed against the judgement passed by the Court on June 11th, 2015, but upheld the cross-appeal regarding the legal costs submitted by Polyglass Spa and Mapei Spa.

D'Ursi and S.A.T. Engineering di Francesco D'Ursi & C. Sas proposed an appeal at the Court of Cassazione, while Flag Spa - which has changed its name to Soprema Spa in the meantime - did not presented its own independent appeal. The Court of Cassazione judgement is expected to take 2/3 years.

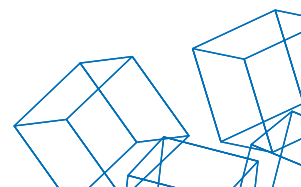
In the meantime, Soprema Srl, due to the executive sentence passed by the the Court of Milan, has paid all the legal costs, of both the first and second instance, awarded to Mapei Spa for € 69,368 and Polyglass Spa for € 43,056.

Although the level of uncertainty regarding these proceedings in the Court of Cassazione, we believe no significant liabilities should emerge for the companies, at least not to the extent requested by the counterparty, considering the favourable outcome of the two degrees of the proceedings, the valid defensive arguments presented in court and the court-appointed expert did not ascertain any valid know-know pertaining to Flag Spa.

Some other minor legal disputes are also monitored through the legal representatives of the various companies. Where necessary, the appropriate insurance policy is taken out. Based partly on experience gained over the years, we believe that no significant liabilities will be charged to 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. As at December 31st, 2017, subsidiaries and/or associated companies did not hold any shares of Mapei Spa.

SIGNIFICANT EVENTS SUBSEQUENT TO THE CLOSE OF THE FINANCIAL YEAR

In April of last year, Mapei Spa acquired 100% of the shares of the Italian company Fili & Forme Srl located in San Cesario sul Panaro (MO), which has been operating for over a decade in the constructions sector with the “Istrice” brand. The company, specialized in the production of synthetic structural fibres for reinforcement of mortars and concrete, exports over 65% of production to 25 countries.

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 December 31st, 2017.

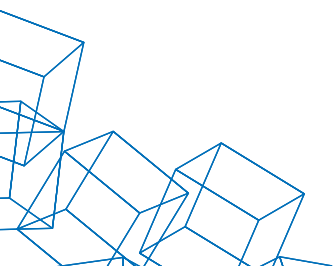
2018 BUSINESS OUTLOOK

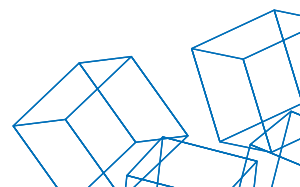
In the first four months of 2018, Group sales rose by 2.7% compared to the previous year. This limited increase is due mainly to the exchange rate effect, which was particularly negative during this period. At the same exchange rate, this increase would have been 9.4%. The best results were obtained in the areas of Africa (+ 40.5%), Eastern Europe (+ 16.5%) and Latin America (+15.9%).

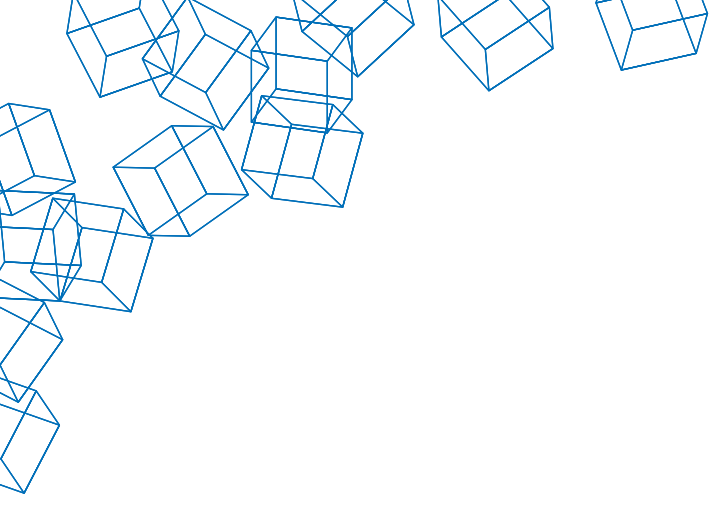
Our Group has also performed reasonably well in terms of profitability. We believe that we will be able to close the year with a result in line with 2017.

Milan, May 18th 2018

Managing Director
Mr. Giorgio Squinzi







Balance Sheet and Statement of Income



80
years
1937-2017

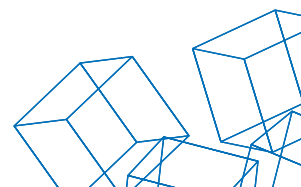
BALANCE SHEET AND STATEMENT OF INCOME

BALANCE SHEET

ASSETS		12.31.2017	12.31.2016	Difference
B) FIXED ASSETS				
I Intangible assets				
3)	Industrial patents	13,142,708	12,555,413	587,295
4)	Government concessions, know-how, licenses, trade-marks and similar rights	3,984,667	3,945,290	39,377
5)	Goodwill	28,502,752	27,841,810	660,942
6)	Assets in progress and payments in advance	4,508,039	3,093,574	1,414,465
7)	Other intangible assets	63,838,876	60,080,072	3,758,804
TOTAL INTANGIBLE ASSETS		113,977,042	107,516,159	6,460,883
II Tangible assets				
1)	Land and buildings	348,854,701	362,145,772	(13,291,071)
2)	Plants and machinery	134,667,161	119,893,681	14,773,480
3)	Industrial and commercial equipment	13,256,326	13,014,009	242,317
4)	Other tangible assets	20,038,850	19,789,209	249,641
5)	Assets in progress and payments in advance	50,075,805	35,117,508	14,958,297
TOTAL TANGIBLE ASSETS		566,892,843	549,960,179	16,932,664
III Financial assets				
1)	Investments in:			
	a) subsidiaries	377,187	221,053	156,134
	d) other companies	256,217	256,945	(728)
2)	Financial credits towards:			
	d) others	2,046,309	2,204,668	(158,359)
3)	Term securities	1,330,865	1,348,971	(18,106)
TOTAL FINANCIAL ASSETS		4,010,578	4,031,637	(21,059)
TOTAL B) FIXED ASSETS		684,880,463	661,507,975	23,372,488
C) CURRENT ASSETS				
I Inventories				
1)	Raw materials, packaging and supplies	154,387,909	133,653,413	20,734,496
2)	Work in progress and semi-finished goods	8,505,841	11,123,199	(2,617,358)
3)	Work in progress on a contract basis	192,493	889,178	(696,685)
4)	Finished products and merchandise	162,928,935	149,346,197	13,582,738
5)	Advances to suppliers	116,882	10,222	106,660
TOTAL INVENTORIES		326,132,060	295,022,209	31,109,851
II Receivables				
1)	Trade receivables (net of allowance for doubtful credits)	497,312,880	469,004,337	28,308,543
5 bis)	Receivables towards tax offices	47,552,124	34,225,968	13,326,156
5 ter)	Deferred tax assets	26,501,370	25,505,237	996,133
5 quater)	Other receivables	54,236,983	57,496,377	(3,259,394)
TOTAL RECEIVABLES		625,603,357	586,231,919	39,371,438
III Other current assets				
6)	Marketable securities	6,223	6,755	(532)
TOTAL OTHER CURRENT ASSETS		6,223	6,755	(532)
IV Cash & bank				
1)	Bank & postal current accounts	129,652,008	171,299,572	(41,647,564)
3)	Cash	2,611,766	2,373,156	238,610
TOTAL CASH & BANK		132,263,774	173,672,728	(41,408,954)
TOTAL C) CURRENT ASSETS		1,084,005,414	1,054,933,611	29,071,803
D) ACCRUALS AND PRE-PAYMENTS		10,143,617	9,984,630	158,987
TOTAL ASSETS		1,779,029,494	1,726,426,216	52,603,278

BALANCE SHEET

LIABILITIES & NET WORTH		12.31.2017	12.31.2016	Difference
A) NET WORTH				
I	Share capital	100,000,000	100,000,000	0
III	Revaluation reserve	53,687,539	53,687,539	0
IV	Legal reserve	20,000,000	10,112,000	9,888,000
VI	Other reserves	10,928,869	26,536,289	(15,607,420)
	Translation reserve	(28,023,107)	9,192,455	(37,215,562)
	Consolidation reserve	1,198,890	1,198,890	0
VII	Reserve for cash flow hedge	(444,027)	(716,355)	272,328
VIII	Accumulated profit/(loss) brought forward	590,574,167	502,861,270	87,712,897
IX	Net profit	67,231,747	88,217,386	(20,985,639)
TOTAL NET WORTH		815,154,078	791,089,474	24,064,604
	Minority Capital and Reserves	165,517	266,548	(101,031)
	Minority Profit (Loss)	73,737	40,661	33,076
TOTAL A) NET WORTH & MINORITY INTERESTS		815,393,332	791,396,683	23,996,649
B) SUNDRY RISK AND OTHER FUNDS				
1)	Pension funds	25,218,479	22,775,787	2,442,692
2)	Taxation	13,463,141	17,822,574	(4,359,433)
3)	Financial derivatives	486,270	928,096	(441,826)
4)	Others	21,537,693	20,342,453	1,195,240
TOTAL B) SUNDRY RISK AND OTHER FUNDS		60,705,583	61,868,910	(1,163,327)
C) STAFF SEVERANCE RESERVE		11,166,359	11,349,178	(182,819)
D) LIABILITIES				
4)	Banks			
	a) repayable within 12 months	148,024,683	96,481,181	51,543,502
	b) repayable after 12 months	282,669,187	350,449,138	(67,779,951)
5)	Other financial institutions			
	a) repayable within 12 months	21,146,664	13,736,520	7,410,144
	b) repayable after 12 months	5,661,814	6,446,105	(784,291)
6)	Advances from customers	2,603,586	2,187,464	416,122
7)	Trade payables	282,638,062	248,301,675	34,336,387
8)	Drafts and promissory notes	2,884,943	1,529,359	1,355,584
11)	Payables towards holding company	3,200,000	0	3,200,000
12)	Due to tax office	29,554,577	32,623,289	(3,068,712)
13)	Social security contributions	13,813,268	12,362,234	1,451,034
14)	Other payables	82,174,700	83,740,467	(1,565,767)
TOTAL D) LIABILITIES		874,371,484	847,857,432	26,514,052
E) ACCRUALS AND PRE-PAYMENTS		17,392,736	13,954,013	3,438,723
TOTAL LIABILITIES AND NET WORTH		1,779,029,494	1,726,426,216	52,603,278



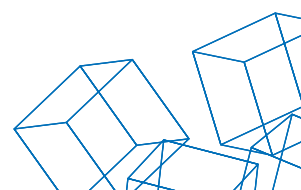
BALANCE SHEET AND STATEMENT OF INCOME

STATEMENT OF INCOME

		12.31.2017	12.31.2016	Difference
A) VALUE OF PRODUCTION				
1)	Net sales	2,406,012,581	2,282,098,738	123,913,843
2)	Increase/(decrease) in stock of work in progress, semi-finished and finished products	21,506,165	7,358,059	14,148,106
3)	Changes in work in progress	(498,075)	614,000	(1,112,075)
4)	Capitalised costs	513,283	957,395	(444,112)
5)	Other revenues	40,536,965	38,552,301	1,984,664
TOTAL A VALUE OF PRODUCTION		2,468,070,919	2,329,580,493	138,490,426
B) PRODUCTION COSTS				
6)	Purchase of raw materials, packaging and supplies	(1,170,304,497)	(1,040,466,695)	(129,837,802)
7)	Purchase of services	(448,358,431)	(422,655,834)	(25,702,597)
8)	Rentals and Leasing	(37,431,726)	(33,829,581)	(3,602,145)
9)	Labour costs			
	a) swages and salaries	(448,898,289)	(418,903,990)	(29,994,299)
	b) Social security contributions	(80,025,407)	(73,589,978)	(6,435,429)
	c) Provision for staff severance	(8,565,353)	(8,510,000)	(55,353)
	d) Provision for pension funds	(6,077,824)	(5,701,417)	(376,407)
	e) Other labour costs	(27,197,408)	(26,773,819)	(423,589)
	Total labour costs	(570,764,281)	(533,479,204)	(37,285,077)
10)	Depreciation, amortisation and doubtful credits provisions			
	a) Amortisation of intangible fixed assets	(25,476,587)	(26,542,270)	1,065,683
	b) Depreciation of tangible fixed assets	(59,163,770)	(58,629,949)	(533,821)
	c) Other devaluation of fixed assets	(11,028)	(23,444)	12,416
	d) Provision for doubtful credits, cash & bank and other current assets devaluations	(3,890,289)	(8,182,106)	4,291,817
	Total depreciation, amortisation and doubtful credits provisions	(88,541,674)	(93,377,769)	4,836,095
11)	Decrease/(increase) in stock of raw materials, packaging, supplies and merchandise	25,166,379	7,305,963	17,860,416
12)	Sundry risk provisions	(10,452,360)	(8,710,105)	(1,742,255)
14)	Other operating costs	(45,577,113)	(41,064,320)	(4,512,793)
TOTAL B) PRODUCTION COSTS		(2,346,263,703)	(2,166,277,545)	(179,986,158)
EARNING BEFORE INTEREST AND TAX		121,807,216	163,302,948	(41,495,733)

STATEMENT OF INCOME

		12.31.2017	12.31.2016	Difference
C) FINANCIAL INCOME AND EXPENSES				
16)	Other financial income			
	b) term securities	2,678	1,658	1,020
	c) marketable securities	(66,876)	27,862	(94,738)
	d) other proceeds	561,253	798,030	(236,777)
17)	Interest paid and other financial charges	(8,929,210)	(10,005,122)	1,075,912
17 bis)	Gains and losses on exchange rates	(9,872,264)	(11,177,060)	1,304,796
TOTAL C) FINANCIAL INCOME AND EXPENSES		(18,304,419)	(20,354,632)	2,050,213
D) ADJUSTMENTS IN THE VALUE OF FINANCIAL ASSETS				
18)	Revaluations			
	c) revalutaion of current financial assets	0	1,915	(1,915)
19)	Devaluations			
	b) devaluation of other financial assets	(6,574)	(798)	(5,776)
TOTAL D) ADJUSTMENTS IN THE VALUE OF FINANCIAL ASSETS		(6,574)	1,117	(7,691)
PROFIT/(LOSS) BEFORE TAX		103,496,223	142,949,433	(39,453,210)
20 a)	Income Tax	(40,604,634)	(55,266,717)	14,662,083
20 b)	Taxation related to previous periods	(1,070,270)	(1,362,559)	292,289
20 c)	Anticipated (Deferred) Tax	5,484,165	1,937,890	3,546,275
	Total Taxes	(36,190,739)	(54,691,386)	18,500,647
21)	PROFIT (LOSS) FOR THE YEAR	67,305,484	88,258,047	(20,952,563)
	Minority Interests	73,737	40,661	33,076
NET PROFIT		67,231,747	88,217,386	(20,985,639)



