PUBLIC RECORD

Australian Government
Anti-Dumping Commission

PART 2 – SPECIFIC EXPORTER INFORMATION

SECTION A
COMPANY STRUCTURE AND OPERATIONS

A-1 Identity and communication

Please nominate a person within your company who can be contacted for the purposes of this investigation:

Head Office:

Name:	***Fiammetta Monaco***
Position in the company:	***Legal Affairs Manager***
Address:	***Via Nazionale, 320 – 84012, Angri (Sa)***
Telephone:	***+39 081 51 66 332 +39 342 6946 889***
Facsimile number:	***+39 081 51 35 880***
E-mail address of contact person:	***fiammetta.monaco@gruppoladoria.it***

Factory:

La Doria Group owns five factories located, respectively, in:

1) ***Angri (Salerno): Via Nazionale 320 – 84012***
2) ***Sarno (Salerno): Strada Statale 367, km 16,4 – 84087***
3) ***Fisciano (Salerno): Via Polcareccia, 3 – 84084***
4) ***Faenza (Ravenna): Via Emilia Ponente, 4 – 48018***
5) ***Lavello (Potenza): Strada Consorziata – 85024.***

Please, note that plants from 1) to 4) are directly owned by La Doria S.p.A., while no. 5 by Eugea Mediterranea S.p.A. - a subsidiary in which (as better explained under paragraph A.3 no. 5) La Doria S.p.A. detains 98.34% of the corporate capital.
Please also note that goods under investigation are manufactured in plants nn. 1), 2) 3) and 5). Faenza, in fact, is dedicated to fruit juices.

The contact person for the factories is the same indicated for the head office.

A-2 Representative of the company for the purpose of investigation
No representative appointed.

A-3 Company information

1. What is the legal name of your business? What kind of entity is it (eg. company, partnership, sole trader)? Please provide details of any other business names that you use to export and/or sell goods.
The legal name of our business is "La Doria S.p.A.". It is a company incorporated under Italian Law and which shares are listed at Italian Stock Exchange ("Borsa Italiana S.p.A.").
We do not export and/or sell goods under other business names.

2. Who are the owners and/or principal shareholders? Provide details of shareholding percentages for joint owners and/or principal shareholders. (List all shareholders able to cast, or control the casting of, 5% or more of the maximum amount of votes that could be cast at a general meeting of your company).
As listed company, La Doria's shareholding is a public available information under www.borsaitaliana.it; in any case, shareholders' percentages (as at 29th August 2013) are summarized herebelow:
- ***9,66% of the corporate capital is held by Ms. Giovanna Ferraioli;***
- ***9,66% of the corporate capital is held by Ms. Iolanda Ferraioli;***

- ***9,66% of the corporate capital is held by Ms. Rosa Ferraioli;***
- ***9,66% of the corporate capital is held by Ms. Teresa Maria Rosaria Ferraioli;***
- ***9,66% of the corporate capital is held by Ms. Raffaella Ferraioli;***
- ***10,54% of the corporate capital is held by Mr. Andrea Ferraioli;***
- ***11,9% of the corporate capital is held by Mr. Antonio Ferraioli.***

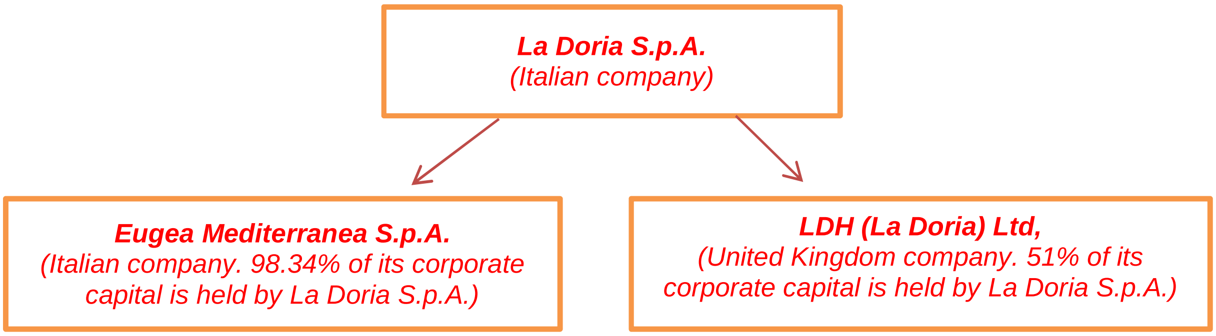
In addition, about 7.463% of the corporate capital are own shares (the so called "azioni proprie")

Remaining shares are free float (the so-called "flottante azionario").

3. If your company is a subsidiary of another company, list the principal shareholders of that company.
La Doria is not subsidiary of another company.

4. If your parent company is a subsidiary of another company, list the principal shareholders of that company.
We have not parent company.

5. Provide a diagram showing all associated or affiliated companies and your company's place within that corporate structure.



6. Are any management fees/corporate allocations charged to your company by your parent or related company?
There are not management fees or corporate allocations charged to La Doria S.p.A. by its subsidiaries.

7. Describe the nature of your company's business. Explain whether you are a producer or manufacturer, distributor, trading company, etc.
La Doria's core business is the production and marketing of tomato-based products, fruit juices, canned vegetables and pasta - with particular reference to the Private Label sector. Please note that La Doria is a manufacturer and seller.

8. If your business does not perform all of the following functions in relation to the goods under consideration, then please provide names and addresses of the companies which perform each function:

   - produce or manufacture
   - sell in the domestic market
   - export to Australia, and
   - export to countries other than Australia.

   La Doria's business performs all the functions above.

9. Provide your company's internal organisation chart. Describe the functions performed by each group within the organisation.
Pursuant to the Interim Financial Statement (the so-called "Relazione Semestrale") as at 30th June 2013, La Doria Group has 487 open-ended employees and 158 fixed term employees.
La Doria's organization has a hierarchical structure in which all employees are ranked at various levels within the organization: each level is one above the other. At each stage of the chain, one person has a number of workers reporting to him, within his span of control.
The chain of command (the structure) is a typical pyramid shape: for further details, please refer to Annex named "A-3 no.9".

10. Provide a copy of your most recent annual report together with any relevant brochures or pamphlets on your business activities.
Please note that the annual report coincides with the financial statement: therefore, please refer to paragraph A-4 no. 3 and relating Annex named "A-4 no.3.2"
As to the relevant brochure, please find attached under Annex named "A-3 no.10" the press release adjourned as at May 2013 (Italian version only).