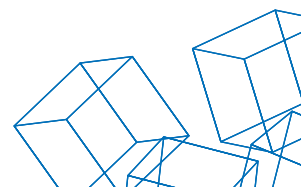
BALANCE SHEET AND STATEMENT OF INCOME

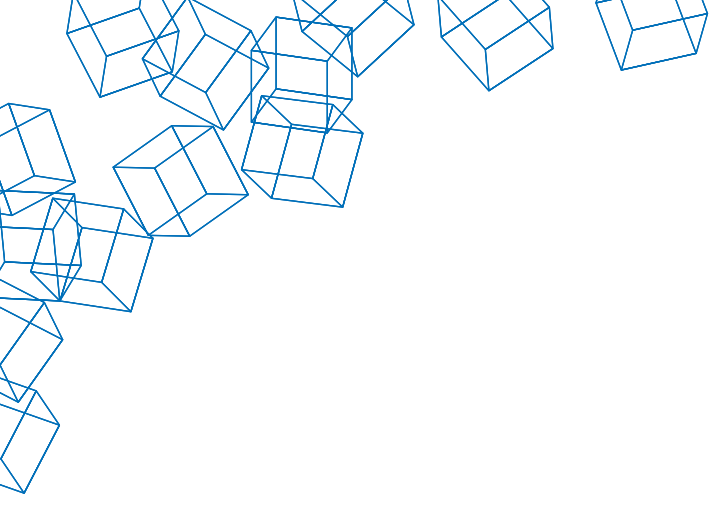
CASH FLOW STATEMENT

	2017	2016	Difference
A) FINANCIAL ADJUSTMENTS RELATED TO INCOME MANAGEMENT (INDIRECT METHOD)			
PROFIT / (LOSS) FOR THE YEAR	67,305,484	88,258,047	(20,952,563)
Income Taxes	36,190,739	54,691,386	(18,500,647)
Interests expense/(interest income)	8,432,155	9,176,667	(744,512)
1) PROFIT/ (LOSS) FOR THE YEAR BEFORE INCOME TAX, INTERESTS, CAPITAL GAIN/LOSS	111,928,378	152,126,100	(40,197,722)
ADJUSTMENTS OF NON-MONETARY ELEMENTS HAVING COUNTERBALANCE IN NET WORKING CAPITAL:	81,041,959	88,422,489	(7,380,530)
Depreciation of tangible assets	59,163,770	58,629,949	533,821
Amortisation of intangible assets	25,476,587	26,542,270	(1,065,683)
Staff severance provision	(4,892)	(50,243)	45,351
Change in reserves	(62,862)	4,737,713	(4,800,575)
Devaluation/(Revaluation)	17,600	22,326	(4,726)
Other movements in reserves due to consolidation operations	(3,548,244)	(1,459,526)	(2,088,718)
2) NET CASH BEFORE WORKING CAPITAL	192,970,337	240,548,589	(47,578,252)
VWORKING CAPITAL SURPLUS/(REQUIREMENT):	(26,504,138)	(7,443,286)	(19,060,852)
(Increase)/decrease in Net trade receivables	(36,626,219)	(9,522,547)	(27,103,672)
(Increase)/decrease in Inventories	(45,319,284)	(18,060,587)	(27,258,697)
(Increase)/decrease in Other receivables	(8,967,226)	(5,590,633)	(3,376,593)
Increase/(decrease) in Trade payables	40,890,738	32,162,529	8,728,209
Increase/(decrease) in Other payables	23,517,853	(6,432,048)	29,949,901
3) NET CASH AFTER WORKING CAPITAL	166,466,199	233,105,303	(66,639,104)

CASH FLOW STATEMENT

	2017	2016	Difference
OTHER ADJUSTMENTS			
Interests cashed/(paid)	(5,653,183)	(8,990,981)	3,337,798
(income tax paid)	(57,091,131)	(54,062,035)	(3,029,096)
TOTAL OTHER ADJUSTMENTS	(62,744,314)	(63,053,016)	308,702
NET CASH PROVIDED BY / (USED IN) THE OPERATING ACTIVITY (A)	103,721,885	170,052,287	(66,330,402)
B) CASH FLOW FROM INVESTING ACTIVITIES:	(138,580,323)	(106,049,763)	(32,530,560)
Intangible assets	(34,632,770)	(26,659,432)	(7,973,338)
Tangible assets (inclusive of the change in the consolidation area)	(103,817,162)	(79,259,940)	(24,557,222)
Investments	(130,391)	(130,391)	0
(INCREASE)/DECREASE IN OTHER ML/T RECEIVABLES (NET OF OTHER ML/T PAYABLES)	(102,279)	(456,049)	353,770
NET CASH (USED IN) / PROVIDED BY THE INVESTING ACTIVITY (B)	(138,682,602)	(106,505,812)	(32,176,790)
C) CASH FLOW FROM FINANCING ACTIVITIES			
INCREASE/(DECREASE) IN SHAREHOLDERS' EQUITY:	(2,719,537)	27,200,574	(29,920,111)
Dividends paid	(3,200,000)	(100,000)	(3,100,000)
Increase of Net equity reserves	480,463	27,300,574	(26,820,111)
INCREASE/(DECREASE) IN LOANS AND OTHER ML/T BORROWINGS:	(3,728,700)	(4,583,823)	855,123
Loans and other ml/t borrowings	(32,818,746)	79,976,275	(112,795,021)
Bond Repayment	0	(46,000,000)	46,000,000
S/t bank and other financial institutions	29,090,046	(38,560,098)	67,650,144
NET CASH PROVIDED BY / (USED IN) THE FINANCING ACTIVITY (C)	(6,448,237)	22,616,751	(29,064,988)
(INCREASE)/DECREASE IN CASH AND BANK (A+B+C)	(41,408,954)	86,163,226	(127,572,180)
Cash and Bank as at January 1 st 2017	173,672,728	87,509,502	
Cash and Bank as at December 31 st 2017	132,263,774	173,672,728	





Notes to the Consolidated Financial Statements



80
years
1937-2017



A tidy laboratory
means a lazy
chemist.

Jöns Jacob Berzelius

YEAR ENDED DECEMBER 31ST, 2017

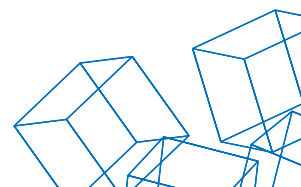
Notes to the Consolidated Financial Statements

STRUCTURE AND CONTENTS OF BALANCE SHEET AND PROFIT AND LOSS STATEMENT

These Consolidated Financial Statements as per December 31st, 2017, are composed of the Balance Sheet, the Profit and Loss Statement and the Notes to the Financial Statements and are prepared according to the general principles set forth in the Italian Legislative Decree no. 127 dated April 9th, 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 2017, the Italian Accounting Organisation approved amendments to several accounting standards that came into force on 1 January 2017. 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.

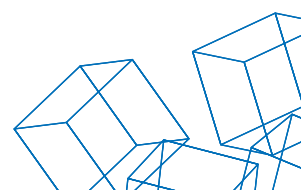
There are no elements of assets or liabilities which fall under several balance sheet items.

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%
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	288.360.243	97%	3%
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	16.966.150	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	4.608.600.000	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%

COMPANY	LOCATION	CUR-RENCY	SHARE CAPITAL	DIRECT OWNER-SHIP	INDIRECT OWNER-SHIP
Mapei Doha Llc	Doha	QAR	200,000	49%	0%
Mapei Doo	Lubiana	EUR	208,646	100%	0%
Mapei East Corp	Ft. Lauderdale	USD	1,000	0%	100%
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	3,255,500,000	0%	100%
Mapei Kft	Budaors	HUF	400,000,000	73%	27%
Mapei Korea Ltd	Chungbuk	KRW	8,736,860,000	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	9,376,500	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	203,275,520	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	55,897,722	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	18,384,450	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%
Progetto Mosaico+ Srl	Spilimbergo	EUR	100,000	0%	50%
Rasco Bitumentechnik 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%
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 at December 31st, 2017, are based on the Financial Statements of the Parent Company and the Italian and foreign companies under the control of Mapei Spa.

The companies Mapei Colombia Sas, owned by Mapei Spa, and Mapei Philippines Inc, owned by Mapei Far East Pte Ltd, were included in consolidation for the first time and consolidated on a line-by-line basis.

The company Mapei Middle East Fzco, owned by Mapei Spa with 50% of ownership, Mapei Saudia Llc and Mapei Egypt for Construction Chemicals Sae were excluded from the consolidation area and valued at cost, since they were not operational during 2017.

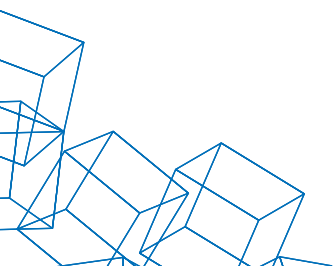
The company Vaga Società Agricola Ss, 90% owned through Vaga Srl, which is valued at cost, has also been excluded from the consolidation area owing to its irrelevance.

PRINCIPLES OF CONSOLIDATION

Financial Statements of the subsidiaries included in the consolidation area are consolidated on a line-by-line basis, irrespective of the percentage of ownership. 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 the full consolidation 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 the related net worth of the investment at the moment of its acquisition, the exceeding value is attributed directly to the company assets included in 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) in case of a negative difference, it is posted as a net worth reserve named “Consolidation reserve” or, in case it is related to forecasted negative results, provisioned in a risk 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.

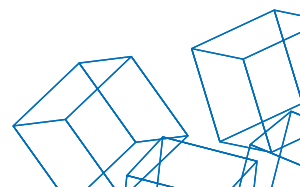
FINANCIAL STATEMENTS USED FOR THE CONSOLIDATION

The Consolidated Financial Statements have been prepared using the Financial Statements for the year ended at December 31st, 2017, of the companies included in consolidation, approved by correspondent 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”.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The following exchange rates were used for these financial statements:

CURRENCY	AVERAGE RATE	FINAL RATE
Argentinian Peso	0,05340	0,04361
Australian Dollar	0,67893	0,65164
Brazilian Real	0,27746	0,25171
British Pound	1,14142	1,12710
Bulgarian Lev	0,51130	0,51130
Canadian Dollar	0,68284	0,66494
Chinese Renmimbi	0,13112	0,12813
Colombian Peso	0,00029	0,00028
Costa Rican Colon	0,00156	0,00146
Czech Crown	0,03823	0,03916
Danish Krona	0,13443	0,13432
Egyptian Pound	0,04964	0,04688
Hong Kong Dollar	0,11362	0,10670
Hungarian Florin	0,00323	0,00322
Indian Rupee	0,01361	0,01305
Indonesian Rupee	0,00007	0,00006
Malaysian Ringgit	0,20618	0,20603
Mexican Peso	0,04689	0,04226
New Zealand Dollar	0,62913	0,59347
Norwegian Krona	0,10720	0,10162
Panama Balboa	0,88550	0,83382
Peruvian Sol	0,27163	0,25737
Philippine Peso	0,01761	0,01672
Polish Zloty	0,23495	0,23941
Qatari Riyal	0,24327	0,22907
Romanian Leu	0,21904	0,21466
Russian Ruble	0,01518	0,01441
Serbian Dinar	0,00824	0,00843
Singapore Dollar	0,64177	0,62406
South African Rand	0,06647	0,06754
South Korean Won	0,00078	0,00078
Swedish Krona	0,10159	0,10377
Swiss Franc	0,89969	0,85455
Turkish Lira	0,24264	0,21995
Ukrainian Hryvnia	0,03330	0,02965
United Arab Emirates Dirham	0,22705	0,24119
US Dollar	0,88550	0,83382
Vietnamese Dong	0,00004	0,00004

ASSUMPTIONS AND DRAFTING PRINCIPLES OF THE FINANCIAL STATEMENTS

In accordance with the provisions 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, measurement, presentation and disclosure of items may defer from what has been regulated by accounting standards, only in case the non-observance has irrelevant effects on the true and fair view of the company's equity and financial position and economic result for the year. To this extent, 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 statements users. Additional specific criteria adopted to apply the concept of relevance are indicated next to the individual items of the financial statements when affected by its application. The relevance of the individual items is considered within the context of other similar items.

The principles established in article 2423-bis of the Italian Civil Code were also observed, as indicated hereunder.

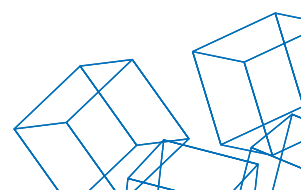
Financial statements items were measured according to the prudence principle and based on the going concern assumption, also taking into account the substance of the transaction or of the contract. For each transaction or fact and, nonetheless, for every company event, their substance has been identified,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

Profits indicated in the financial statements are exclusively those realised at the balance sheet date. The income and expenses indicated are those accrued in the year, regardless of the date of payment or collection.

Provisions on risks and losses have been booked according to the accrual basis principle even when known after the closing date. Any dissimilar element included in individual items were evaluated and booked separately.

The financial statements and all comments and tables of these Notes were stated in Euro.

All information related to the items in the Balance Sheet and the Profit and Loss Statement are presented according to the order in which the relevant items are indicated in the Balance Sheet and the Profit and Loss Statement, pursuant to article 2427, subsection 2 of the Italian Civil Code.



CHANGES IN ACCOUNTING STANDARDS

A change in an accounting standard is booked in the period when it is adopted and the relative facts and transactions are treated in accordance to 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 modifying the comparative data of the previous year. Events occurring after the year-end are discussed in the Management Report.

ACCOUNTING POLICIES

The accounting policies pursuant to article 2426 of the Italian Civil Code are compliant with those adopted in the preparation of the previous year's financial statements, with the exception of the change of the inventories evaluation, for which it was decided to change from the F.I.F.O. method to the Weighted Average Cost method. There have been no exceptional events disregarding the article 2423 bis, subsection 2, and article 2423, subsection 4 of the Italian Civil Code.

Intangible assets

Intangible assets are stated at purchase price, inclusive of all directly attributable costs, and amortised systematically over the period of their estimated future useful life. The following rates have been applied:

	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.

Depreciation of leasehold improvements and assets subject to long-term financing are determined on the basis of the residual length of each underlying contract, 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 are booked at their historical acquisition cost, including any directly attributable accessory expenses, if necessary and relevant in terms of effects, in order to reflect the time effect associated to extended payments 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 costs, re-valued, where specified, and when permitted by law. Plants and buildings under construction are recorded at cost and are not subject to depreciation until the assets are placed into service.

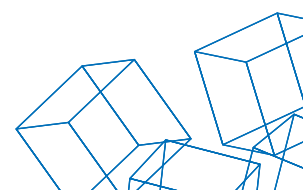
Assets are depreciated systematically on the basis of rates determined in accordance with their residual value and estimated useful lives. The rates have been used are as follows:

	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 leasing contracts are recorded in accordance with paragraph 105 of OIC 17. This accounting standard follows the disclosures of the International Accounting Standard no. 17, establishing that the value of the tangible assets is booked to the relevant Balance Sheet caption; 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 posted in accordance with the provisions of Accounting Standard OIC 9.

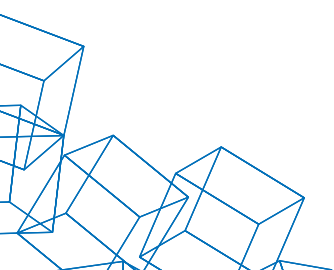
At each reporting date, the company verifies whether there are indicators to suggest that a fixed asset has suffered a reduction in value and, in that case, it estimates the recoverable value of the fixed asset.

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 booked on the profit and loss statement as impairment, to 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 were verified with a negative impact on the company (such as the non-use of an asset, disposal or restructuring plans, redefinition of the useful life 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 allocated to the value of goodwill booked in 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 place. Write-off booked to goodwill and capitalized expenses cannot be reversed, as this is not allowed under the applicable law.

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

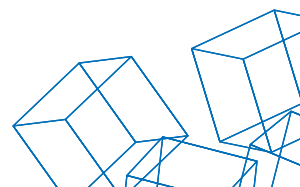
If the transaction does not qualify (or is not designated) as a hedge, the fair value changes are booked to section D) in Profit and Loss “Value adjustments to financial assets and liabilities”. As set out in article 2426, subsection 1, number 11-bis of the Italian Civil Code, profits deriving from the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

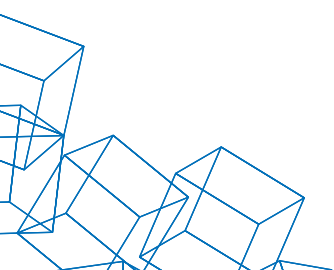
The economic relationship is verified from a qualitative point of view, by verifying that the key elements of the hedging instrument and the hedged item correspond or are closely aligned, and from a quantitative viewpoint. When the hedging transactions concern derivative financial instruments with characteristics 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.

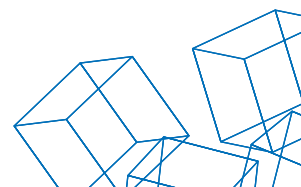
Other equity investments, investments in subsidiaries that are not in operations yet and securities not representing equity investments, are recorded at cost adjusted for any permanent impairment of their value. If the reasons for the write-off are no longer valid, the original value is restated.

Financial assets

Other equity investments are recorded at cost adjusted for any permanent impairment of their value.

Securities not representing equity investments are stated at the lower of cost or market value at the close of the financial year.

In case the reasons for the devaluation are no longer valid, Financial assets are restated at their original value.



Inventories

In 2017, the Group has been changed the methodology to evaluate the inventories, moving from the F.I.F.O. method to the Weighted Average Cost method. The effects of the changes have been booked as described in the section “Changes in accounting standards”, taking into consideration the irrelevance of the amounts. The Group has not restated the balances of the comparative period, but has booked the effects net worth at January 1st, 2017. Details of the effects on net worth and on inventories are provided under the items concerned.

Inventories of raw materials, consumables and finished goods are stated at purchase cost or production cost, evaluated using the Weighted Average Cost method.

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

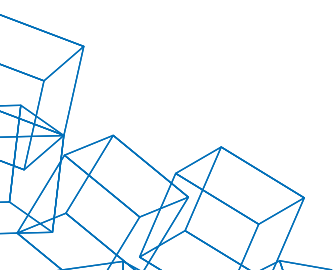
Accounts receivable, pursuant to article 2426, subsection 8, of the Italian Civil Code, are recognised according to the amortised cost method, taking account of the time factor. If the interest rate of the transaction is not significantly different to the market rate, the receivables are initially recorded 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.

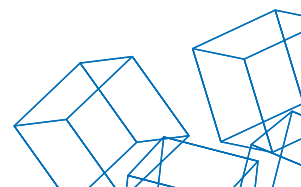
Staff severance reserve

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

All amounts in Euros

ASSETS

INTANGIBLE ASSETS

The breakdown of intangible assets at the end of the financial year is as follows:

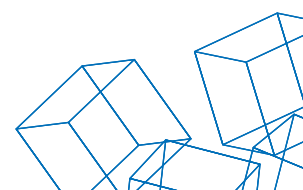
	12.31.2017	12.31.2016	DIFFERENCE
Industrial patent	13,142,708	12,555,413	587,295
Government Concessions, know how, licences, trade-marks and similar rights	3,984,667	3,945,290	39,377
Goodwill	28,502,752	27,841,810	660,942
Assets in progress and payments in advance	4,508,039	3,093,574	1,414,465
Other intangible assets	63,838,876	60,080,072	3,758,804
TOTAL	113,997,042	107,516,159	6,460,883

The increase in item "Industrial Patent" is attributable to the registration by Mapei As of a software developed for the concrete industry.

The increase in "Goodwill" results from the recording of a goodwill totalling € 7,966,258 in relation to Mapei Colombia Sas, which was purchased in 2017, and to the increase in goodwill of € 608,365 of Mapei Mexico Sa de Cv, as a result of the occurrence of the clauses signed with the acquisition of the company Texzim in 2016, which were partially offset by amortisation made during the year plus the exchange rate changes recorded.

The table here below summarises the Goodwill composition:

	GOODWILL
Opening balance	153,162,356
Exchange difference opening balance	-2,484,096
Increase	8,664,402
Exchange difference variation	-5,514
ACQUISITION COST	159,337,148
Opening balance - Cumulated amortisation	125,320,546
Exchange difference opening balance	-585,548
Increase - Amortisation/Devaluation	6,139,534
Exchange difference variation	-40,136
CUMULATED AMORTISATION	130,834,396
TOTAL	28,502,752



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The breakdown of goodwill by legal entity as at December 31st, 2017 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	5,839,479	5,019,363	820,116
Mosaico + Srl	2,933,938	2,933,938	-
Mapei Korea Ltd	4,341,489	3,241,208	1,100,281
Vinavil Egypt for Chemicals Sae	8,593,446	3,867,049	4,726,397
Mapei Yapi Kimyasallari Ins. San. Ve Tic As	7,961,867	5,065,315	2,896,552
Mapei Construction Materials Co Ltd (Guangzhou)	2,527,748	2,527,748	-
Mapefin Deutschland Group	48,807,022	48,562,736	244,286
Mapei As	9,283,132	9,283,132	-
Mapei Inc	280,732	280,732	-
Corp Group	31,179,098	24,563,164	6,615,934
Polyglass Group	4,246,329	2,609,016	1,637,313
Cercol Spa	2,002,720	2,002,720	-
Mapei Construction Chemicals Panama Sa	626,131	380,588	245,543
Mapei Austria Gmbh	14,736,189	12,536,655	2,199,534
Mapei Mexico Sa de Cv	870,491	23,327	847,164
Mapei Colombia Sas	7,966,258	796,626	7,169,632
TOTAL	159,337,148	130,834,396	28,502,752

Goodwill included in Intangible assets is justified by the profit generated and by the market and technological potentiality provided by the purchased companies.

The increase in "Assets in progress and payments in advance" is mainly attributable to the investments made by US Sassuolo Calcio Srl during the year to build a new sporting centre, expected to be completed in 2019.

The item "Other intangible assets" is composed predominantly by the item "Football players' registration rights" of the company US Sassuolo Calcio Srl (€ 57,918,934).

Amortisation for the year amounts to € 25,476,587 (€ 26,542,270 in 2016).

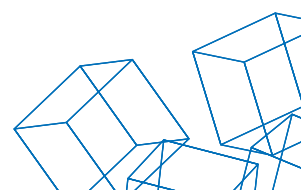
TANGIBLE ASSETS

The breakdown of tangible assets at the end of the financial year is as follows:

	12.31.2017	12.31.2016	DIFFERENCE
Land and buildings	348,854,701	362,145,772	-13,291,071
Plant and machinery	134,667,161	119,893,681	14,773,480
Industrial and commercial equipment	13,256,326	13,014,009	242,317
Other tangible assets	20,038,850	19,789,209	249,641
Assets in progress and payments in advance	50,075,805	35,117,508	14,958,297
TOTAL	566,892,843	549,960,179	16,932,664

The variation of € 16,932,664, net of depreciation of € 59,163,770 (€ 58,629,949 in 2016) 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 12.31.2016	584,248,890	632,433,466	65,320,093	71,776,159	35,117,508	1,388,896,116
Increase	19,896,260	24,697,612	7,694,232	7,582,141	50,481,657	110,351,902
<i>Thereof due to change in the consolidation area</i>	<i>2,174,203</i>	<i>244,906</i>	<i>-</i>	<i>136,467</i>	<i>50,009</i>	<i>2,605,585</i>
(Decrease)	-1,453,038	-1,090,722	-1,622,411	-4,212,219	-	-8,378,390
Reclassification	5,732,621	25,919,953	-1,027,407	1,902,471	-32,569,205	-41,563
Revaluation/(devaluation)						-
Exchange rate difference	-24,049,740	-23,030,408	-2,626,114	-3,137,537	-2,954,159	-55,797,958
COST AT 12.31.2017	584,374,993	658,929,901	67,738,393	73,911,015	50,075,805	1,435,030,107
PROVISION AT 12.31.2016	222,103,118	512,539,785	52,306,084	51,986,950	-	838,935,937
Depreciation	19,697,576	28,375,784	4,387,114	6,703,296	-	59,163,770
Reclassification	816,320	1,550	-1,735,852	876,418	-	-41,564
(Decrease)	89,481	-374,207	1,380,716	-3,563,419	-	-2,467,429
<i>Thereof due to change in the consolidation area</i>	<i>166,550</i>	<i>79,919</i>	<i>-</i>	<i>53,543</i>	<i>-</i>	<i>300,012</i>
Exchange rate difference	-7,186,203	-16,280,172	-1,855,995	-2,131,080	-	-27,453,450
ACCUMULATED DEPRECIATION AT 12.31.2017	235,520,292	524,262,740	54,482,067	53,872,165	-	868,137,264
NET BOOK VALUE 12.31.2017	348,854,701	134,667,161	13,256,326	20,038,850	50,075,805	566,892,843



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

Mapei Corp made investments for around € 25,000,000, for the construction of the new powder plants in West Chicago and New Jersey, to increase production capacity on the powder line in California and for the completion work on the production site in Georgia.

Polyglass Usa Inc. made investments for around € 14,000,000, mainly for the construction of a production site in Waco (Texas), for the expansion of the Hazleton plant (Pennsylvania) and for the purchase of a land and the relative production site in Phoenix (Arizona).

Mapei As invested around € 6,000,000 essentially to purchase a land and for the construction of a new warehouse in Sagstua. Mapei Kft made investments of € 5,000,000 mainly for the construction of a new production building.

Mapei Korea Ltd made investments of around € 5,000,000 for the construction of the new production site in Cheonan.

Mapei Construction Chemical Llc incurred investments of around € 5,000,000 for the construction of new offices and to enlarge the existing warehouse.

Mapei Spa invested around € 4,100,000 mainly for the modernisation of different production departments at Mediglia, for the modification of the powder production line in Latina and for the purchase of analysis instruments for laboratories.

Mapei UK made investments of around € 3,500,000 for the construction of a new production line in the powders department.

Vinavil Spa incurred investments of € 3,300,000 made by for the construction of the new acrylic production line and for adaptation of the cogeneration plant at Villadossola.

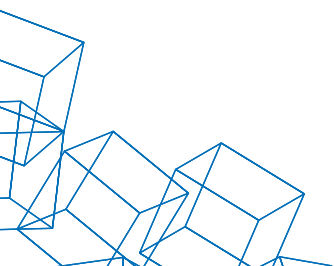
Tangible assets of Mapei Colombia Sas, a company acquired in 2017 and included in consolidation for the first time, are equal to € 2,600,000,

Sopro Group invested around € 2,500,000 for the purchase of a new piece of land in Poland (Sopro Polska Spzoo) and for renewal of the production lines at Sopro Bauchemie GmbH and Rasco Bitumentchnik.

Mapei Argentina Sa invested around € 2,500,000 mainly for the construction of a new production building.

Zao Mapei made investments of around € 2,500,000 mainly for the finalisation of new plant at Kikerino.

Mapei Mexico Sa de Cv made investments of around € 2,000,000 for the modernisation of the production site in Zimapan.



Mapei Polska Spzoo incurred investments of around € 2,000,000 for the extraordinary maintenance and purchase of equipment at Barcin and Gliwice production sites.

Gorka Cement Spzoo invested around € 1,700,000 mainly for upgrading the production plants.

Vinavil Egypt for Chemicals Sae made investments of around € 1,500,000 for the construction of a new acrylic production line.

Mapei Inc incurred investments of around € 1,200,000 for the renovation works carried out on production plants.

The remaining investments of around € 21,000,000 were carried out by all the other companies, for a unitary amount of less than € 1,000,000, and refer predominantly to extraordinary maintenance and the upgrading of production sites.

The decreases in the year, totalling around € 5,900,000, net of accumulated depreciation, refer in particular to disposals of Land and Buildings, Equipment and Other assets (cars, computers and office equipment) of the various companies.

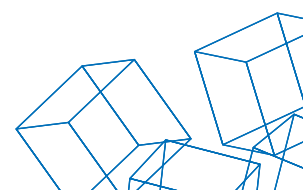
The exchange rate had a negative effect on the transactions of the year. The 2017 figure of around € 55,800,000 is mainly attributable to devaluation of the US Dollar, the Egyptian Lira, British Pound and the Argentinian Peso.

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:

ASSETS REVALUATED	TOTAL
Land	234,108
Building	30,299,995
Plants 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 non-operational companies during 2017, Mapei Middle East Fzco, Mapei Saudia Llc and Mapei Egypt for Construction Chemicals Sae and in Vaga Società Agricola Ss, not included in the consolidation area. The table below shows the balances of the investments as at December 31st, 2017, compared with the balances as at December 31st, 2016.



COMPANY	12.31.2017	12.31.2016	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%
Vaga Società Agricola Ss	9,000	9,000	-	90%
TOTAL	377,187	221,053	156.134	

FINANCIAL ASSETS - INVESTMENTS IN OTHER COMPANIES

As at December 31st, 2017, the item totals € 256,217 (€ 256,945 in 2016) and refers to minority interests held primarily by Mapei Spa for € 57,164 and Vinavil Spa for € 195,994. The list of investments held is reported below:

COMPANY	12.31.2017	12.31.2016	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 minority investments	3,977	4,705	-728	
TOTAL	256,217	256,945	-728	

FINANCIAL ASSETS - OTHER RECEIVABLES

Other receivables of € 2,046,309 as at December 31st, 2017 (€ 2,204,668 in 2016), mainly consist of loans related to the core business of Mapei Corp (€ 728,813), Mapei Spa (€ 602,079), Mapei Construction Chemicals Llc (€ 155,825), Mapei Nederland Bv (€ 83,180), the Sopro Group (€ 81,989), Mapei As (€ 38,896), Mapei Romania Srl (€ 79,942), Mapei Sro (€ 43,331), Mapei Stadium Srl (€ 38,551) and the Polyglass Group (€ 65,352). The interest rate applied to these loans is aligned with market conditions.

FINANCIAL ASSETS - TERM SECURITIES

At year-end, the item amounts to € 1,330,865 (€ 1,348,971 as at December 31st, 2016) and mainly includes securities held by the Polyglass Group (€ 422,304), Mapei Corp (€ 316,851), the Sopro Group (€ 256,931), Mapei GmbH (A) (€ 157,370), Mapei Construction Chemicals Panama Sa (€ 57,675) and by Mapei Hellas Sa (€ 42,258).

CURRENT ASSETS - INVENTORIES

Inventories breakdown, as at December 31st, 2017, compared with the situation as at December 31st, 2016, is composed as follows:

	12.31.2017	12.31.2016	DIFFERENCE
Raw materials, packaging and supplies	154,387,909	133,653,413	20,734,496
Work in progress and semi-finished goods	8,505,841	11,123,199	-2,617,358
Work in progress on a contract basis	192,493	889,178	-696,685
Finished products and merchandise	162,928,935	149,346,197	13,582,738
Advances to suppliers	116,882	10,222	106,660
TOTAL	326,132,060	295,022,209	31,109,851

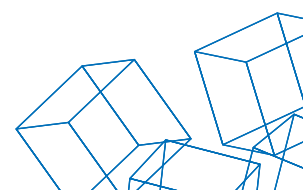
The major part of raw material stock is held by Mapei Corp (€ 23,877,432), the Polyglass Group (€ 23,329,258), Mapei Spa (€ 23,288,532), Vinavil Spa (€ 19,836,548), the Sopro Group (€ 5,329,783), Mapei Inc (€ 4,717,561), Mapei Polska Spzoo (€ 3,921,604), Vinavil Egypt for Chemicals Sae (€ 3,699,232), Mapei As (€ 3,430,626), Mapei France Sa (€ 3,419,409), Mapei Construction Chemicals Llc (€ 3,364,391), Gorka Cement Spzoo (€ 2,999,888), Vaga Srl (€ 2,892,045) and Mapei Far East Pte Ltd (€ 2,550,190).

Regarding finished products, the major part of the stock is held by Mapei Corp (€ 24,582,030), Mapei Spa (€ 17,439,597), the Polyglass Group (€ 14,642,256), Mapei Inc (€ 11,170,435), Vinavil Spa (€ 9,674,975), the Sopro Group (€ 9,233,119), Mapei Australia Pty Ltd (€ 6,524,144), Mapei Polska Spzoo (€ 5,329,476), Mapei As (€ 4,826,091), Mapei France Sa (€ 4,805,041), Mapei Gmbh (D) (€ 4,145,647), Mapei Uk Ltd (€ 3,729,101), Mapei Construction Chemicals Llc (€ 3,421,160), Gorka Cement Spzoo (€ 3,294,867), Mapei Kft (€ 2,803,906) and Mapei Gmbh (A) (€ 2,759,386).

The increase in raw materials, packaging and supplies is attributable mainly to Vinavil Spa, in relation to the significant stock needs of an important raw material and the high level of turnover produced by several companies. Several companies also increased purchases, given the expected increases in the cost of different raw materials.

The increase in inventories of finished products compared to the previous financial year is due to the increase in turnover. This increase was also impacted by the exchange rate effect. The higher differences compared with the previous year relate to Mapei Australia Pty Ltd, Vinavil spa, the Sopro Group and Mapei Inc.

The difference of € 31,109,851 is not affected by the different method of inventories valorisation. This amount is not reflected here, but booked in the item of net equity "Accumulated Profit/(Loss) brought forward".



CURRENT ASSETS - RECEIVABLES

The breakdown is as follows:

	12.31.2017	12.31.2016	DIFFERENCE
Trade receivables	521,219,386	497,838,996	23,380,390
<i>Allowance for doubtful credits as at January 1st, 2017</i>	-28,834,660	-28,668,744	-165,916
<i>Exchange rate difference at opening balance</i>	942,697	945,793	-3,096
<i>Provision to the allowance for credits</i>	-3,541,302	-7,348,307	3,807,005
<i>Release of the allowance for credits</i>	7,547,062	6,170,281	1,376,781
<i>Exchange rate difference variation</i>	-20,303	66,318	-86,621
Allowance for doubtful credits as at December 31 st , 2017	-23,906,506	- 28,834,659	4,928,153
TRADE RECEIVABLES (NET OF ALLOWANCE FOR DOUBTFUL CREDITS)	497,312,880	469,004,337	28,308,543
Towards tax offices	47,552,124	34,225,968	13,326,156
Deferred tax assets	26,501,370	25,505,237	996,133
Other receivables	54,236,983	57,496,377	- 3,259,394
TOTAL	625,603,357	586,231,919	39,371,438

CURRENT ASSETS - TRADE RECEIVABLES

The companies with the most significant increases in trade receivables are Vinavil Spa (€ 5,007,904), Mapei Spa (€ 4,866,524), the Polyglass Group (€ 4,708,807), US Sassuolo Calcio Srl (€ 4,425,673), Mapei France Sa (€ 3,844,795), Mapei Argentina Sa (€ 2,222,663), Vinavil Egypt for Chemicals Sae (€ 1,499,399), Mapei de Mexico Sa de Cv (€ 1,338,367) and the Sopro Group (€ 1,235,418). The differences are mostly due to the increase in turnover.