A-4 General accounting/administration information

1. Indicate your accounting period.
01 January – 31 December.

2. Indicate the address where the company's financial records are held.
La Doria S.p.A., Via Nazionale 320 – 84012 Angri (Salerno), Italy.

3. Please provide the following financial documents for the two most recently completed financial years plus all subsequent monthly, quarterly or half yearly statements:

   - chart of accounts;
     Please refer to Annex "A.4 no. 3.1"

   - audited consolidated and unconsolidated financial statements (including all footnotes and the auditor's opinion);
     Please refer to Annexes:
     "A.4 no. 3.2" for audited consolidated and unconsolidated financial statements as at 31st December 2012;
     "A.4 no. 3.3" for audited consolidated and unconsolidated financial statements as at 31st December 2011;
     "A.4 no. 3.4" for audited Interim Financial Statement (the so-called "Relazione Semestrale") as at 30th June 2013.

   - internal financial statements, income statements (profit and loss reports), or management accounts, that are prepared and maintained in the normal course of business for the goods under consideration.
     These documents should relate to:
     - the division or section/s of your business responsible for the production and sale of the goods under consideration, and
     - the company.

     Please refer to Annex A.5 for the carve-out of the requested data.

4. If you are not required to have the accounts audited, provide the unaudited financial statements for the two most recently completed financial years, together with your taxation returns. Any subsequent monthly, quarterly or half yearly statements should also be provided.
Not applicable: our accounts are audited as indicated under paragraph 3 above.

5. Do your accounting practices differ in any way from the generally accepted accounting principles in your country? If so, provide details.
Our accounting practices do not differ from the generally accepted accounting principles. In particular, please note that the financial statement includes the balance sheet, the income statement, the consolidated income statement, the cash flow statement, the statement of changes in shareholders' equity and the notes. All said documents are prepared in accordance with the International Accounting Standards approved by the European Commission at the date of respective financial statements (the so-called "IAS/IFRS").

6. Describe:
The significant accounting policies that govern your system of accounting, in particular:

   - the method of valuation for raw material, work-in-process, and finished goods inventories (eg last in first out –LIFO, first in first out- FIFO, weighted average);

Inventories are measured at the lower of purchase and/or production cost and net realisable value. Purchase or production costs include the costs incurred in bringing the inventories to the relating location and conditions and are determined under the "weighted average cost" method. Net realisable value is the selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Inventories have also been adjusted, where necessary, by an allowance for write-downs to account for the physical deterioration of the goods. This provision is eliminated in successive periods if it is no longer necessary.
La Doria classifies inventories in the following categories: i) raw material, ancillary and consumables; ii) products in work-in-progress and semi-finished; iii) finished products; iv) advances.
The work in progress is valued at production cost.

- costing methods, including the method (eg by tonnes, units, revenue, direct costs etc) of allocating costs shared with other goods or processes (such as front office cost, infrastructure cost etc);
Please refer to paragraph above.

- valuation methods for damaged or sub-standard goods generated at the various stages of production;
Please refer to paragraph above.

- valuation methods for scrap, by products, or joint products;
Please refer to paragraph above.

- valuation and revaluation methods for fixed assets;
Please consider paragraphs A-D below:
A) Definite intangible assets and amortisation
An intangible asset is an identifiable non-monetary asset without physical substance, identifiable and capable of generating future economic benefits. Intangible assets are originally recognised at purchase and/or production cost, including the costs of bringing the asset to its current use, net of accumulated amortisation, and any loss in value. Amortisation is calculated using the straight-line method over the estimated period of effective utilisation or future benefit. Where there are indications of a permanent loss in value, a specific impairment test is carried out and any loss in value is charged to the income statement and as a reduction of the fixed asset, in accordance with the procedures indicated below in the following paragraph. The balance includes concessions, licenses and trademarks, patents and industrial rights and other intangible assets, including the purchase cost of software and intangible assets recorded on business combinations, in accordance with IFRS 3. The costs of research and the cost of maintenance and software management are charged to the income statement.
B) Intangible assets with an indefinite life - Goodwill
The goodwill stated under intangible assets relates to business combinations made since January 1, 2004 and represents the difference between the cost incurred for the purchase of a company or a business unit and the sum of the values assigned, based on the fair values at the purchase date of the individual assets and liabilities of the company purchased. Goodwill has an indefinite life and therefore is stated at original cost, net of any write-downs.
Goodwill, in fact, is not amortised but subject to an impairment test in accordance with IAS 36, on an annual basis, except when there are market and operational indicators identified by the Group, where it is necessary to carry out the test also in relation to the preparation of interim accounts. For the purpose of the impairment test, the goodwill is allocated to the individual cash generating units (CGU), which are the smallest units financially independent through which the Group operates in the different market segments, which are related to the individual business areas.
C) Property, plant & equipment

Property, plant and equipment are stated at purchase or production cost, including additional charges allocated to the asset and related to its preparation for use during its useful life, net of accumulated depreciation and any loss in value deriving from the impairment test commented upon in the subsequent paragraph. The value of an asset is adjusted by straightline depreciation, calculated on the basis of the residual useful life of the asset.

Land is recorded at purchase cost, net of any loss in value and is not subject to depreciation. For buildings, the deemed cost method is used corresponding to the fair value or the revalued cost at January 1, 2004. Fair value is deemed to be the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

Ordinary maintenance and repairs in the normal course of business are charged to the income statement. Extraordinary maintenance or repairs on owned assets or of third parties are capitalised and depreciated only if clearly identifiable and having future use. The cost of internally produced fixed assets includes the costs of the materials used, labour costs, the initial estimate, where applicable, of the dismantling and removal costs of the asset, and site reclamation costs.

When the asset to be depreciated is composed of separately quantifiable elements whose useful life differs significantly from the other parts of the asset, the depreciation is made separately for each part of the asset, with the application of the "component approach" principle. Finance charges are capitalised only when the requirements of IAS 23 are in place.

Buildings available-for-sale are not depreciated as they are not used in the production process and are stated in a separate account of the current assets at the lower of cost and fair value less costs to sell. Capital grants are recognised when there is reasonable certainty that they will be received and that they will satisfy the conditions for their approval. Capital grants are recorded as deferred income (deferred income) under other current and non-current liabilities and are recorded as income to the Income Statement, in the account "Other operating income", on a straight basis over the useful life of an asset.

D) <u>Depreciation of property, plant & equipment</u>

Property, plant and equipment are depreciated using the straight-line method over their useful lives. Depreciation commences when the asset is available for use. In the year in which the asset is recorded for the first time, the depreciation is reduced to take account of the lesser use of the asset. The depreciation rates are shown in Table B. In the year in which the asset is recorded for the first time, the depreciation is reduced proportionally to take account of the lesser use of the asset. The land, as already described, is not depreciated as it has an indefinite life and is subject to an impairment test when there are indications of a loss in value. Applying the principle of the "component approach", when the asset to be depreciated is composed of separately identifiable elements whose useful life differs significantly from the other parts of the asset, the depreciation is calculated separately for each part of the asset.