The provision for doubtful accounts is mainly composed by the balances of Polyglass Group (€ 4,906,264), Mapei Spa (€ 2,790,961), Mapei Yapi Kimyasallari Ins. San. Ve Tic. As (€ 1,706,435), Vinavil Spa (€ 1,284,257), Mapei Hellas Sa (€ 1,231,646), the Sopro Group (€ 1,229,374), Mapei Polska Spzoo (€ 870,394), Mapei Sro (€ 677,901), Mapei Construction Chemicals Llc (€ 677,484), Mapei Corp (€ 590,971), Mapei As (€ 541,094) and Adesital Spa (€ 500,000).

CURRENT ASSETS - RECEIVABLES FROM TAX OFFICES

Receivables from tax offices, equal to € 47,552,124 as at December 31st, 2017 (€ 34,225,968 as at December 31st, 2016) refer to receivables from tax authorities related to income taxes and VAT. The companies with the most significant amounts are Mapei Spa (€ 22,353,211), Mapei Corp (€ 3,524,240), the Polyglass Group (€ 4,767,089), Mapei France Sa (€ 2,840,797), Vinavil Spa (€ 1,768,554), Mapei Construction Products India Private Ltd (€ 1,303,368) and Vaga Srl (€ 1,088,417).

The increase compared with the previous year is mainly attributable to Mapei Spa, in relation to the tax credit acknowledged by the Tax Authority for expenses sustained in 2017 in R&D activities, and the Polyglass Group and Mapei Corp, as a result of the introduction of new tax regulations that impacted the US subsidiaries.

CURRENT ASSETS - DEFERRED TAX ASSETS

Deferred tax assets as at December 31st, 2017 amount to € 26,501,370 (€ 25,505,237 as at December 31st, 2016) and are mainly attributable to Mapei Spa (€ 15,418,703), Mosaico+ Srl (€ 1,914,903), the Sopro Group (€ 1,819,505), Mapei Corp (€ 1,381,984), Mapei Polska Spzoo (€ 869,740) and US Sassuolo Calcio Srl (€ 718,732).

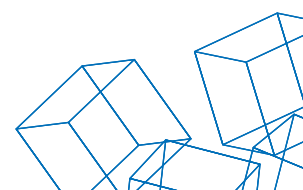
The total amount of Deferred Tax assets was generated by Group Companies booking of fiscal losses, costs, provisions, depreciations and accruals whose tax deduction is deferred to one or more following years. The amount has been refundable according to the profitability prospective of the Group companies tax deductible in two or more exercises. Whenever necessary, the tax rate has been adjusted based on the rate set out by the Stability Law.

For further details, please refer to the enclosed attachment 3.

CURRENT ASSETS - OTHER RECEIVABLES

Other receivables at year-end, totalling € 54,236,983 (€ 57,496,377 in 2016) are as follows:

	12.31.2017	12.31.2016	DIFFERENCE
Receivables from insurance companies	536,904	488,397	48,507
Receivables from social security institutions	20,596	245,522	-224,926
Receivables from employees	942,789	1,447,564	-504,775
Advances to suppliers	11,600,496	7,605,943	3,994,553
Other receivables	41,136,198	47,708,951	-6,572,753
TOTAL	54,236,983	57,496,377	-3,259,394



The total amount of this item is mainly attributable to the company US Sassuolo Calcio Srl and is due to the disposal of the football players' rights.

CURRENT ASSETS - MARKETABLE SECURITIES

At the end of the year, marketable securities amount to € 6,223 (€ 6,755 as at December 31st, 2016) and consist mainly of securities held by Mapei As.

CURRENT ASSETS - CASH AND BANKS

The breakdown is as follows:

	12.31.2017	12.31.2016	DIFFERENCE
Bank and postal current accounts	129,652,008	171,299,572	-41,647,564
Cash	2,611,766	2,373,156	238,610
TOTAL	132,263,774	173,672,728	-41,408,954

Bank and postal deposits represent temporary positions on bank current accounts at year-end. The most significant balances refer to Mapei Spa (€ 78,115,246), Mapei de Mexico Sa de Cv (€ 5,544,668), Mapei Hellas Sa (€ 4,311,549), Mapei As (€ 3,707,588), Mapei Suisse Sa (€ 3,391,989), Mapei Yapi Kimyasallari Ins. San, ve Tic.As (€ 2,770,719), Vinavil Egypt for Chemical Sae (€ 2,522,728), Mapei Argentina Sa (€ 2,488,523), Mapei Construction Materials Co Ltd (Guangzhou) (€ 2,345,855), Mapei Inc (€ 1,936,294), Mapei Vietnam Ltd (1,931,709), Mapei Construction Chemicals Llc (€ 1,900,678), Zao Mapei (€ 1,699,416), the Sopro Group (€ 1,534,328), Mapei Malaysia Sdn Bhd (€ 1,439,959), Mapei Corp (€ 1,301,507), Mapei South Africa Pty Ltd (€ 1,260,717), Mapei Australia Pty Ltd (€ 1,103,790) and Mapei Korea Ltd (€ 1,061,467).

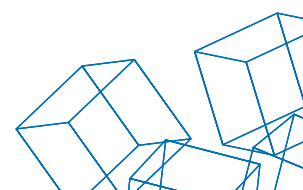
The decrease in Bank and postal deposits is attributable mainly to Mapei Spa and for the most part to repayment of instalments on several loans.

CURRENT ASSETS - ACCRUALS AND PRE- PAYMENTS

This item amounts to € 10.143.617 as at 31st December 2017 (€ 9.984.630 as at 31st December 2016) and is composed mainly of the costs attributable to future years of Mapei Spa (€ 2,289,153), US Sassuolo Calcio Srl (€ 3,251,377), Mapei Korea Ltd (€ 614,639), Mapei Corp (€ 433,501), Mapei Construction Chemicals Llc (€ 375,975), Mapei Far East Pte Ltd (€ 361,711) and Mapei Indonesia Construction Product Pt (€ 310,725).

The breakdown of this item is as follows:

	12.31.2017	12.31.2016	DIFFERENCE
Rents	3,691,785	3,194,916	496,869
Interests	263,340	309,088	-45,748
Insurances	1,566,271	2,462,054	-895,783
Non-capitalised grants	8,481	-	8,481
Others	4,613,740	4,018,572	595,168
TOTAL	10,143,617	9,984,630	158,987



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, 2017 was € 100,000,000, entirely paid, equal to 100,000,000 shares of € 1 each, and was unchanged compared with 2016.

Revaluation reserve

The Holding Company, Mapei Spa, and Vinavil Spa, during the previous fiscal years made monetary revaluations of some tangible assets by introducing in the Shareholders' Equity a dedicated monetary revaluation reserve of € 53,687,539, unchanged compared with the previous year.

Legal reserve

This item refers to the legal reserve of the Holding company and amounts to € 20,000,000.

The balance increased by € 9,888,000 compared with the previous year, as a result of allocation of part of the profits realised in 2016.

Other reserves

These amount to € 10,928,869 as at December 31st, 2017 (€ 26,536,289 as at December 31st, 2016) and are mainly attributable to the Holding Company and Vinavil Spa, in compliance with specific tax laws.

The difference compared with the previous year is mainly attributable to the Holding Company and it is due to the transferring of the unrealised exchange gains reserve to profit and loss brought 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 € 28,023,107 as at December 31st, 2017 (positive balance of € 9,192,455 as at December 31st, 2016).

The significant decrease compared with the previous year is the result of devaluation of several currencies, above all the US Dollar, British Pound, the Egyptian Pound and the Argentinian Peso.

Consolidation reserve

As at December 31st, 2017, this reserve totals € 1,198,890 (unchanged compared with December 31st, 2016) and represents the difference between the book value of consolidated subsidiaries and the corresponding portion of shareholders' equity at the date of the first consolidation.

Reserve for expected cash flow hedges

This negative reserve, introduced by accounting standard no. 32 of the Italian Accounting Organisation, amounts to € 444,027, and relates to the value deriving from the market information at the reporting date of the derivative instruments. 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	09.30.2019	€ 17,500,000
Mapei Spa	Unicredit	Interest Rate Swap	07.15.2019	€ 23,333,333
Polyglass Spa	Intesa San Paolo	Interest Rate Swap	12.20.2021	€ 2,551,338

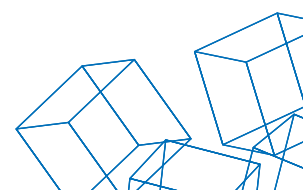
Accumulated profit brought forward

As at December 31st, 2017, this reserve amounts to € 590,574,167 (€ 502,861,270 as at December 31st, 2016) and includes the non-distributed accumulated profit brought forward, net of the dividend distributed by Mapei Spa of € 6,400,000.

The other changes that impacted Accumulated profits brought forward during 2017 relate to the change of inventories valorization (as indicated above for evaluation of inventories, the company moved from the F.I.F.O method to the Weighted Average Cost method) and reclassification of the reserve for assets and liabilities in foreign currencies by the Holding Company.

The following changes occurred in this item:

	12.31.2017
Profit /(loss) brought forward -Dec. 31st 2016	502,861,270
Consolidated accumulated profit brought forward - 2016	78,329,383
Dividends	- 6,400,000
Change of inventories valorization	311,548
Other changes	15,471,966
PROFIT /(LOSS) BROUGHT FORWARD AS AT DECEMBER 31ST 2017	590,574,167



Minority equity

This item includes portions of shareholders' equity and profits, relating to consolidated subsidiaries, pertaining to minority interests. As at December 31st, 2017, this item amounts to € 239,254 (compared to € 307,209 as at December 31st, 2016).

SUNDRY RISK AND OTHER FUNDS

This item totalled € 60,705,583 (€ 61,868,910 as at December 31st, 2016) and breaks down as follows:

	12.31.2017	12.31.2016	DIFFERENCE
Pension fund	25,218,479	22,775,787	2,442,692
Taxation	13,463,141	17,822,574	-4,359,433
Derivative financial instruments (liabilities)	486,270	928,096	-441,826
Others	21,537,693	20,342,453	1,195,240
TOTAL	60,705,583	61,868,910	-1,163,327

Pension funds mainly consist of the pension fund of the Sopro Group (€ 5,970,311), Mapei Gmbh (D) (€ 2,139,833) and Mapei Corp (€ 435,022), the agents termination indemnity of Mapei Spa (€ 3,600,383) and the bonus fund dedicated to managers and directors of Mapei Spa (€ 8,035,867), Vinavil Spa (€ 1,366,526) and Cercol Spa (€ 836,352). The tax fund is composed of the deferred tax provision and the tax risks fund.

The former, amounting to € 12,470,654, relates mainly to the companies Mapei Corp (€ 4,261,324), Mapei Spa (€ 2,116,402), Mapei Inc (€ 1,557,414), the Polyglass Group (€ 992,079), Mapei France Sa (€ 930,782), Adesital Spa (€ 531,979), Mapei Malaysia Sdn Bhd (€ 359,126) and Cercol Spa (€ 340,478).

The latter, amounting to € 992,487 (€ 351,463 as at 31st December 2016), is mainly attributable to the Polyglass Group and to Vaga Srl.

Deferred tax liabilities are originated by timing differences between the book value of assets and liabilities included in the statutory financial statements and their corresponding tax basis. Movements in this fund during 2017 are as follows:

OPENING BALANCE 01.01.2017	17,822,574
Exchange rate difference opening balance	- 1,314,524
Increase	3,999,282
Decrease	- 7,252,450
Exchange rate difference variations	208,259
CLOSING BALANCE 12.31.2017	13,463,141

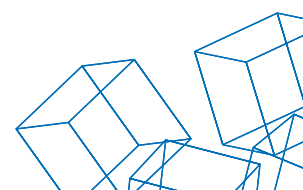
The provision for financial instruments (payable), introduced under article 2424 of the Italian Civil Code, represents the market value of derivative financial instruments subscribed by Mapei Spa and Polyglass Spa. As at December 31st, 2017, this item amounts to € 486,270 (€ 928,096 as at December 31st, 2016).

Other funds of € 21,537,693, against € 20.342.453 in 2016, are basically formed of provisions by Mapei Spa during previous years (€ 9,900,000) for possible future risks from civil liability, the product warranty provision of the Polyglass Group (around € 3,300,000), the prize contest provision of Mapei Polska Spzoo (€ 1,636,851) and the provision of Mapei GmbH (A) (€ 1,327,060).

STAFF SEVERANCE RESERVE

The amount as at December 31st, 2017 is € 11,166,359 (€ 11,349,178 as at December 31st, 2016) and covers the entire liability to employees, in compliance with current legislation in each single country. During the year, the fund showed the following trend:

	12.31.2016	PROVISION	(UTILIZED)	EXCHANGE RATE	12.31.2017
Mapei Spa	4,517,166	5,089,203	-5,196,207	-	4,410,162
Vinavil Spa	995,379	1,088,399	-1,100,515	-	983,263
Adesital Spa	262,783	128,866	- 106,294	-	285,355
Vaga Srl	501,573	93,797	-29,707	-	565,663
Mapei Spain Sa	-	22,517	-	-	22,517
Mapei GmbH (A)	724,265	48,023	-23,860	-	748,430
Mapei Polska Spzoo	44,293	16,577	-	2,789	63,659
Gorka Cement Spzoo	115,448	5,262	-5,262	6,448	121,896
Mapei Hellas Sa	97,080	26,643	-	-	123,723
Mapei Ukraina Llc	-	64,858	-19,826	-4,945	40,087
Mapei Construction Chemicals Llc	1,316,901	367,529	- 251,148	-166,728	1,266,554
U.S. Sassuolo Calcio Srl	666,553	547,348	- 667,673	-	546,228
Mosaico + Srl	134,531	29,997	-10,370	-	154,158
Progetto Mosaico + Srl	165,507	29,186	-63,316	-	131,377
Mapei Construction Chemicals Panama Sa	79,466	204,656	- 151,462	-12,727	119,933
Mapei Doha Llc	13,799	9,916	-	-2,250	21,466
Mapei Costa Rica Sa	2,129	3,859	1,186	-628	6,546
Mapei Perù Sac	9,256	20,984	-11,495	-1,320	17,425
Sopro Group	625,226	107,762	-90,431	1,433	643,990
Polyglass Group	872,123	475,927	- 591,818	-	756,234
Mapei Argentina SA	-	53,752	-53,752	-	-
Cercol Spa	205,700	130,294	- 198,295	-	137,699
TOTAL	11,349,178	8,565,355	-8,570,245	-177,929	11,166,359



LIABILITIES

The composition of payables is reported and commented below.

Banks repayable within 12 months

As at December 31st, 2017, bank loans amount to € 148,024,683 (€ 96,481,181 as at December 31st, 2016) and refer to the following companies:

	12.31.2017	12.31.2016	DIFFERENCE
Mapei Spa	94,729,294	37,487,613	57,241,681
Vinavil Spa	1,414	993	421
Adesital Spa	744	701	43
Vaga Srl	-	606	-606
Mapei France Sa	5	14	- 9
Mapei Benelux Sa	740,000	740,000	-
Mapei Gmbh (D)	4,500	5,000	- 500
Mapei Gmbh (A)	2,311	18,230	- 15,919
Mapei Construction Chemicals Llc	22,939,560	27,273,236	- 4,333,676
Vinavil Egypt for Chemicals Sae	3,616,944	3,830,455	-213,511
Mosaico+ Srl	702	790	-88
Progetto Mosaico+ Srl	200,454	158,951	41,503
Mapei Yapi Kimyasallari Ins. San. Ve Tic As	5,998,105	4,905,928	1,092,177
Mapei Construction Materials Co Ltd (Guangzhou)	-	1,215,464	- 1,215,464
Mapei Korea Ltd	78,149	866,578	-788,429
Mapei As	246,564	216,707	29,857
Mapei Inc Consolidated Financial Statements	15,526	-	15,526
Mapei Corp	8,377,433	9,499,306	- 1,121,873
Polyglass Group	266,257	205,605	60,652
Cercol Spa	978	4,384	-3,406
US Sassuolo Calcio Srl	10,000,000	10,000,249	- 249
Mapei SRB Doo	27,517	43,265	- 15,748
Mapei Colombia Sas	177,071	-	177,071
Mapei Philippines Inc.	602,057	-	602,057
Mapei Argentina Sa	- 902	7,106	-8,008
TOTAL	148,024,683	96,481,181	51,543,502

These amounts also include the current portion of the loans expiring in 2017, which amount to € 82,316,928 (€ 59,644,959 in the previous financial year).