Loss in value of tangible and intangible assets (impairment of the assets).

As previously described, assets with an indefinite life are subject, at least annually, to a verification of the recovery of the value recorded in the balance sheet on the basis of the value in use. For depreciated assets, an impairment test is made when there are indications of a loss in value. When, following an impairment test, write-downs should be made (recovery value lower than carrying value in the financial statements) and recognised in the income statement. The value is reinstated in future years, up to the amortised cost - should the reason for any write-down no longer exist. The reinstated amount is also recognised in the income statement. However, in no case is goodwill reinstated following a previous writedown.

- average useful life for each class of production equipment and depreciation method and rate used for each;

  Please refer to paragraph above.

- treatment of foreign exchange gains and losses arising from transactions;

  Please refer to letter A-D below:

  A) <u>FINANCIAL ASSETS/LIABILITIES</u>

  The Group classifies financial assets in the following categories:

a.1 assets at fair value through the income statement;
a.2 loans and receivables;
a.3held-to-maturity investments;
a.4 AFS financial assets.

The classification depends on the reasons for which the asset/liabilities were purchased, by their nature and by the measurement made by management at the purchase date. For the annual accounts and on the preparation of interim accounts, the management of the Group evaluates the existence of indicators of loss in value requiring an impairment test.

<u>A.1 Assets at fair value through the income statement</u>

Financial assets at fair value through profit or loss This category includes financial assets purchased for short-term trading, as designated by the Directors, in addition to derivative instruments, for which reference should be made to the paragraph below. The fair value of these instruments is determined with reference to the market value at the balance sheet date. The changes in fair value of the instruments belonging to this category are immediately recognised in the income statement. The classification between current and non-current reflects the expectations of the management on their trading:

included under current assets are those in which trading is expected within 12 months. The assets included in this category do not relate to the normal operations of the Group.

<u>A.2 Loans and receivables</u>

This category includes assets not represented by derivative instruments and not listed on an active market, not held for trading and for which fixed or determinable payments are expected.

Loans and receivables are measured at amortised cost on the basis of the effective interest method, considering write-downs for adjustments of realisable value made analytically on the basis of the expected receipts. The write-downs are recognised in the income statement. These assets/liabilities are classified as current assets/liabilities, except for the portion relating to non-trade receivables/payables with maturity beyond 12 months, which are classified under non-current asset/liabilities. Trade receivables which mature within the normal commercial terms are not discounted.

<u>A.3 Held-to-maturity investments</u>

These relate to assets, other than derivative instruments, at pre-fixed maturity, with fixed or determinable payments and for which the Group has the full intention and capacity to maintain in portfolio until maturity. There are no assets belonging to this category held either by the Parent Company or by the other consolidated companies.

<u>A.4 AFS financial assets</u>

This category includes financial assets not represented by financial instruments, specifically designated as included in this category or not classified in any of the previous categories. They are measured at fair value, determined with reference to market prices at the balance sheet date or through financial measurement techniques or models. The changes in value are recorded in a specific equity reserve “AFS asset reserve”. This reserve is recognised in the income statement in the case of sale or write-downs. At December 31, 2012, the Group does not hold these types of assets.

<u>B) ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS.</u>

On the initial classification of the assets held for sale, the non-current assets and group of assets for sale are measured at the lower of the carrying value and the fair value less costs to sell. The losses in value resulting from the initial measurement of an asset classified as held for sale are recognised in the income statement. The same treatment applies to the gains and losses on subsequent measurements. An operating activity discontinued (valued as assets held for sale) is a component of the Group which represents an important independent business division or geographical area or is a subsidiary acquired exclusively for resale.

An operating activity is classified as discontinued at the moment of the sale or when the conditions have been satisfied for classification in the category “held for sale”, if prior. A group being sold may also be included under operating activities discontinued.

<u>C) FINANCIAL INSTRUMENTS</u>

The Company manages the exchange and interest rate risk (limited to "cash-flow risk") relating to its normal operations. The exchange risk relates in particular to commercial transactions in US Dollars and UK Sterling and is managed through forward operations and options (commented upon in the paragraph on Derivatives). The Company manages the cash flow risk through interest rate swap operations which permit the converting of the floating rates relating to the loans received to fixed rates, through the settlement of differentials on the maturity of the loan repayments (cash flow hedge). The above operations relate to:

c.1 Derivatives

The derivative instruments continue to be considered as assets held for trading and measured at fair value with recognition in the income statement, except in the case where they are considered, in accordance with IAS/IFRS standards, as appropriate hedging instruments and effective in the neutralisation of the risk of the underlying asset or liability or commitment assumed by the Group. In this case, they are measured in relation to the type of hedge related to the underlying hedge. In particular, the Group uses derivative instruments to manage the risk of changes in the expected cash flows relating to defined contractual operations (cash flow hedge). The effectiveness of the hedging operations is analysed and documented both at the beginning of the operation and periodically (at least on the publication of annual or interim accounts). The forward currency operations, carried out within the management of the exchange risk and considered hedges from an operational viewpoint, do not have the requirements for hedges as per IAS 39 in terms of effectiveness of the hedge. Where not in accordance with these requirements, the operations are considered trading operations and are measured at fair value through profit or loss. If such conditions exist, these operations are measured in accordance with the cash flow hedge method. The current hedging operations of the Group in fact relate to cash flow hedges on the interest rate risk for loans and on the foreign exchange risk related to purchases/payments, commented upon below.

c.2 Cash Flow Hedge

The fair value changes of the derivatives designated as cash flow hedges and which qualify as such, are recognised, only for the "effective" part, at the balance sheet date, in a specific equity reserve ("cash flow hedge reserve") with an adjustment of the financial asset/liability hedged. This reserve is subsequently reversed to the income statement at the same time as the economic effects of the asset/liability hedged. The change in the fair value relating to the "ineffective" position are immediately recorded to the income statement. Whenever the derivative instrument is sold or does not qualify as an effective hedge of the risk involved in the operation, or the verification of the underlying operation is no longer considered highly probable, the portion of the reserve from the cash flow hedge is immediately reversed to the income statement.

c.3 Measurement of the fair value

The fair value of the instruments listed on public markets is determined with reference to the quotations at the date of recognition ("bid price"). The fair value of non-quoted instruments is measured with reference to financial valuation techniques generally adopted on the basis of standard benchmarks: in particular, the fair value of the interest rate swaps is measured discounting the expected cash flows, while the fair value of currency forward/option contracts is determined on the basis of the forward exchange rate at the reference date.

c.4 Cash and cash equivalents

This includes cash in hand and bank and postal deposits which are available on demand,
certain in nature and with no payment expenses. Cash and cash equivalents are stated at fair value.

D) TRADE PAYABLES AND OTHER LIABILITIES.

The trade payables and the other financial liabilities are initially recognised at fair value less transaction costs. Thereafter, they are measured at amortised cost, using the effective interest rate. The trade payables which mature within the normal commercial terms are not discounted. These liabilities are classified as current liabilities, except for the portion relating to non-trade payables with maturity beyond 12 months, which are included under non-current liabilities. Financial liabilities are eliminated from the financial statements when, due to their sale or settlement, the Group is no longer involved in their management, nor holds the relative risks and benefits relating to these instruments settled/sold.

- treatment of foreign exchange gains/losses arising from the translation of balance sheet items;

  Please refer to paragraph above.

- inclusion of general expenses and/or interest;

  Costs and revenues

  Costs and revenues are recorded in accordance with the probability that the Group will receive economic benefits and the amount can be determined reliably. The revenues are recorded at the fair value of the amount received less returns, discounts and allowances in accordance with the accruals principle. Revenues relating to the sale of goods are recognised when the Group has transferred to the buyer all the significant risks and rewards related to the ownership, which in many cases coincides with the transfer of the ownership and/or possession by the buyer and when the amount of the revenue can be reliably determined. Costs are recorded in accordance with the accruals principal.

  Provisions for risks and charges

  The provisions for risks and charges are recorded to cover known or likely losses or liabilities, the timing and extent of which are not known with certainty at the balance sheet date. The provisions for risks and charges are only recorded when a current obligation exists (legal or implicit) for a future payment resulting from past events and it is probable that the obligation will be settled. This amount represents the best estimate, based on available information, on the amount to be paid to settle the obligation. Possible risks that may result in a liability are disclosed in the notes without any amounts being set aside. Account is not taken however of the risks for which the probability of employing resources to produce economic benefits is remote.

  Financial income and expenses

  Financial income and expenses are recorded on an accruals basis on the interest matured

  on the net value of the relative financial assets and liabilities and utilising the effective interest rate. The Group reports net exchange gains and losses under net financial income/(charges) in accordance with IAS 1.

  Income taxes

  The Group tax charge is based on current taxes and deferred taxes. Where relating to components recognised to income and charges recorded to net equity within the comprehensive income statement, such taxes are recorded to the same account.

  Current taxes are calculated based on tax regulations in force at the financial reporting date; any risks concerning different interpretations of positive or negative income components, such as any disputes with tax authorities, are valued at least quarterly in order to adjust the financial statement provisions. In particular, in the determination of the income taxes of the Group, consideration was taken of the effects deriving from the IAS tax reform introduced by Law 244 of December 24, 2007 and, in particular, the provisions of Article 83 of the Consolidated Finance Act which now requires that for parties that apply international accounting standards they must utilise, even where exempted by the provisions of the Consolidated Finance Act, "the criteria of qualification, accruals accounting and classification in the accounts in accordance with these accounting standards".

The deferred taxes, recorded in the accounts at their nominal value, are calculated based on the temporary differences between the book value of the assets and liabilities and the corresponding value for tax purposes, with the exception of temporary differences on the initial recording of the goodwill, of the initial recording of assets or liabilities which do not have an impact on the profit for accounting or tax purposes and the differences relating to investments in subsidiary companies in which it is probable, in the future, that the temporary differences will not reverse. The valuation of deferred tax assets and liabilities is carried out applying the expected tax rate when the temporary differences will reserve, on the basis of the current tax regulations at the reporting date. Deferred tax assets are recognised for the amount it is probable that, in the years in which the relative temporary differences reverse, assessable income exists at least equal to the amount of the differences.

- provisions for bad or doubtful debts;
  Please refer to paragraph above.

- expenses for idle equipment and/or plant shut-downs;
  Please refer to paragraph above.

- costs of plant closure;
  Not applicable (La Doria has not costs of plant closure).

- restructuring costs;
  Not applicable (La Doria has not restructuring costs).

- by-products and scrap materials resulting from your company's production process; and
  Not applicable.

- effects of inflation on financial statement information.
  None.

7. In the event that any of the accounting methods used by your company have changed over the last two years provide an explanation of the changes, the date of change, and the reasons for it.
   Not applicable (no change of accounting methods occurred during the last two years).

A-5 Income statement

Please fill in the following table. It requires information concerning all products produced and for the goods under consideration (*'goods under consideration'* (the goods) is defined in the Glossary of Terms in the appendix to this form). You should explain how costs have been allocated.

	Most recent completed financial year (specify)		**Investigation period (1 July 2012 – 30 June 2013)**	
	All products	**Goods Under Consideration**	**All products**	**Goods Under Consideration**
Gross Sales (1)				
Sales returns, rebates and discounts (2)				
Net Sales (3=1-2)				
Raw materials (4)				
Direct Labour (5)				
Depreciation (6)				
Manufacturing overheads (7)				
Other operating expenses (8)				
Total cost to make (9=4+5+6+7+8)				

OPERATING INCOME (10=3-9)				
Selling expenses (11)				
Administrative & general expenses (12)				
Financial expenses (13)				
SG&A expenses (14)=(11+12=13)				
INCOME FROM NORMAL ACTIVITIES (15)=(10-14)				
Interest income (16)				
Interest expense (enter as negative) (17)				
Extraordinary gains and Losses – enter losses as negative (18)				
Abnormal gains and losses – enter losses as negative (19)				
PROFIT BEFORE TAX (20)=(15+16+17+18+19)				
Tax (21)				
NET PROFIT (22)=(20-21)				

Note: if your financial information does not permit you to present information in accordance with this table please present the information in a form that closely matches the table.