The increase in short-term indebtedness is mainly attributable to the Holding company for new loans issued with banks (mainly Banca Passadore, Credito Emiliano and Unicredit) and major use of credit lines.

Banks repayable after 12 months

As at December 31st, 2017, these amount to € 282,669,187 (€ 350,449,138 as at December 31st, 2016) and refer to the following companies:

	12.31.2017	12.31.2016	DIFFERENCE
Mapei Spa	237,487,007	278,785,066	-41,298,059
Mapei Benelux Sa	2,220,000	2,960,000	- 740,000
Mapei Construction Chemicals Llc	24,450,041	27,829,171	-3,379,130
Mapei As	1,282,989	1,554,538	-271,549
Mapei Corp	8,338,197	18,973,532	-10,635,335
Progetto Mosaico + Srl	31,250	31,250	-
Mapei Yapi Kimyasallari Ins. San. Ve Tic As	1,172,532	2,015,356	- 842,824
Polyglass Group	-	800,225	-800,225
U.S. Sassuolo Calcio Srl	7,500,000	17,500,000	-10,000,000
Mapei Colombia Sas	187,171	-	187,171
TOTAL	282,669,187	350,449,138	-67,779,951

The decrease during the year of € 67,799,951 is mainly attributable to the repayment by Mapei Spa of the loan obtained from the European Regional Bank and partial repayment of the loans obtained from the European Bank of Investments and IFC. The above loans from banks will expire according to the following schedule:

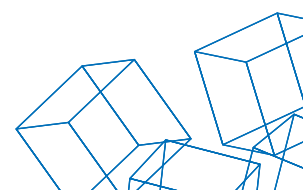
	2019	2020	2021	2022 AND FOLLOWING	BANK MATURITY
Loans from banks	88,836,360	83,176,255	60,334,601	50,321,971	282,669,187

Debts to other financial institutions repayable within 12 months

As at December 31st, 2017, these debts amount to € 21,146,664 (€ 13,736,520 as at December 31st, 2016) and are mainly composed by the portions of the lease agreements outstanding with other financial institutions.

The increase is attributable mainly to the factoring of trade receivables carried out by US Sassuolo Calcio Srl.

The other most significant amounts relate to Mapei Polska Spzoo (€ 1,119,177), Mapei Corp (€ 758,560), the Polyglass Group (€ 379,518) and Mapei As (€ 114,326).



Debts to other financial institutions repayable after 12 months

As at December 31st, 2017, these debts amount to € 5,661,814 (€ 6,446,105 as at December 31st, 2016). The amounts are mainly attributable to the accounting for properties under finance lease contracts according to International Accounting Standard no. 17. These properties relate to the following companies:

	12.31.2017	12.31.2016	DIFFERENCE
Mapei Spain Sa	455,144	435,072	20,072
Mapei Kft	15,387	-	15,387
Mapei Polska Spzoo	1,245,223	1,104,619	140,604
Mapei Bulgaria Eood	54,090	57,816	- 3,726
Progetto Mosaico+ Srl	-	62,500	- 62,500
Mapei Colombia Sas	6,023	-	6,023
Mapei Malaysia Sdn Bhd	47,444	77,193	- 29,749
Mapei As	457,303	619,064	- 161,761
Mapei Inc	37,212	1,144	36,068
Mapei Corp	1,296,848	1,455,506	- 158,658
Mapei Argentina SA	67,221	114,799	- 47,579
Polyglass Group	1,979,921	2,518,392	- 538,471
TOTAL	5,661,814	6,446,105	-784,291

The above loans expire according to the following schedule:

	2019	2020	2021	2022 AND FOLLOWING	BANK MATURITY
Loans from other financial institutions	2,893,451	1,296,163	1,097,273	374,927	5,661,814

Advances from customers

The balance of this item as at December 31st, 2017, was € 2,603,586 (€ 2,187,464 as at December 31st, 2016) and due mainly to advances received from customers of Mapei Spa (€ 523,514), Mapei Construction Materials Co Ltd (Guangzhou) (€ 417,688), Mapei Nederland Bv (€ 260,893), the Sopro Group (€ 213,773) and Mosaico+ Srl (€ 205,435).

Trade payables

This item totalled € 282,638,062 as at December 31st, 2017 (€ 248,301,675 as at December 31st, 2016) and are composed mainly of trade payables of Mapei Spa (€ 93,647,496), the Polyglass Group (€ 30,762,325), Vinavil Spa (€ 24,039,950), Mapei Corp (€ 20,241,628) the Sopro Group (€ 17,020,793), Mapei Uk Ltd

(€ 10,013,151), Mapei Construction Chemicals Llc (€ 7,489,337), Mapei As (€ 7,066,793), Mapei Inc (€ 6,915,797), Mapei France Sa (€ 6,840,972), Mapei Polska Spzoo (€ 4,677,048), Mapei Suisse Sa (€ 4,197,094), Cercol Spa (€ 3,872,374), Vaga Srl (€ 3,841,126) and Mapei Malaysia Sdn Bhd (€ 3,065,361).

Draft and promissory notes

As at December 31st, 2017, these totalled € 2,884,943 (€ 1,529,359 in 2016) and include draft and promissory notes to suppliers, mainly by Mapei Korea Ltd.

Payables to Holding company

As at December 31st, 2017, this item totalled € 3,200,000 and is mainly attributable to the dividend portion to be paid by Mapei Spa to the Holding company.

Due to tax offices

As at December 31st, 2017, these payables totalled € 29,554,577 (€ 32,623,289 as at December 31st, 2016), fully reflecting the current tax obligations of the Group, to be paid within one year.

Social security contributions

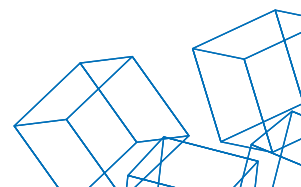
As at December 31st, 2017, these totalled € 13,813,268 (€ 12,362,234 as at December 31st, 2016) and are all payable within one year.

Other payables

As at December 31st, 2017, these payables totalled € 82,174,700 (€ 83,740,467 as at December 31st, 2016). This amount mainly includes payables to football clubs of U.S. Sassuolo Calcio Srl (€ 35,398,533) for the residual instalments on the purchase of players' registration rights, payables to employees of Mapei Spa (€ 11,795,466), the Sopro Group (€ 3,879,954), Mapei Corp (€ 3,727,383), the Polyglass Group (€ 3,461,377), Vinavil Spa (€ 2,885,865), Mapei Inc (€ 1,907,228), Mapei As (€ 1,609,328), Mapei France Sa (€ 1,568,338) and Mapei Polska Spzoo (€ 1,525,062).

The breakdown by category is detailed below:

	12.31.2017	12.31.2016	DIFFERENCE
Payables to insurance companies	270,531	233,675	36,856
Payables to employees	45,507,268	42,686,585	2,820,683
Other payables	36,396,901	40,820,207	-4,423,306
TOTAL	82,174,700	83,740,467	-1,565,797



The decrease is mainly attributable to the company US Sassuolo Calcio Srl owing to the drop in payables due to companies in the sector.

ACCRUALS AND PRE-PAYMENTS

As at December 31st, 2017, this item amounts to € 17,392,736 (€ 13,954,013 as at December 31st, 2016) and is composed mainly of deferred income of the company US Sassuolo Calcio Srl and related to television and advertising revenues attributable to the following year and insurance costs attributable mainly to Mapei Corp. The breakdown by category is detailed below:

	12.31.2017	12.31.2016	DIFFERENCE
Rents	1,615,517	1,183,380	432,137
Interests	325,573	589,247	-263,674
Insurance	2,434,348	2,396,393	37,955
Leasing	158,320	208,051	- 49,731
Not capitalized grants	1,009,699	701,846	307,853
Other	11,849,279	8,875,096	2,974,183
TOTAL	17,392,736	13,954,013	3,438,723

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 2017, our Group generated an aggregate turnover of € 2,858,569,177, compared to € 2,705,548,373 in 2016. Intercompany transactions totalled € 452,556,596, compared to € 423,449,635 in the previous year. The result is a consolidated Group turnover of € 2,406,012,581 in 2017, compared to € 2,282,098,738 in 2016, with an increase of € 123,913,843, equal to 5.4%.

The companies which contributed to the increase in consolidated turnover are Mapei Corp, the Polyglass Group, Mapei Kft, the Sopro Group, Mapei Australia Pty Ltd, Mapei Argentina Sa, Zao Mapei, Vinavil Spa, Mapei Mexico Sa de Cv, Mapei Spain Sa, Mapei Hellas Sa, Mapei Spa, Mapei Polska Spzoo, Gorka Cement Spzoo, Mapei Suisse Sa and Mapei Korea Ltd.

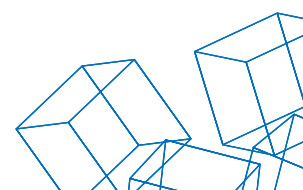
The increase was also affected by the inclusion of Mapei Colombia Sas in the scope of consolidation for the first time, for a total of € 7,844,055.

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

GEOGRAPHIC AREA	12.31.2017	12.31.2016	% DIFFERENCE	% INCIDENCE 2017	% INCIDENCE 2016
Italy	545.6	541.0	0.9%	22.7%	23.7%
Western Europe	638.6	625.7	2.1%	26.5%	27.4%
Eastern Europe	241.1	209.1	15.3%	10.0%	9.2%
North America	691.5	637.9	8.4%	28.8%	28.0%
Latin America	62.6	41.8	49.8%	2.6%	1.8%
Middle East	50.2	50.9	-1.5%	2.1%	2.2%
Asia	96.3	99.2	-2.9%	4.0%	4.3%
Oceania	48.0	41.3	16.4%	2.0%	1.8%
Africa	32.1	35.2	-8.6%	1.3%	1.6%
TOTAL	2,406.0	2,282.1	5.4%	100.0%	100.0%

Capitalised costs

This item amounts to € 513,283 (€ 957,395 in 2016), 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 € 40,536,965, an increase of € 1,984,664 compared to 2016 and are composed mainly of gains on disposal of long-term football players' registration rights of US Sassuolo Calcio Srl (€ 21,747,275), recharging of costs to employees and recognition of tax benefits in relation to investments in R&D activities of Mapei Spa (€ 9,252,993), recovery of costs and release of funds of the Sopro Group (€ 1,195,422), other operating revenues of Mapei As (€ 1,123,809), release of funds and other operating revenues of Mapei Polska Spzoo (€ 1,330,633).

PRODUCTION COSTS

Production costs amount to € 2,346,263,703, marking an increase of € 179,986,158 compared to 2016, and are broken down as follows:

COSTI	12.31.2017	12.31.2016	DIFFERENCE
Purchase of raw materials, packaging and supplies	1,170,304,497	1,040,466,695	129,837,802
Purchase of services	448,358,431	422,655,834	25,702,597
Rentals and leasing	37,431,726	33,829,581	3,602,145
Labour costs	570,764,281	533,479,204	37,285,077
Amortisation, depreciation and doubtful credits provision	88,541,674	93,377,769	-4,836,095
Decrease/(increase) of raw materials, pack., suppl. and merch.	- 25,166,379	-7,305,963	-17,860,416
Sundry risk provisions	10,452,360	8,710,105	1,742,255
Other operating costs	45,577,113	41,064,320	4,512,793
TOTAL	2,346,263,703	2,166,277,545	179,986,158

Purchase of raw materials, packaging and suppliers

The increase in the costs of raw materials, packaging and suppliers goods 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:

	12.31.2017	12.31.2016	DIFFERENCE
Variable costs	75,636,747	70,715,140	4,921,607
Marketing and Advertising	61,072,237	56,643,582	4,428,655
Travel and Entertainment	41,734,186	37,521,259	4,212,927
Freight Costs	133,478,968	124,483,085	8,995,883
Insurance	9,608,725	8,772,155	836,570
Other industrial and general services	126,827,568	124,520,613	2,306,955
TOTAL	448,358,431	422,655,834	25,702,597

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

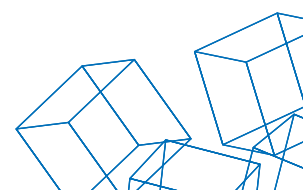
Labour costs

Personnel costs in 2017 amount to € 570,764,281, marking an increase of € 37,285,077 compared to 2016, due primarily to the increases in personnel.

The highest increases are attributable to Mapei Corp (€ 9,402,768), Mapei Spa (€ 7,074,087), the Polyglass Group (€ 5,184,323), the Sopro Group (€ 2,171,077), Vinavil Spa (1,895,686), Mapei Inc (€ 1,540,113), Zao Mapei (€ 1,149,488), Mapei Kft (€ 1,108,546) and Mapei de Mexico Sa de Cv (€ 1,066,883). The inclusion of Mapei Colombia Sas also impacted on the increase.

The headcount by geographical area is the following:

GEOGRAPHICAL AREA	12.31.2017			12.31.2016		
	Blue-collars	White-collars	Total	Blue-collars	White-collars	Total
Italy	889	1,388	2,277	874	1,328	2,202
Western Europe	628	1,469	2,097	612	1,396	2,008
Eastern Europe	405	1,124	1,529	400	1,022	1,422
North America	1,086	914	2,000	953	862	1,815
Latin America	140	437	577	85	161	246
Middle East	25	102	127	20	100	120
Asia	184	437	621	171	399	570
Oceania	14	91	105	16	82	98
Africa	109	74	183	102	53	155
TOTAL	3,480	6,036	9,516	3,233	5,403	8,636



Amortisation and depreciation

Amortisation of intangible assets decreased compared with the previous year, mainly due to lower amortisation of football players' registration rights of the company US Sassuolo Calcio Srl for € 2,144,129.

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

Provision for doubtful credits

This item includes the allocations to the provision for doubtful accounts and is composed mainly of the balances of Mapei Spa (€ 1,142,364), the Polyglass Group (€ 717,344), Mapei Polska Spzoo (€ 462,658), Mapei As (€ 452,192) and Mosaico + Srl (€ 372,374).

The decrease is mainly attributable to Mapei GmbH (A), the Polyglass Group, Mapei Corp, Mapei Yapi Kimyasallari Ins. San. Ve Tic. As and Mapei Polska Spzoo.

Decrease / (Increase) in stock

This item has been valorized with the Weighted Average Cost method and it does not reflect the restatement of the opening balance which amounts to € 311,548. The effect of the inventories valorization amendment, from F.I.F.O to Weighted Average Cost, has been booked into shareholders' equity.

Sundry risks provisions

This item amounts to € 10,452,360 (€ 8,710,105 in 2016) and is partly attributable to the provisions made in relation to possible future third parties liabilities risks.

Other operating costs

Other operating costs break down as follows:

	12.31.2017	12.31.2016	DIFFERENCE
Associations	3,415,396	3,177,379	238,017
Property taxes and rates	5,164,091	4,912,023	252,068
Other taxes and duties	5,180,614	4,736,771	443,843
Losses on disposal of assets	509,464	114,719	394,745
Consultancy on products	2,912,187	5,171,932	-2,259,745
Gratuity and donations	3,686,241	3,847,646	-161,405
Other operating costs	24,709,120	19,103,850	5,605,270
TOTAL	45,577,113	41,064,320	4,512,793

The increase in this item is attributable mainly to Mapei Corp for higher legal costs sustained during the year.

FINANCIAL INCOME AND EXPENSES

Other financial income

The financial income detailed in point C16) of the Profit and Loss Statement amounts to € 497,055 (€ 827,550 in 2016) and is mainly attributable to US Sassuolo Calcio Srl (€ 102,608), Zao Mapei (€ 88,390), Mapei Spa (€ 80,180), Mapei Corp (€ 49,258) and Mapei de Mexico Sa de Cv (€ 48,389).

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 Profit and Loss Statement amount to € 8,929,210 (€ 10,005,122 in 2016) and are mainly attributable to Mapei Spa (€ 2,402,621), Mapei Construction Chemicals Llc (€ 1,621,557), Mapei Corp (€ 1,029,232), Mapei Yapi Kimyasallari Ins. San. Ve Tic. As (€ 870,795), Vinavil Egypt for Chemicals Sae (€ 555,137), US Sassuolo Calcio Srl (€ 289,118), the Polyglass Group (€ 241,192) and the Sopro Group (€ 207,957) and relate to interest on loans and bank current accounts.

Gains and losses on exchange rates

The negative balance of exchange rate amounts to € 9,872,264 and improved compared to 2016 (negative balance of € 11,177,060). 2017 was characterised by revaluation of the Euro against the other major currencies. The highest negative effect was mainly booked on Mapei Spa.