Prepare this information on a spreadsheet named "**Income statement**".
Please refer to Annex A.5

A-6 Sales

State your company's net turnover (after returns and all discounts), and free of duties and taxes. Use the currency in which your accounts are kept, in the following format:

	Most recent completed financial year (specify)		Investigation period (1 July 2012 – 30 June 2013)	
	Volume	**Value**	**Volume**	**Value**
Total company turnover (**all products**)				
Domestic market				
Exports to Australia				
Exports to Other Countries				
Turnover of the nearest business unit, for which financial statements are prepared, which includes the goods under consideration				
Domestic market				
Exports to Australia				
Exports to Other Countries				
Turnover of the **goods under consideration**				
Domestic market				
Exports to Australia				
Exports to Other Countries				

Prepare this information in a spreadsheet named "TURNOVER".
Please refer to Annex A.6

SECTION B
SALES TO AUSTRALIA (EXPORT PRICE)

B-1 For each customer in Australia to whom you shipped goods in the investigation period list:

Name	Address	Contact name and phone/fax number	Trade level
[omissis]	***[omissis]***	***[omissis]***	***Importer***
[omissis]	***[omissis]***	***[omissis]***	***Importer***
[omissis]	***[omissis]***	***[omissis]***	***Importer***
[omissis]	***[omissis]***	***[omissis]***	***Importer***
[omissis]	***[omissis]***	***[omissis]***	***Importer***
[omissis]	***[omissis]***	***[omissis]***	***Importer***
[omissis]	***[omissis]***	***[omissis]***	***Importer***
[omissis]	***[omissis]***	***[omissis]***	***Retailer***
[omissis]	***[omissis]***	***[omissis]***	***Importer***
[omissis]	***[omissis]***	***[omissis]***	***Co-packer***
[omissis]	***[omissis]***	***[omissis]***	***Co-packer***
[omissis]	***[omissis]***	***[omissis]***	***Importer***
[omissis]	***[omissis]***	***[omissis]***	***Exporter***

B-2 For each customer identified in B1 please provide the following information.

(a) Describe how the goods are sent to each customer in Australia, including a diagram if required.

***In case of goods sold on EXW basis**: La Doria makes the goods available at its premises. The customer is responsible for uploading. The customer pays all transportation costs and also bears the risks for bringing the goods to their final destination.*
***In case of goods sold on FOB basis:** La Doria pays for the transportation of the goods to the port of shipment and loading costs. The customer pays cost of marine freight transport, insurance, unloading, and transportation from the arrival port to the final destination. The passing of risks occurs when the goods pass the ship's rail at the port of shipment*

(b) Identify each party in the distribution chain and describe the functions performed by them. Where commissions are paid indicate whether it is a pre or post exportation expense having regard to the date of sale.

Goods are ordered by the customer, prepared by la Doria and loaded on containers, and invoiced when the goods leave the factory. No commissions are paid.

(c) Explain who retains ownership of the goods at each stage of the distribution chain. In the case of DDP sales, explain who retains ownership when the goods enter Australia.

Ownership is determined by applicable Incoterms (i.e.: EXW); there are not DDP sales.

(d) Describe any agency or distributor agreements or other contracts entered into in relation to the Australian market (supply copy of the agreement if possible).

No agency or distribution agreement is in place.

(e) Explain in detail the process by which you negotiate price, receive orders, deliver, invoice and receive payment. If export prices are based on price lists supply copies of those lists.

La Doria does not have any price list. La Doria negotiate prices with the Customer when they are on the market, for tomatoes normally between June and August. Once items / recipes / quantities / prices are agreed, La Doria provides to check artwork and label requirements. When the label approval process is completed, the contract is listed in our SAP System; from that moment the customer can start to call off the orders. Goods are invoiced once the container goes out of our premises; invoices are paid according to the payment terms allowed.

(f) State whether your firm is related to any of its Australian customers. Give details of any financial or other arrangements (eg free goods, rebates, or promotional subsidies) with the customers in Australia (including parties representing either your firm or the customers).

La Doria is not related with any of those firms.

(g) Details of the forward orders of the goods under consideration (include quantities, values and scheduled shipping dates).

Please, refer to question B-4 below.

B-3 Do your export selling prices vary according to the distribution channel identified? If so, provide details. Real differences in trade levels are characterised by consistent and distinct differences in functions and prices.

Our export selling prices do not vary according to the distribution channel. They changes only for different Incoterms.

B-4 Prepare a spreadsheet named "Australian sales" listing all shipments (i.e. transaction by transaction) to Australia of the goods under consideration in the investigation period. You must provide this list in electronic format. Include the following export related information:

Column heading	**Explanation**
Customer name	names of your customers
Level of trade	the level of trade of your customers in Australia
Model/grade/type	commercial model/grade or type
Product code	code used in your records for the model/grade/type identified. Explain the product codes in your submission.
Invoice number	invoice number
Invoice date	invoice date
Date of sale	refer to the explanation at the beginning of this section. If you consider that a date *other than* the invoice date best establishes the material terms of sale, report that date. For example, order confirmation, contract, or purchase order date.
Order number	if applicable, show order confirmation, contract or purchase order number if you have shown a date other than invoice date as being the date of sale.
Shipping terms	Delivery terms eg. CIF, C&F, FOB, DDP (in accordance with Incoterms)
Payment terms	agreed payment terms eg. 60 days=60 etc
Quantity	Quantity in units shown on the invoice. Show basis eg kg.
Gross invoice value	gross invoice value shown on invoice *in the currency of sale*, *excluding taxes.*
Discounts on the invoice	if applicable, the amount of any discount deducted on the invoice on each transaction. If a % discount applies show that % discount applying in another column.
Other charges	any other charges, or price reductions, that affect the net invoice value. Insert additional columns and provide a description.
Invoice currency	the currency used on the invoice
Exchange rate	Indicate the exchange rate used to convert the currency of the sale to the currency used in your accounting system

Net invoice value in the currency of the exporting country	the net invoice value expressed in your domestic currency as it is entered in your accounting system
Rebates or other allowances	the amount of any deferred rebates or allowances paid to the importer in the currency of sale
Quantity discounts	the actual amount of quantity discounts not deducted from the invoice. Show a separate column for each type of quantity discount.
Ocean freight**	the actual amount of ocean freight incurred on each export shipment listed.
Marine insurance	Amount of marine insurance
FOB export price**	the free on board price at the port of shipment.
Packing*	Packing expenses
Inland transportation costs*	inland transportation costs included in the selling price. For export sales this is the inland freight from factory to port in the country of export.
Handling, loading & ancillary expenses*	handling, loading & ancillary expenses. For example, terminal handling, export inspection, wharfage & other port charges, container tax, document fees & customs brokers fees, clearance fees, bank charges, letter of credit fees, & other ancillary charges incurred in the exporting country.
Warranty & guarantee expenses*	warranty & guarantee expenses
Technical assistance & other services*	expenses for after sale services, such as technical assistance or installation costs.
Commissions*	Commissions paid. If more than one type is paid insert additional columns of data. Indicate in your response to question B2 whether the commission is a pre or post exportation expense having regard to the date of sale.
Other factors*	**any other** costs, charges or expenses incurred in relation to the exports to Australia (include additional columns as required). See question B5.

** FOB export price and Ocean Freight:
FOB export price: An FOB export price must be calculated for each shipment - regardless of the shipping terms. FOB price includes inland transportation to the port of exportation, inland insurance, handling, and loading charges. It excludes post exportation expenses such as ocean freight and insurance. Use a formula to show the method of the calculation on each line of the export sales spreadsheet.

Ocean freight: as ocean freight is a significant cost it is important that the actual amount of ocean freight incurred on each exportation be reported. If estimates must be made you must explain the reasons and set out the basis - estimates must reflect changes in freight rates over the investigation period.
Freight allocations must be checked for consistency.

* All of these costs are further explained in section E-1.
Please, refer to Annex B.4.

B-5 If there are any other costs, charges or expenses incurred in respect of the exports listed above which have not been identified in the table above, add a column (see "other factors" in question B-4) for each item, and provide a description of each item. For example, other selling expenses (direct or indirect) incurred in relation to the export sales to Australia.
Please, refer to Annex B.4 for Orange&Green (market research).

B-6 For each type of discount, rebate, allowance offered on export sales to Australia:

- provide a description; and

- explain the terms and conditions that must be met by the importer to obtain the discount.

Where the amounts of these discounts, rebates etc are not identified on the sales invoice, explain how you calculated the amount shown in your response to question B4. If they vary by customer or level provide an explanation.
No discounts, rebates or allowance are offered.

B-7 If you have issued credit notes (directly or indirectly) to the customers in Australia, in relation to the invoices listed in the detailed transaction by transaction listing in response to question B4, provide details of each credit note if the credited amount has **not** been reported as a discount or rebate.
Please, refer to Annex B.4.

B-8 If the delivery terms make you responsible for arrival of the goods at an agreed point within Australia (eg. delivered duty paid), insert additional columns in the spreadsheet for all other costs incurred. For example:

Import duties	Amount of import duty paid in Australia
Inland transport	Amount of inland transportation expenses within Australia included in the selling price
Other costs	Customs brokers, port and other costs incurred (itemise)

No delivery terms make La Doria responsible for arrival of the goods: all sales are FOB (or EXW).

B-9 Select two shipments, in different quarters of the investigation period, and provide a complete set of all of the documentation related to the export sale. For example:

- the importer’s purchase order, order confirmation, and contract of sale;
- commercial invoice;
- bill of lading, export permit;
- freight invoices in relation to movement of the goods from factory to Australia, including inland freight contract;
- marine insurance expenses; and
- letter of credit, and bank documentation, proving payment.

The Commission will select additional shipments for payment verification at the time of the visit.
Please, refer to Annex B-9 no. 1 and B-9 no.2

PUBLIC RECORD

SECTION C
EXPORTED GOODS & LIKE GOODS

C-1 Fully describe all of the goods you have exported to Australia during the investigation period. Include specification details and any technical and illustrative material that may be helpful in identifying, or classifying, the exported goods.

Goods exported to Australia during the investigation period are the following:

C00508	***C01563***	***C04970***	***C05510***	***C05570***
C05843	***C06367***	***C07270***	***C08210***	***C08810***
C08937	***C09410***	***C11301***	***C13135***	***C13710***
C13910	***C15710***	***C16310***	***P01608***	***P03070***
P03267	***P03601***	***P05410***	***P09037***	***P10110***
PN0429	***SB0253***	***SB0453***		

C-2 List each type of goods exported to Australia (these types should cover all types listed in spreadsheet **"Australian sales**" **–** see section B of this questionnaire).

Please refer to C-1 and Section B above.

C-3 If you sell like goods on the domestic market, for each type that your company has exported to Australia during the investigation period, list the most comparable model(s) sold domestically;

\- and provide a detailed explanation of the differences where those goods sold domestically (ie. the like goods – see explanation in glossary) are not identical to goods exported to Australia.

EXPORTED TYPE	DOMESTIC TYPE	IDENTICAL	DIFFERENCES
C00508	***C00508***	***YES***	***None***
C01563	***C01563***	***YES***	***None***
C04970	***C04970***	***YES***	***None***
C05510	***C05510***	***YES***	***None***
C05570	***C05570***	***YES***	***None***
C05843	***NO***	***/***	***/***
C06367	***C06367***	***YES***	***None***
C07270	***NO***	***/***	***/***
C08210	***C08210***	***YES***	***None***
C08810	***C08810***	***YES***	***None***
C08937	***C08937***	***YES***	***None***
C09410	***NO***	***/***	***/***
C11301	***C11301***	***YES***	***None***
C13135	***NO***	***/***	***/***
C13710	***NO***	***/***	***/***
C13910	***NO***	***/***	***/***
C15710	***C15710***	***YES***	***None***
C16310	***NO***	***/***	***/***
P01608	***P01608***	***YES***	***None***
P03070	***P03070***	***YES***	***None***
P03267	***P03267***	***YES***	***None***
P03601	***P03601***	***YES***	***None***
P05410	***P05410***	***YES***	***None***
P09037	***P09037***	***YES***	***None***
P10110	***P10110***	***YES***	***None***
PN0429	***PN0429***	***YES***	***None***
SB0253	***NO***	***/***	***/***

PUBLIC RECORD

SB0453	***NO***	***/***	***/***

C-4 Please provide any technical and illustrative material that may be helpful in identifying or classifying the goods that your company sells on the domestic market.

Please refer to Annex C-1 for technical specifications containing all details.

SECTION D
DOMESTIC SALES

D-1 Provide:

- a detailed description of your distribution channels to domestic customers, including a diagram if appropriate;

The distribution channels to domestic customers are the following:

1. ***Retail - such as Big Retail Channels (the so- called "GDO"), Discounts and Normal Trade;***
2. ***Industrial Customers;***
3. ***Other sales.***

- information concerning the functions/activities performed by each party in the distribution chain; and

The parties of the distribution chains are La Doria employees (the so-called "Personale Diretto") and La Doria agents (the so-called "Agenti"). La Doria and each agent enter into a written agreement and relationships are on a not-exclusive basis.
In order to distinguish the activities performed by each party in the distribution chain, it is important to consider both <u>clients</u> and <u>products</u>.
Relationships with Big Retail Channels and Discounts are directly managed by La Doria (through its employees) and the products sold are mainly private labels.
Relationships with Industrial Customers are directly managed by La Doria (through its employees) and the products are sold are under clients' trademarks or without labels (the so-called "merce in bianco").
Relationships with normal trades and marginal retail channels are managed through the agents.

- a copy of any agency or distributor agreements, or contracts entered into.