INCOME AND ANTICIPATED (DEFERRED) TAX

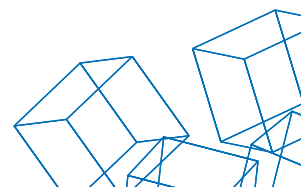
In 2017, these amount to € 36,190,739 (€ 54,691,386 in 2016), of which € 40,604,634 for income tax provision, € 1,070,270 for taxes of previous years and € 5,484,165 for prepaid taxes.

The item in question is mainly attributable to the taxes relating to Mapei Corp (€ 7,707,769), US Sassuolo Calcio Srl (€ 4,748,369), Mapei Suisse Sa (€ 5,197,379), the Polyglass Group (€ 5,074,797), the Sopro Group (€ 4,577,212), Vinavil Spa (€ 2,505,839), Mapei Australia Pty Ltd (€ 2,119,359) and Mapei Polska Spzoo (€ 2,074,119).

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

RELATIONS WITH RELATED PARTIES

Refer to the Management Report for further details on transactions with related parties.



SIGNIFICANT EVENTS SUBSEQUENT TO THE CLOSE OF THE FINANCIAL YEAR

In April, Mapei Spa acquired 100% of the shares in the Italian company Fili & Forme Srl in San Cesario sul Panaro (MO), which has been operating for over a decade in the building industry with the "Istrice" brand. The company, which is specialized in the production of synthetic structural fibres for reinforcement of mortars and concrete, exports over 65% of production to 25 countries.

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 December 31st, 2017.

EMOLUMENTS TO THE DIRECTORS AND TO THE STATUTORY AUDITORS OF THE PARENT COMPANY

Managing Director: Euro 1,000,000

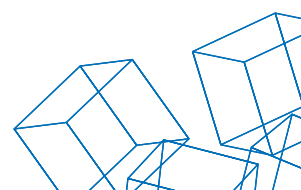
Statutory Auditors: Euro 109,200

Managing Director
Mr. Giorgio Squinzi

Annex 1

DEVELOPMENT OF NET EQUITY OF MAPEI GROUP

	NET PROFIT	NET EQUITY
AS PER MAPEI SPA'S FINANCIAL STATEMENTS	32,746,003	421,504,521
Increase in net profit and net worth arising from consolidation	97,207,289	505,906,583
CONSOLIDATION ADJUSTMENTS:		
Dividends from consolidated investments	-74,070,259	0
Amortisation of Goodwill	-6,271,192	-106,066,494
Devaluation of consolidated investments	19,197,213	25,373,885
Adjustments due to the Group accounting principles	-2,028,754	1,061,165
Elimination of intercompany extraordinary gain	-18,329	-1,309,887
Deferred taxation	469,776	-3,292,588
Translation Reserve	0	-28,023,107
GROUP	67,231,747	815,154,078
Minority Interest	73,737	239,254
AS PER MAPEI GROUP FINANCIAL STATEMENTS (TOTAL)	67,305,484	815,393,332



ANNEX

Annex 2

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY - 2015-2016-2017

2015 CHANGES	As at December 31, 2014	2014 Net Profit: Brought Forward	2014 Net Profit: Dividends	Translation of the Financial Statements	Change of inventories valorization	Other changes	2015 Net profit	As at December 31, 2015
I Share Capital	50,560,000							50,560,000
III Revaluation Reserve	78,687,539							78,687,539
IV Legal Reserve	10,112,000							10,112,000
VI Own Shares Reserves	51,515,113							51,515,113
VII Other Reserves	9,918,367	11,789,533						21,707,900
Translation Reserve	(455,065)			9,355,248				8,900,183
Consolidation Reserve	1,907,863					(413,887)		1,493,976
VIII Profit Brought Forward	449,397,985	11,579,401	(1,500,000)			(312,670)		459,164,716
IX Group Net Profit	23,368,934	(23,368,934)					45,564,943	45,564,943
Group Net Equity	675,012,736	0	(1,500,000)	9,355,248		(726,557)	45,564,943	727,706,370
Minority Interest Capital and Reserve	525,733	128,710		29,335		0		683,778
Minority Interest Net Profit	128,710	(128,710)					(353,208)	(353,208)
TOTAL NET EQUITY	675,667,179	0	(1,500,000)	9,384,583		(726,557)	45,211,735	728,036,940

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
V Own Shares Reserves	0					0		0
VI Other Reserves	21,707,900	4,828,389						26,536,289
VII Reserve for cash flow hedge	8,900,183			292,272				9,192,455
Translation Reserve	1,493,976					(295,086)		1,198,890
Consolidation Reserve	(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	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	88,258,047	791,396,683

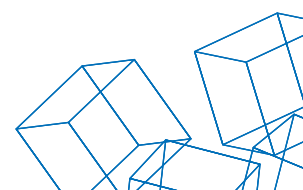
2017 CHANGES	As at December 31, 2016	2016 Net Profit: Brought Forward	2016 Net Profit: Dividends	Translation of the Financial Statements	Change of inventories valorization	Other changes	2017 Net Profit:	As at December 31, 2017
I Share Capital	100,000,000							100,000,000
III Revaluation Reserve	53,687,539							53,687,539
IV Legal Reserve	10,112,000	9,888,000						20,000,000
V Own Shares Reserves	0					0		0
VI Other Reserves	26,536,289					(15,607,420)		10,928,869
VII Reserve for cash flow hedge	9,192,455			(37,215,562)				(28,023,107)
Translation Reserve	1,198,890							1,198,890
Consolidation Reserve	(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

2016 opening balances differ from 2015 closing balance for the amendments introduced by the new accounting directives (OIC)

ANNEX 3

DEFERRED TAX ASSETS AND LIABILITIES

	2017			2016		
	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	1,289,974	25,7%	331,426	933,183	26,2%	244,691
Differences in provisions	35,684,764	26,1%	9,295,892	45,393,491	24,8%	11,280,176
Differences in depreciations	4,826,662	27,6%	1,330,820	6,757,220	30,7%	2,077,308
Tax losses carried forward	36,469,922	23,8%	8,681,863	31,115,360	23,9%	7,448,306
Unrealised losses on exchange rates	9,474,462	23,8%	2,252,937	2,295,642	22,8%	523,838
Deferred tax assets based on tax credit	308,298	19,7%	60,711	335,537	19,7%	65,976
Others	18,250,198	24,9%	4,547,721	12,510,129	30,9%	3,864,942
TOTAL	106,304,280		26,501,370	99,340,562		25,505,237
DEFERRED TAX LIABILITIES:						
Tax effect on anticipated depreciations	24,948,536	23,6%	5,887,778	34,087,715	30,4%	10,378,526
Tax effect on leasing reclassification	4,275,267	29,1%	1,242,038	13,605,951	28,4%	3,865,741
Unrealised gains on exchange rates	2,506,335	23,8%	597,400	3,218,371	23,9%	768,421
Others	15,965,598	29,7%	4,743,438	7,623,767	32,2%	2,458,421
TOTAL	47,695,736		12,470,654	58,535,804		17,471,109
DEFERRED TAX LIABILITIES (ASSETS) NET			14,030,717			8,034,128



Annex 4

SALES, RECEIVABLES AND PAYABLES ANALYSIS BY GEOGRAPHIC AREA AS PER 12.31.2017

	CONSOLIDATED TURNOVER	CONSOLIDATED TRADE RECEIVABLES	OTHER RECEIVABLES	TRADE PAYABLES	OTHER PAYABLES
Italy	545,595,311	233,185,812	95,109,830	154,308,067	72,802,182
Western Europe	638,563,093	84,146,611	8,376,944	52,776,185	28,518,775
Eastern Europe	241,116,090	43,815,272	4,897,149	14,859,909	9,012,326
North America	691,492,966	64,495,007	11,258,353	34,287,850	8,454,141
Latin America	62,643,860	14,226,739	3,685,866	4,708,045	2,661,183
Middle East	50,184,979	20,146,934	318,036	7,935,586	1,058,288
Asia	96,249,328	20,827,900	2,714,186	10,679,988	8,135,892
Oceania	48,023,733	9,916,143	932,263	1,904,595	2,166,292
Africa	32,143,221	6,552,462	997,850	1,177,837	1,421,995
TOTAL	2,406,012,581	497,312,880	128,290,477	282,638,062	134,231,074



Building a better
working world

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20123 Milano

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Fax: +39 02 722122037
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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 31, 2017, 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 31, 2017, 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 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.

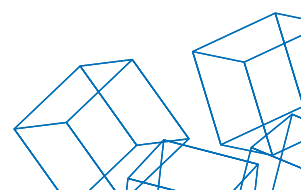
Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The Directors are 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 Directors are 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 Directors prepare the consolidated financial statements on a going concern basis unless they either intend to liquidate the Parent Company 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 deliberato Euro 3.250.000,00, sottoscritto e versato Euro 3.100.000,00 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





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 Directors;
- we have concluded on the appropriateness of Directors' 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 Directors of Mapei S.p.A. are responsible for the preparation of the Report on Operations of Group Mapei as at December 31, 2017, 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 31, 2017 and on its compliance with the applicable laws and regulations, and in order to assess whether it contains material misstatements.

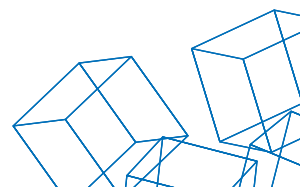
In our opinion, the Report on Operations is consistent with the consolidated financial statements of Mapei Group as at December 31, 2017 and comply with the applicable laws and regulations.

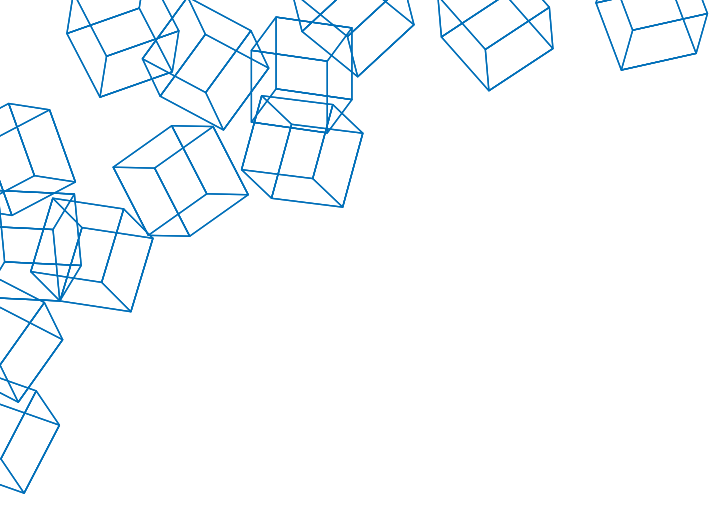
With reference to the statement required by art. 14, paragraph 2, subparagraph e), of Legislative Decree n. 39, dated 27 January 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Milan, June 22, 2018

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 2017



From major engineering projects to the redevelopment of luxury buildings, from cutting-edge new builds to the restoration of historical structures. When you need reliability, quality and durability on site, the solution will always be Mapei and its products. So clients, designers and contractors can be sure of getting not only the cutting-edge technology of a portfolio of more than 1,500 products, but

also a competitive cost/benefit ratio, the guarantee of constant Technical Support and the certainty that all the investments Mapei channels into research means you will always be getting the best in the world for any type of application or use.

The following pages contain a presentation of the most important projects carried out in 2017, thanks to Mapei products.

80
years
1937-2017



ITALY | Afragola (Naples)

Naples-Afragola Railway Station



The new Naples-Afragola railway station was inaugurated after 2 years of work and an investment of 60 million Euros. It is known as the “Gateway to the south” and is a strategic hub for the regional and national transport system. The station was the subject of an international tender which was awarded to the design studio of the star of architecture Zaha Hadid, who submitted a structure with sinuous lines reminiscent of a train in motion. The central body of the station is 400 metres long and straddles the platforms to connect the areas where the tracks run through, giving a sense of continuity to the surrounding countryside and roads network. The building has large glass windows coated with Corian which are supported by walls in steel and concrete. The work was carried out by Gruppo Astaldi and numerous Mapei products were used during construction. **Eporip**, **Mapegrout T60**, **Mapegrout LM2K** and **Planitop Fine Finish** were used to repair the concrete of the exposed façades, **Colorite Beton**, **Malech** and **WallGard Graffiti Barrier** were used to finish off and protect the façades, **Mapecoat I 600W**, **Mapefloor I 300 SL**, **Mapefloor I 910** and **Polyglass products** were used for the floors and **Mapeplan TB** and **Mapeplan ADS 300** were used to waterproof the roof.





ITALY | Cefalù (Palermo)

Cefalù Lighthouse

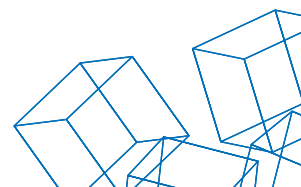


Built in 1908, Cefalù lighthouse is an octagonal tower 26 metres tall sitting almost against the northern face of a rocky outcrop known as “La Rocca”. It faces the port of Presidiana and is under

the administration of the Lighthouse and Signalling Division of the Navy Ministry. Because of the salty sea air the render was in very poor condition. The patching technique was recommended to fill the gaps in the render and create a more even surface using **Mape-Antique Allettamento** salt-resistant mortar.

A layer of **Mape-Antique Rinzafo** breathable scratch-coat mortar was then applied over the entire surface followed by a layer of **Mape-Antique MC Macchina** macro-porous render.

Once the render was fully cured, the surface was protected and decorated with **Silancolor Base Coat** and **Silancolor Tonachino Plus**. To finish, the ledges and terraces were waterproofed with **Mapelastic** two-component mortar.





ITALY | Favignana (Trapani)

Punta Sottile Lighthouse



The turret-shaped Punta Sottile lighthouse was built in 1860, a style very much in use at the time, and in 1904 it was completely modified into the configuration we can still see today.

Punta Sottile is currently the most important of all the lighthouses still in use in Sicily and, because its spotlight has a forty-five degree angle and is clearly visible to aircraft, it is also used for naval and air defence purposes. The work carried out to restore the lighthouse was in keeping with old traditions and started with the application of **Mape-Antique Allettamento** salt-resistant mortar. The next step was to apply a layer of **Mape-Antique Rinzafo** breathable scratch-coat moat over the entire surface followed by a layer of **Mape-Antique MC Macchina** macro-porous render. The surface was protected and decorated with **Silancolor Base Coat** and **Silancolor Tonachino Plus** and, to finish, the ledges and terraces were waterproofed with **Mapelastic** two-component mortar.





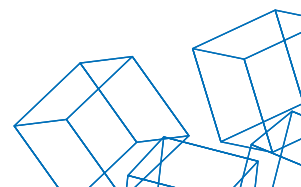
ITALY | Matera

Di Leo Biscuit Factory



The Di Leo Bakery was founded in 1860 to bake the bread made by local families in the town of Altamura. They then started making and selling their own bread in the 1930's and, in the 1960's, they also started

making biscuits. In the 1990's the company moved to new premises in Matera and became Di Leo SpA. Thanks to the use of high quality equipment, apart from making its own brand biscuits, it also became a supplier for other important food companies. The approximately 18,000 m² factory was recently redeveloped and work included renovating the concrete, redecorating the external walls and maintenance work on the internal floors. The concrete was renovated using the Mapei products **Mapefer 1K** and **Planitop Smooth & Repair** and the joints were treated with **Primer AS**, **Mapefoam**, **Mapeflex PU45** and **Mapeflex PU40**. The products used for the floors included **Mapefloor System 32**, along with **Primer SN**, **Quartz 0.5** and **Quartz 0.25**, **Mapefloor I 300 SL** and **Mapecolor Paste**. The external walls (7,000 m²) were decorated with an undercoat of **Quarzolite Base Coat** followed by a coat of **Elastocolor Paint**.





ITALY | Milan

Lido Sports Centre



Mapecoat TNS Reinforced is the reigning champion and the one to beat on the brand new Court 6 at the Milan Lido Sports Centre.

This product system is a quick, cost-effective and practical method specifically developed by Mapei to refurbish playing surfaces and was the one chosen for this particular court. The system is applied on existing surfaces that have been damaged, thereby avoiding the high cost of demolishing the old sub-layer and installing a new one. The original court had large areas that had become badly worn over the years. Preliminary work was carried out with **Adesilex G19** adhesive and **Mapecoat TNS White Base Coat** to create a uniform, compact surface without areas of detached surface. **Mapenet 150** glass fibre mesh was then placed on the surface, followed by a coat of **Mapecoat TNS Finish 1** (colour 15 in this case) to even out the substrate and then two coats of **Mapecoat TNS Finish 3**, specific for class 3 medium speed surfaces.