For a list of agents, please refer to Annex named D.1.1 and for a sample of Agency Agreement, refer to Annex D.1.2.
For a list of distributors (such as our customers), please refer to Annex D.1.3 and for a sample of Distribution Agreement, refer to Annex D.1.4.

If any of the customers listed are associated with your business, provide details of that association. Describe the effect, if any, that association has upon the price.
There are not customers associated with La Doria business.

D-2 Do your domestic selling prices vary according to the distribution channel identified? If so, provide details. Real differences in trade levels are characterised by consistent and distinct differences in functions and prices.
As indicated under question D-1, it is important to distinguish between <u>clients</u> and <u>products</u>. Our domestic selling prices do not vary on the basis of different distribution channels; they vary on the basis of the products. In particular:

- ***for products labelled under La Doria trademarks, there is a domestic price list applicable for all clients - without distinction of distribution channel. Sometimes, La Doria may grant discounts negotiated on the basis of specific promotions;***
- ***for private label products, sale's terms and conditions are settled on yearly basis for each crop. Prices are influenced by client's relevance and type of product sold.***

D-3 Explain in detail the sales process, including:

- the way in which you set the price, receive orders, make delivery, invoice and finally receive payment; and the terms of the sales; and

La Doria sets the price on the basis of price-lists negotiated with the purchaser. Once the agreement has been reached, we receive the orders through e-mail, fax or EDI. La Doria processes said orders and prepares the goods for the delivery.
Almost all goods are delivered at place ("franco arrivo"); only few of them are ex work ("franco partenza").
Terms and conditions of the sale are indicated in the written contract (if any) or in the invoice.

- whether price includes the cost of delivery to customer.

Price includes the cost of delivery (which is incorporated but not detailed under the invoice).

If sales are in accordance with price lists, provide copies of the price lists.

As indicated under paragraph D-2, we have price lists only for La Doria products: please refer to Annex D-3 for relating copy.

D-4 Prepare a spreadsheet named "**domestic sales**" listing **all** sales of like goods made during the investigation period. The listing must be provided on a CD-ROM. Include all of the following information.

Column heading	**Explanation**
Customer name	names of your customers. If an English version of the name is not easily produced from your automated systems show a customer code number and in a separate table list each code and name.
Level of trade	the level of trade of your domestic customer
Model/grade/type	commercial model/grade or type of the goods
Product code	code used in your records for the model/grade/type of the goods identified. Explain the product codes in your submission.
Invoice number	invoice number
Invoice date	invoice date
Date of sale	refer to the explanation at the beginning of this section. If you consider that a date *other than* the invoice date best establishes the material terms of sale and should be used, report that date. For example, order confirmation, contract, or purchase order date.
Order number	show order confirmation, contract or purchase order number if you have shown a date other than invoice date as being the date of sale.
Delivery terms	eg ex factory, free on truck, delivered into store
Payment terms	payment terms agreed with the customer eg. 60 days=60 etc
Quantity	quantity in units shown on the invoice eg kg.
Gross Invoice value	gross value shown on invoice *in the currency of sale*, net of taxes.
Discounts on the Invoice	the amount of any discount deducted on the invoice on each transaction. If a % discount applies show that % discount applying in another column.
Other charges	any other charges, or price reductions, that affect the net invoice value. Insert additional columns and provide description.
Net invoice value in the currency of the exporting country	the net invoice value expressed in your domestic currency as recorded in your accounting system
Rebates or other Allowances	the actual amount of any deferred rebates or allowances in the currency of sale
Quantity discounts	the actual amount of quantity discounts not deducted from the invoice. Show a separate column for each type of quantity discount.
Packing*	packing expenses
Inland transportation Costs*	amount of inland transportation costs included in the selling price.
Handling, loading And ancillary Expenses*	handling, loading & ancillary expenses.
Warranty & Guarantee expenses*	warranty & guarantee expenses
Technical assistance & other services*	expenses for after sale services such as technical assistance or installation costs.
Commissions*	commissions paid. If more than one type is paid insert additional columns of data.
Other factors*	**any other** costs, charges or expenses incurred in relation to the domestic sales (include additional columns as required). See question D5.

Costs marked with * are explained in section E-2.

D-5 If there are any other costs, charges or expenses incurred in respect of the sales listed which have not been identified in the table in question D-4 above add a column for each item (see “other factors”). For example, certain other selling expenses incurred.
Please, refer to Annex D-4.

D-6 For each type of commission, discount, rebate, allowance offered on domestic sales of like goods:

- provide a description; and

The only commissions are those granted from La Doria to our agents (the so-called “provvigioni”): all of them are indicated in the agreement.
Discounts, in turn, are granted to our clients. There are two categories:
1) ***“sconti in fattura” (invoice discounts): such as the ones indicated in the invoices;***
2) ***“sconti fuori fattura” (out-of-invoice discounts), such as the ones indicated in the written agreements.***

- explain the terms and conditions that must be met by the customer to qualify for payment.

The sale of agricultural products and foodstuffs is regulated in Italy by Art. 62 of Decree no. 1/2012, converted into Law no. 27/2012 (the so-called “Article 62”).
Article. 62 applies to deliveries of food in Italy and provides, inter alia, terms of payment which are not modifiable by the parties.
Pursuant to Article 62, foodstuff must be paid within sixty days. Said term starts from the last day of the month in which the invoice has been received or, in the absence of a specific date, from the date of delivery. (For perishable products the term is thirty days).

Where the amounts of these discounts, rebates etc are not identified on the sales invoice, explain how you calculated the amounts shown in your response to question D4.
As indicated under paragraph D-6 nn. 1) and 2) above, discounts not indicated on sales invoice are calculated pursuant to a written agreement between La Doria and its client.

If you have issued credit notes, directly or indirectly to the customers, provide details if the credited amount has **not** been reported as a discount or rebate.
Credit notes not reported as a discount or rebate could be issued in case of:
1) ***The so-called “sconti fuori fattura” – as better explained above; or***
2) ***Compensation to clients’ claims for defective goods, mistaken quantities, etc.***

D-7 Select two domestic sales, in different quarters of the investigation period, that are at the same level of trade as the export sales. Provide a complete set of documentation for those two sales. (Include, for example, purchase order, order acceptance, commercial invoice, discounts or rebates applicable, credit/debit notes, long or short term contract of sale, inland freight contract, bank documentation showing proof of payment.)

The Commission will select additional sales for verification at the time of our visit.
Please refer to Annex D-7 no. 1 and D-7 no. 2.