The last operation was to mark out the court using white **Mapecoat TNS Line** acrylic resin-based paint in water dispersion.





ITALY | Santa Lucia di Piave (Treviso)

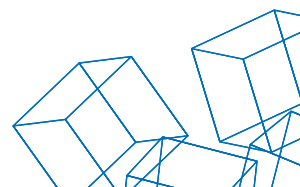
Villa Soligon



Construction of this splendid residential villa in the Marca Trevigiana countryside near Santa Lucia di Piave was made possible thanks to the maximum freedom

Mapei products allow architects to express in their designs. Villa Soligon is the result of the collaboration between technicians from Mapei and the architect Erich Milanese, designer of the Villa. One of the aims of the work was to keep the ridges of the roof perfectly in line with the flow of the perimeter walls to create a kind of “uniform box”. Mapei supplied the most suitable and best performing product systems for the various work cycles.

Primer 3296, Mapelastic Smart, Mapetex Sel, Elastocolor Waterproof and **Eporip** broadcast with quartz were used for the roof, which was made from corrugated sheet. The external insulation system was made using **Mapetherm EPS, Mapetherm AR1 GG, Mapetherm Net, Mapetherm Flex RP, Elastocolor Net** and, again, **Elastocolor Waterproof**. The products used for the internal walkways and floors were **Mapelastic Turbo, Mapenet 150, Mapeband SA, Keraflex Maxi S1, Ultracolor Plus** and **Mapesil AC**.





ITALY | Rossano (Cosenza)

Liquorice Museum



The “Giorgio Amarelli” liquorice museum, which has been standing next to the factory of this historical Calabrian company in Rossano since 2001, was extended in 2017 by adding a factory shop to sell its products directly to visitors to the museum and factory. Mapei supplied products for the resin floors and wall coverings, in the colour of liquorice as prescribed in the design by Geo Lanza. The resin, in a colour specially created and inspired by a precise point in the cooking process of the roots of liquorice plants, creates a warm, fluid effect which makes for an even more emotional journey for the visitors. The products chosen to create the floors were **Topcem Pronto**, **Primer SN** with embedded **Mapenet 150** mesh and a broadcasting of **Quartz 0.5**, **Decor System 70**, **Mapecolor Paste**, **Mapecolor Finish 58 W**, **Mapecolor Finish 50 N** and **Mapelux Opaca**. 15 m² of the services area were coated and decorated with “liquorice effect” **Ultratop Loft (F and W)**. **Primer LT** and **Primer Grip White** were applied on the lime rendered walls. The final phase was to apply **Mapecolor Finish 58 W** and **Mapelux Opaca** metal wax to finish off the surfaces.





GERMANY | Dortmund

S&E Grill Academy

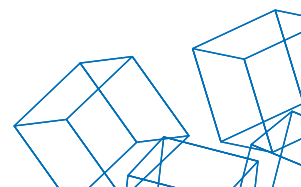


The Stellfeld & Ernst Grill Academy is a 900 m² space in Dortmund where clients can enjoy a unique experience of tasty barbecued and grilled food. Special materials, original features and its own

particular style of interior design all combine to create pleasant, comfortable surroundings where lovers of grilled food can learn the tricks of the trade from professional chefs.

And that's not all: theme events and cooking shows are regularly held throughout the year.

All this is taking place inside a building, in Eisenstrasse 40, that used to rent out caravans before being completely renovated in May, 2017, just in time for the start of the barbecue season. Mapei supplied the products to prepare the substrates and bond the LVT flooring. **Primer SN, Quartz 0.7, Quartz 1.2, Ultraplan Eco Plus, Planipatch** and **Eco Prim T Plus** were used to prepare the substrates, while **Ultrabond Eco V4 SP, Ultrabond Eco MS 4 LVT** and **Ultrabond Eco 4 LVT** were used to install and bond the LVT flooring.





GREECE | Crete

Stella Island Resort



The Stella Island Luxury Suites and Spa resort is just a few kilometres from Hersonissos along one of the most beautiful coastlines in the northern part of the island of Crete. Mapei Hellas worked

on site alongside the designers and contractors, recommending a wide range of products to help construct this prestigious project. The client had specified the use of eco-compatible, high quality products with good durability over the years. To bring the surfaces of the floors in the rooms up to the right level before installing the wooden flooring, they were smoothed and levelled off with **Ultraplan Eco 20**. The wooden flooring was then installed with **Ultrabond P990 1K** solvent-free adhesive with very low emission of volatile organic compounds. Glass mosaics were chosen to coat the swimming pools and **Keraflex Maxi S1**, high performance cementitious adhesive with Low Dust technology, was the product chosen to install the mosaics. The grouts were then filled with anti-acid, bacteriostatic **Kerapoxy CQ** with BioBlock® technology. The same products were used to install porcelain tiles in the bathrooms of the Luxury Swim-up rooms.





NORWAY | Bergen

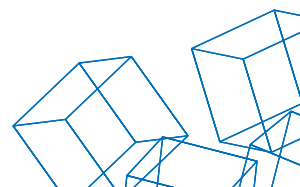
University Teaching Hospital



The University Teaching Hospital in Bergen, Norway was extended between 2011 and 2017 with the construction of a healthcare centre focusing entirely on paediatrics.

Mapei supplied products for part of the new building, particularly the large reception area where patients are welcomed to the hospital, the changing rooms, the bathrooms and the three new swimming pools. The external façades, the inside of the swimming pools and many of the floors and walls were all coated with slate, a type of stone that requires the use of specific, durable adhesives and grouts. The products chosen for this particular job were **Conplan Eco R** rapid self-levelling mortar, **Confix** spray-applied mortar to repair the concrete, **Mapegrout T40** thixotropic mortar and **Mapepoxy L** epoxy adhesive to repair cracks. Where required, the surfaces were waterproofed with **Mapelastic**.

Mapei recommended the adhesives **Ultralite S1** and **Ultralite S2** to bond the slabs of slate, **Keracolor GG** for the grouts and **Mapesil LM** and **Mapesil AC** to seal the expansion joints.





HUNGARY | Budapest

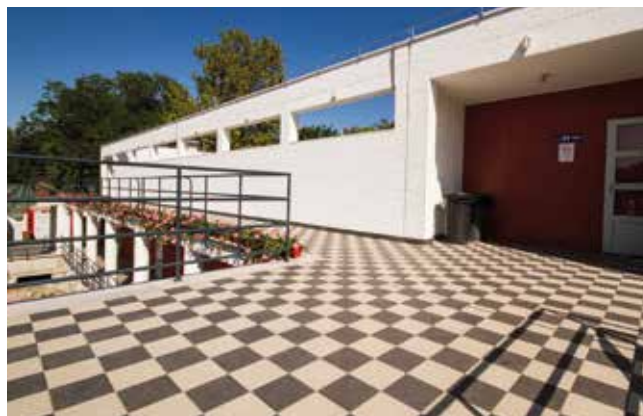
Palatinus Baths



Palatinus was founded in 1919 and was the first public baths in Budapest to provide open-air pools. The baths were refurbished and renovated in 2017 and the work needed to be completed very quickly; a perfect

task for the products supplied by Mapei and its team of qualified installers, hard at work on large areas of tiling. **Planitop Fast 330**, for example, which was used to remodel the old, worn concrete substrate quickly thanks to its good workability, followed by levelling off and grinding its surfaces with the maximum precision. Then it was the turn of the waterproofing product **Mapelastik**, applied in two layers and reinforced with **Mapenet 150** (in the bathrooms **Mapelastik AquaDefense** was also used). The tiles were installed with **Keraflex S1** adhesive.

The grouts between the tiles were filled with **Kerapoxy CQ**, while the surfaces above the waterline were grouted with **Ultracolor Plus**. The check joints were sealed with **Mapesil AC**. In the main building the walls and floors were prepared with **Primer G** and the tiles were installed with **Keraflex** and **Adesilex P9** and grouted with **Keracolor FF Flex**.





HUNGARY | Budapest

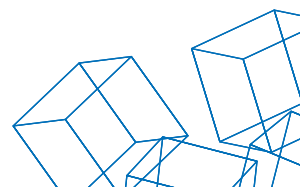
Centuria Apartment Complex



Situated in the District 8 area of Budapest, the Centuria apartment complex offers residents an apartment away from the city centre but well connected and close to all the main destinations

in Pest and Buda. For the façades of the building the architects chose Mapei's **Quarzolite Tonachino** for its rustic effect finish. The façades were then finished off with a coat of **Quarzolite Tonachino Plus** over a coat of **Quarzolite Base Coat**.

The complete portfolio of the **Mapetherm** system was chosen for the external thermal insulation. Mapei tiling products were used in all the complex's 43 apartments, as well as in its two shops. **Adesilex P9** was used for the 30x30 cm floor tiles and the 20x50 wall tiles, the 60x30 cm porcelain tiles in the corridors were installed with **Ultralite S2**, while the tiles on the terraces were bonded with **Keraflex Light S1**. Inside the apartments, **Ultracolor Plus** was used to grout the tiles and **Mapesil AC** was used for sealing work. The surfaces were skimmed with **Ultraplan Eco 20** and waterproofed with **Mapelastic** and **Mapeband** reinforcing tape. **Mapefloor I910** and **Mapefloor I301 SL** were used in the garages.





HUNGARY | Lake Velence

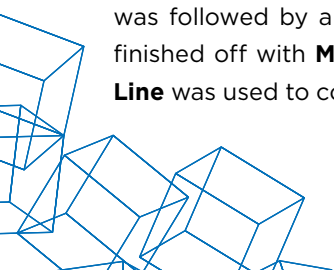
Hussar Miska Statue



A giant concrete model of a soldier, a Hussar 12.5 metres tall weighing 360 tonnes, stands in the small Hungarian town of Pákozd on Lake Velence to commemorate the battle the Hungarian Defence Forces

fought against the Habsburgs in 1848 during the War of Independence.

The Hussar is called Miska, the name petitioned for by a group of history lovers as a way of remembering this important event. The form of the statue was designed by the Magyar sculptor Istvan Rohoncz. After working on the statue for three years, it was inaugurated on the 29th of September 2017. Numerous Mapei products also contributed to this unique labour of love and the four technicians from the installation team had to rely heavily on their ingenuity and their capacity to adapt. The products used in the first phase were **Ultrabond Turf 2 Stars**, **Mapecoat TNS Comfort** and 4 mm thick **Mapecomfort**. The entire surface was then painted with **Mapecoat I 600W**. The base product used for the plinth of the statue was **Mapecoat TNS Grey Base Coat**, which was followed by a layer of **Mapecoat TNS Finish** and finished off with **Mapecoat TNS Color**. **Mapecoat TNS Line** was used to complete the fine detailed work.



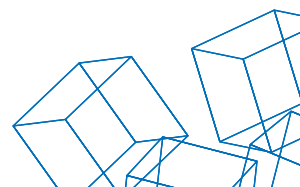


HUNGARY | Komárom
“Star Fort”



The Hungarian government decided to renovate the “Csillagerod”, or “Star Fort”, a nineteenth century fortification system in Komárom, a city on the border of Slovakia. The scope of the work was to provide a

new home for the “Star Fort Centre of Artistic, Historical and Military Culture”. The stronghold is made entirely from bricks and stone. In order to restore the masonry it was necessary to use a material that matched the aged look of the fort, but at the same time it had to have all the qualities required to hold the brickwork together and fill and seal the uneven gaps between the bricks. After checking and testing various types and brands of masonry mortar, the designers decided that tuff coloured **Mape-Antique Allettamento** was just the right product. After carrying out various tests on sample surfaces to find the best mix and colour, it was decided to use 80% of product and 20% of a special type of sand. One of Mapei’s technicians held a short training course on site to demonstrate how to use the product and was then on hand to provide constant support and advice. The intervention also included restoration work on the floor.





CANADA | Montreal

Avenue Apartment Complex



The “Avenue” apartment complex was built in the heart of Montreal and forms a backdrop to the Bell Centre and the lively city centre. The building is 183.8 metres tall and has 50 floors, 9 of which are for business and commercial use, and 303 apartments with breath-taking views of the city distributed on the other floors, ranging from 46 m² to 140 m² and loft apartment of up to 490 m². Mapei supplied products to restore the concrete of the main building and various installation materials. **Planitop X** and **Planitop XS** were used to skim the concrete while **Planitop 23** was used to skim the columns and beams. The showers were waterproofed with **Mapelastic HPG** and 230 m² of surfaces in the swimming pool area were waterproofed with **Mapelastic 315**. The surfaces were prepared with **Primer T** and then levelled off with around 6,000 m² of **Novoplan 2 Plus**. The tiles for the swimming pool were installed with the **Kerabond/Keralastic** adhesive system.

More than 8,000 m² of marble, granite and glass tiles were installed with the products **Ultraflex LFT**, **Adesilex P10**, **Ultralite** and **Ultracolor Plus FA**.





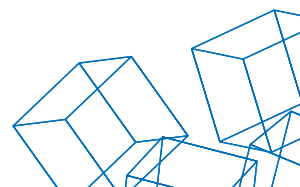
CANADA | Vancouver

Delbrook Community Recreation



The new Delbrook Community Recreation Center was built in the northern part of the city of Vancouver to replace two old recreation centres with a more modern and functional one. The new

recreation centre serves the Delbrook area and has three floors for recreational, cultural and community activities, with a water park, three swimming pools, hydro-massage tubs, a sauna, a Turkish bath, a large gymnasium with a weights room and fitness room, two squash and racquetball courts, several multi-functional rooms, an arts, pottery and crafts room and administration offices. Mapei products were used to prepare surfaces, install tiles and for waterproofing work. These included **Planitop 23** mixed 4 to 1 with **Planicrete AC** (over an area of more than 2,000 m²). **Mapelastix 315** was used to waterproof almost 3,000 m² of surfaces for the swimming pools and in other wet areas. The **Kerabond / Keraply** adhesive system was used to install various sizes of tiles in the swimming pools, showers, sauna and Turkish bath. Other materials from “team” Mapei used in various areas of the centre included **Ultraflex LFT**, **Kerapoxy CQ**, **Keracolor U**, **Novoplan 2 Plus**, **Planibond EBA** and **Ultratop**.





USA | Atlanta

Alta Midtown Apartments



The Alta Midtown apartments are part of a residential and commercial complex in the centre of Atlanta, built on what used to be a carpark. The designers from Wood Partners created a residential block with all the comforts in a 21-storey building comprising 369 apartments. A large variety of Mapei products were used during construction of the complex to provide an effective solution for a multitude of applications. Here are a few examples: **Mapelastic AquaDefense** liquid waterproofing membrane to waterproof the showers and bathtubs in all the apartments, **Ultrabond ECO 810** to install more than 3,700 m² of carpet in the communal areas and **Ultrabond ECO 570** to install rubber flooring in the gymnasium. **Ultraflex 2** was also used to install various sizes of tiles, from small mosaics to large formats around the bathtubs and in the shower booths, for the floors in the lifts, in the lounge bar and for large tiles in communal areas.





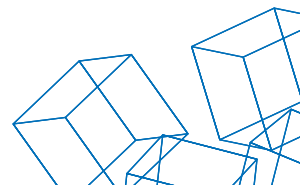
USA | Carmel

Church of the Holy Trinity



The Holy Trinity Orthodox Church of Carmel, Indiana is a newly-built church in Byzantine style costing 7.3 million Dollars. It was freely inspired by the Basilica of Santa Sofia in Istanbul and has a 7.3 metre

diameter cupola, bronze doors for the main entrance weighing 270 kilos each and seating for more than 600 worshippers. The expression of creative beauty in places of worship is an important principle of Greek Orthodoxy, one of the reasons why members of the community decided, eight years after its construction, to coat the floors and some of the vertical spaces with tiles and stone. The installation team from Certified Floorcovering Services (CFS) welcomed the challenge and placed their trust in numerous Mapei products in order to work safely on the existing surfaces without causing damage: **ECO Prim Grip, Ultraplan LSC, Mapelastic CI, Ultraflex LFT, Ultracolor Plus FA, Kerapoxy 410, Mapelastic AquaDefense, Adesilex P10, Mapecem Quickpatch, Ultraplan Easy, Mapesil T, Ultrabond ECO 711 and Ultrabond ECO 575.**





USA | Los Angeles

Wilshire Grand Center



The Wilshire Grand Center, a luxury skyscraper inaugurated in 2017 in the heart of Los Angeles, with its ornamental spire, 73 floors (plus 5 more below ground level) and a maximum height of 335.3 metres, is the tallest building in the city and in the whole of California. The mixed-use skyscraper houses the 900-room InterContinental Los Angeles Downtown Hotel, more than 37,000 m² of office space, restaurants, shopping and commercial areas and a garage with 1,089 parking spaces on the lower floors. Mapei played an important role in the installation of carpet and vinyl flooring in the hotel. To ensure the work was carried out to perfection in compliance with eco-sustainable criteria, and that the flooring remains durable over the years, various products were used.

ECO Prime Grip, Novoplan 2 Plus, Mapecem Quickpatch, Planiprep SC and Planiseal VS were used to prepare the substrates.

Ultrabond ECO 810 and **Ultrabond ECO 185** solvent-free, synthetic polymer-based adhesives in water dispersion were used to install more than 1,000 m² of carpet quickly and securely.





USA | Miami

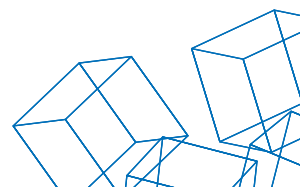
Hotel JW Marriott Miami



The JW Marriott Miami, 22 storeys high with 296 rooms, is one of the best and most luxurious hotels in Miami. It is situated in one of the most fashionable areas of the city, right in the heart of Brickell and

Miami Financial Centre, surrounded by numerous new skyscrapers. Restoration work on the façades, which was carried out using Mapei products, is a reference of excellence for similar future projects. The concrete façade had numerous, complex cracks and some of the areas were delaminated. Working in collaboration with the client and the design engineer, Mapei supplied a solution that included products used to repair concrete and a breathable, flexible coating system with the capacity to both fill the cracks and offer better protection for the structure. **Planitop 12 SR** and **Mapefer 1K** were used to repair the concrete.

A combination of **Planitop 12 SR** and traditional cementitious grout was used to repair the façade once the delaminated areas had been removed and to prepare the underlying concrete. **Elastocolor** paint was applied to finish off surfaces on the outside of the carpark, the entrance and other service areas.





USA | New York

Brooklyn-Battery Tunnel



The Brooklyn-Battery Tunnel is a toll-tunnel in New York that runs under the mouth of the East River and connects Manhattan to Brooklyn. It was opened in 1950 and is the longest continuous vehicle tunnel in North America. It is a twin-tunnel system, each one 3 km long with four lanes, and is used by an average of 52,000 vehicles per day. The original tunnel had 799,000 tiles on the walls and roof. On the 29th of October, 2012 the tunnel was severely damaged and completely flooded when Hurricane Sandy tore its way through the area. Gibraltar Contracting, the contractor awarded the renovation contract, completely replaced the bed of mortar and the existing tiles. “Chroma” tiles were chosen because they are easier to clean and they provide a protective coating in the event of fire in the tunnel. Installing almost 800,000 tiles was quite a challenge but, thanks to Mapei, it was overcome: all the tiles were bonded with **Ultraflex 3**, the strongest and most resistant adhesive mortar in the **Ultraflex** series, and then the grouts were filled with **Ultracolor Plus FA**.





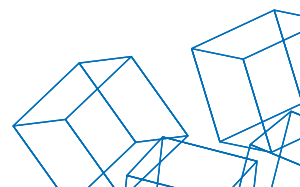
USA | New York

Mosaics for the Underground



Since the beginning of 2017, passengers on the Second Avenue Subway, a new stretch of the New York Underground that, once complete, will connect the Upper East Side area to Coney Island via Brooklyn, are able to admire the works of art that decorate the walls of the new stations.

They were created by four different artists and a different theme was used for each station; 72nd Street, for example, the first new station along the Second Avenue Subway, is adorned with life-size images of normal people, or “Perfect Strangers”, a series of glass mosaics by the Brazilian artist Vik Muniz. The mosaics are made from coloured ceramic and terracotta tiles and glass, as well as other decorative features. The final result was made possible thanks to the skill of the team of craftsmen from the famous “Franz Mayer” company from Munich and the innovative products supplied by Mapei. The products that stand out in particular are **Granirapid** cementitious adhesive, which was used to install the mosaics, **Ultraleft LFT** adhesive and **Keracolor U** mortar to install the wall tiles and **Flexcolor 3D**, a new grouting mortar with an iridescent effect finish, which was used to fill the grouts.





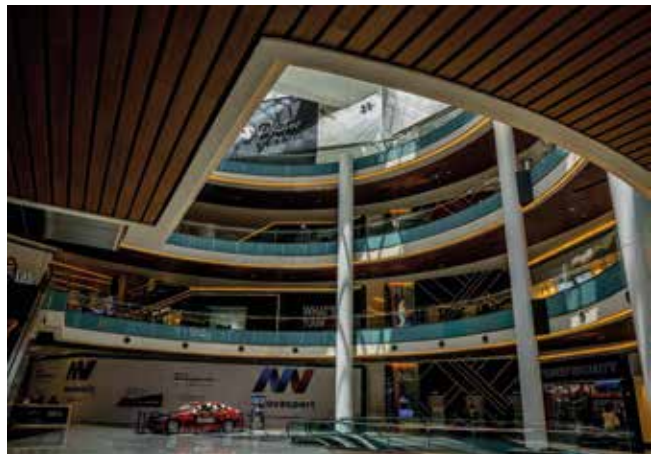
MEXICO | San Pedro Garza García

Center Fashion Drive



One of the largest shopping centres in northern Mexico, Fashion Drive is located in San Pedro Garza García, a suburb of Monterrey, in one of the wealthiest areas of this Central American country. This is what led

the real-estate company Grupo Inmobiliario Monterrey (GIM) to invest more than 3 billion Pesos (around 136 million Euros) into the development of the centre. There are various activities on offer in the Fashion Drive centre, from shopping to hospitality and entertainment. The activities are spread over 4 levels and the shopping centre offers its clients more than 80 different shops and boutiques, a Business Hotel, a fitness centre, 17 cinema screens with seating for more than 2,000 viewers, a medical centre and 8 restaurants. The architectural structure of Fashion Drive is formed by a “skeleton” of steel and concrete. The challenge for the flooring contractor was to guarantee that the vibrations this type of structure is subjected to over the years wouldn’t damage the floor coverings and cause them to crack. And what else could have helped in this situation but the most suitable Mapei products: **Ultraflex LFT** adhesive, **Flexcolor CQ** grout, **Mapesil T** sealant and other complementary products, such as **Ultracare Penetrating Plus** and **Planicrete W**.





MEXICO | Valle del Chalco

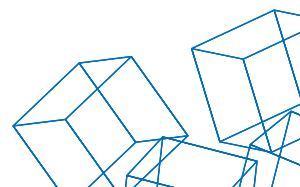
Canal General Tunnel



The flooding that takes place during the rainy season has always been a problem for Valle del Chalco and the entire metropolitan area of Mexico City. The Canal General Tunnel will considerably reduce the

risk of flooding and improve the level of safety and general wellbeing in the area. The overall length of the tunnel is 7.9 km and it cost more than 50 million Euros. The diameter during tunnelling operations was 6.7 metres and then 5 metres once it had been completed and coated. The tunnelling operations were carried out by two full-section TBM's (Tunnel Boring Machines), specifically designed to operate in areas with water under high pressure. Mapei also took part in various stages of the site work, with technical assistance for the contractors to help choose products and develop and supply technology specifically for this project.

The main products used in this case were **Mapeblox T**, **Mapeblox H**, **Mapeblox PKG**, **Mapeblox EP** and **Mapedrill M1**.





CHINA | Changsha

Yunda Central Plaza



Yunda Central Plaza is in Changsha in the Province of Hunan, central-southern China. This magnificent piazza, which extends over an area of almost 520,000 m², also has 180,000 m² of luxury buildings and

5-star hotels. One of the most impressive buildings is the St. Regis Hotel, which even has a helicopter pad for guests arriving or leaving the hotel. The choice to use low-cost materials for the tiling adhesives and mortars encouraged Mapei to become personally involved in the technical training. In so doing, they demonstrated the excellent performance characteristics of the products, which convinced the client to change the application technique. All the joints in the stone installed around the external area of Central Plaza were grouted with **Kerapoxy** epoxy resin, which is particularly strong and remains durable over the years.

Inside the St. Regis Hotel, **Adesilex P10 + Isolastic** was used to bond the tiles in the bathrooms of the Presidential Suite and the mosaics in the infinity pool, while **Keracolor FF + Fugolastic** was used to fill the grouts.





CHINA | Choangqing

International Airport

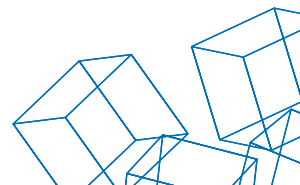


Choangqing Jiangbei International Airport, located in the Yubei District of Choangqing, is the largest airport in this city in south-west China. It is one of the busiest domestic airports with an estimated

30 million passengers per year. Its capacity was more than doubled with the construction of a third terminal and Mapei was awarded the contract to construct the parking area for Terminal 3, and in so doing confirmed the superiority of its products. Because of the high level of moisture in the installation bed, around 10,000 m² of damp surfaces were treated with the waterproofing product **Triblock P** as part of the preparation work for the application of the layers of **Ultratop**.

The first step was to reinforce the screed with **Planicrete SP** to improve its performance properties, following which **Primer SN** was applied to improve adhesion of the cementitious mortar.

Mapefloor I 302 SL was used to paint the surface and to create a non-slip finish. The last step was to treat the internal walls of the carpark with **Mapei Interior Skim Coat** and **Mapecoat Wallcoat AP**.





MALAYSIA | Kuala Lumpur

Aquatic Centre KL Sport City



Mapei materials also “competed” at the 2017 Southeast Asian Games in Kuala Lumpur. To host this great event, which was held in August, the National Aquatics Centre, which had been built in the Malaysian capital for the 1998 Commonwealth Games, had to be redesigned and modernised. In order to hold the aquatic events, new tiling had to be installed in the Olympic-size competition pool, in the warm-up areas, in the diving pool and in the training pool. The contractor insisted on using a reliable brand for the installation work: and Mapei was chosen as the supplier for all the work, from levelling mortars to waterproofing systems and sealants and from adhesives to grouting mortars, with the workforce receiving on-site training from Mapei technicians. **Topcem Pronto** and **Nivoplan** were used for the substrates for the plant systems, the tiling was installed with **Kerabond T** and **Isolastic 50**, **Kerapoxy**, **Keraflex** and **Ultracolor Plus** were used in the swimming pools and waterproofing work was carried out with **Mapelastix** and **Mapenet 150**.





MALAYSIA | Sepang

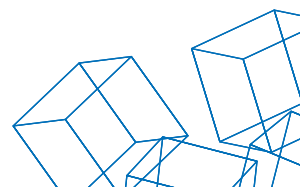
AirAsia “RedQuarters”



AirAsia is a low-cost Malaysian airline company. It carries more passengers in Asia than any other company and flies to 165 destinations in 25 different countries. The heart of its

operations is KLIA2, a low-cost service terminal at Kuala Lumpur International Airport in Sepang.

The so-called “RedQuarters”, which is near to KLIA2, was designed to host the staff of AirAsia and has now become its new headquarters. It includes 37,000 m² of office space, a restaurant, a café, a canteen, a gymnasium, parking and other services for its employees. Work started in November 2014 and, even though Mapei had been chosen as a supplier right at the very start of the project, there was no lack of competition from other companies operating in Malaysia. Mapei’s winning proposal was the one that provided the best solution for such a large flooring project: a “team” with a line-up that included **Primer SN**, **Mapefloor I 302 SL** and **Mapecoat CF-AP** guaranteed maximum strength and resistance in highly durable colours and a satin finish for 15,000 m² of flooring.





PALESTINE | Bethlehem

Basilica of the Nativity



Built in 330 AD, the Church of the Nativity in Bethlehem is one of the most popular sites for pilgrims visiting the Holy Land. The monumental restoration work, which commenced in September 2012, is still ongoing and required an in-depth and complex preliminary phase to study and fully document the construction characteristics of the building, the materials that had used and their state of conservation, which were also subjected to preliminary diagnostic examinations and tests. Along with Piacenti SpA from Prato, the company that directed and carried out the consolidation work, Mapei took part in the project by supplying products and systems to reinforce the wooden structures. For the structural strengthening work on the A-frames, the choice went to **Mapewood Paste 140**, a resin product with exceptional mechanical properties, but only once they had been treated with **Mapewood Primer 100**, a product specific for priming wooden surfaces. The operation was completed by using **Mapewood Gel 120** to bond the new wooden elements to the existing structure. To finish, **Mape-Antique F21** was used to give new voice and expressive dignity to the mosaic coverings on the walls.





SINGAPORE

Westwood Residences Velodrome



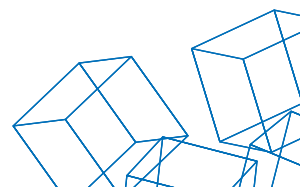
Westwood Residences is the first evercycle-friendly apartment block, with cutting-edge apartments that provide the opportunity to play various sports outside the building.

But the main attraction is its very

own velodrome, the first one to be built in Singapore.

Mapei solutions guaranteed the excellence of the track of the velodrome with **Mapecoat TNS System**.

Also benefitting from the use of a Mapei product was a 1,500 m² area reserved for parking, which was repaired with **Mapegrout Thixotropic**.



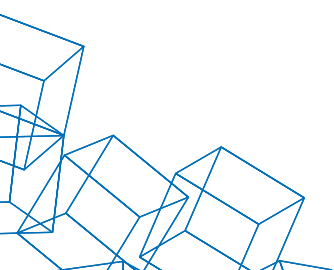


VIETNAM | Thanh Hoa

Cong Thanh Cement Company



The Cong Thanh Cement Company has two large production facilities; one in Thanh Hoa and another in Nhon Trach, Dong Nai. Following a series of laboratory tests and then further testing on the production lines to achieve optimal performance, Mapei Vietnam now provides cement admixes that guarantee products with higher performance properties and stable quality along all the production lines. It currently supplies an average of 22 tonnes of **MA.G.A./C255** per month for each of the Cong Thanh Cement Company's plants. **MA.G.A./C255** is added between the grinding roll and the crusher disk of the vertical mill in the cement factory in the province of Thanh Hoa. Apart from helping with crushing operations, **MA.G.A./C255** is also highly effective in improving the performance characteristics of all types of cement by increasing its strength rating from R1 to R28.





AUSTRALIA | Brisbane

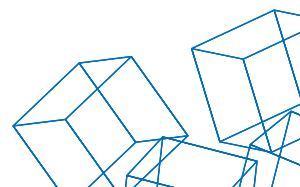
300 George Street

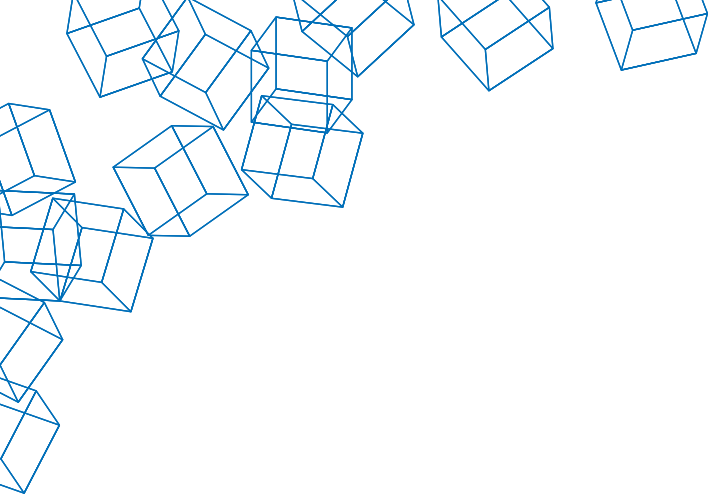


The first new occupiers are about to arrive at 300 George Street in this new district of Brisbane.

Officially inaugurated once the office space and commercial units in the tower had been rented out,

this part of Brisbane covers an entire block with views overlooking the River Brisbane and will include the first W Hotel in Australia, two floors of restaurants along the side of the river and luxury boutiques below a 40-storey tower with cutting-edge office space and an 82-storey luxury apartment complex. The tower has around 48,000 m² of floor space and is characterised by its large slabs covering a total area of 1,400 m² and a twin-level glass lobby looking out onto George Street. Mapei products were used in numerous areas of this temple of luxury and beauty. **Kerapoxy** was used to grout damp areas in the floor of the terraces in the shopping centre, **Kerabond Plus** and **Isolastic 50** were used for the tiling in the swimming pool and sauna and **Ultracolor Plus** and **Mapesil AC** were used to grout and seal the tiles. **Keraflex Maxi S1** was chosen to install the larger, heavier tiles and **Mapelastich Smart** was used for waterproofing work.





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