SECTION E
FAIR COMPARISON

With reference to Section E, it is important to consider that - pursuant to our request to the ADM Commission dated 31st July 2013 (and relating reply dated 6th August 2013) - the costs have been calculated on the basis of the average costs (the so-called "costo medio ponderato") from 1/01/2012 to 31/12/2012 and from 1/01/2013 to 30/06/2013.
Therefore, there are two segments to be considered under the investigation period. In particular:
A) from 1st July to 31st December 2012, reference shall be made to the Financial Statement 2012 (the so-called "Bilancio 2012");
B) from 1st January to 30th June 2013, reference shall be made to the Interim Financial Statement 2013 (the so-called "Semestrale 2013").
All costs relating to segment under paragraph A above (1st July – 31st December 2012) are in percentage because the Financial Statement is on annual basis. On the contrary, costs relating to segment under paragraph B (1st January – 30th June 2013) match with the Interim Financial Statement because the period exactly coincides.

E-1 Costs associated with export sales
(These cost adjustments will relate to your responses made at question B-4, '**Australian sales**')

1. Transportation
Explain how you have quantified the amount of inland transportation associated with the export sale (**"Inland transportation costs**"). Identify the general ledger account where the expense is located. If the amount has been determined from contractual arrangements, not from an account item, provide details and evidence of payment.
Please refer to Annex A-5.

2. Handling, loading and ancillary expenses
List all charges that are included in the export price and explain how they have been quantified (**"Handling, loading & ancillary expenses"**). Identify the general ledger account where the expenses are located. If the amounts have been determined using actual observations, not from a relevant account item, provide details.

The various export related ancillary costs are identified in the table at question B4, for example:

- terminal handling;
- wharfage and other port charges;
- container taxes;
- document fees and customs brokers fees;
- clearance fees;
- bank charges, letter of credit fees
- other ancillary charges.

Please refer to Annex A-5.

3. Credit
The cost of extending credit on export sales is not included in the amounts quantified at question B4. However, the Commission will examine whether a credit adjustment is warranted and determine the amount. Provide applicable interest rates over each month of the investigation period. Explain the nature of the interest rates most applicable to these export sales eg, short term borrowing in the currency concerned.
If your accounts receivable shows that the average number of collection days differs from the payment terms shown in the sales listing, *and if* export prices are influenced by this longer or shorter period, calculate the average number of collection days. See also item 4 in section E-2 below.
Not applicable.

4. Packing costs
List material and labour costs associated with packing the export product. Describe how the packing method differs from sales on the domestic market, for each model. Report the amount in the listing in the column headed '**Packing'**.
None.

5. Commissions

For any commissions paid in relation to the export sales to Australia:

- provide a description; and
- explain the terms and conditions that must be met.

Report the amount in the sales listing in question B-4 under the column headed **"Commissions".** Identify the general ledger account where the expense is located.

The only commissions relating to our Australian export sales are paid to [name] and to [name]. Please, find attached under E-1.5 (nn. 1 and 2) relating agreements.

6. Warranties, guarantees, and after sales services

List the costs incurred. Show relevant sales contracts. Show how you calculated the expenses (**"Warranty & guarantee expenses"** and **"Technical assistance & other services"**), including the basis of any allocations. Include a record of expenses incurred. Technical services include costs for the service, repair, or consultation. Where these expenses are closely related to the sales in question, an adjustment will be considered. Identify the ledger account where the expense is located.

Please refer to Annex A-5.

7. Other factors

There may be other factors for which an adjustment is required if the costs affect price comparability – these are identified in the column headed **"Other factors"**. For example, other variable or fixed selling expenses, including salesmen's salaries, salesmen's travel expenses, advertising and promotion, samples and entertainment expenses. Your consideration of questions asked at Section G, concerning domestic and export costs, would have alerted you to such other factors.

None.

8. Currency conversions

In comparing export and domestic prices a currency conversion is required. Fluctuations in exchange rates can only be taken into account when there has been a 'sustained' movement during the period of investigation (see article 2.4.1 of the WTO Agreement). The purpose is to allow exporters 60 days to adjust export prices to reflect 'sustained' movements. Such a claim requires detailed information on exchange movements in your country over a long period that includes the investigation period.

Please refer to Annex B.4

E-2 Costs associated with domestic sales

(These cost adjustments will relate to your responses made at question D-4, **"domestic sales"**)

The following items are not separately identified in the amounts quantified at question D-4. However you should consider whether any are applicable.

1. Physical characteristics

The adjustment recognises that differences such as quality, chemical composition, structure or design, mean that goods are not identical and the differences can be quantified in order to ensure fair comparison.

The amount of the adjustment shall be based upon the market value of the difference, but where this is not possible the adjustment shall be based upon the difference in cost plus the gross profit mark-up (i.e. an amount for selling general and administrative costs (S G & A) plus profit).

The adjustment is based upon actual physical differences in the goods being compared and upon the manufacturing cost data. Identify the physical differences between each model. State the source of your data.

Please note that differences, if any, are negligible. This because, where the packing is similar, the only discrepancies may depend on brix, salt or flavour which have not economic impact.

2. Import charges and indirect taxes

If exports to Australia:

- are partially or fully exempt from internal taxes and duties that are borne by the like goods in domestic sales (or on the materials and components physically incorporated in the goods), or

- if such internal taxes and duties have been paid and are later remitted upon exportation to Australia;

the price of like goods must be adjusted downwards by the amount of the taxes and duties.
The taxes and duties include sales, excise, turnover, value added, franchise, stamp, transfer, border, and excise taxes. Direct taxes such as corporate income tax are not included as such taxes do not apply to the transactions.
Adjustment for drawback is not made in every situation where drawback has been received. Where an adjustment for drawback is appropriate you must provide information showing <u>the import duty borne by the domestic sales</u>. (That is, it is not sufficient to show the drawback amount and the export sales quantity to Australia. For example, you may calculate the duty borne on domestic sales by quantifying the total amount of import duty paid and subtracting the duty refunded on exports to all countries. The difference, when divided by the domestic sales volume, is the amount of the adjustment).
In substantiating the drawback claim the following information is required:

- a copy of the relevant statutes/regulations authorising duty exemption or remission, translated into English;

- the amount of the duties and taxes refunded upon *exportation* and an explanation how the amounts were calculated and apportioned to the exported goods;

- an explanation as to how you calculated the amount of duty payable on imported materials is borne by the goods sold *domestically* but is not borne by the exports to Australia;

<u>Substitution drawback systems</u>
Annex 3 of the WTO Agreement on Subsidies provides: *“Drawback systems can allow for the refund or drawback of import duties on inputs which are consumed in the production process of another product and where the export of this latter product contains domestic inputs having the same quality and characteristics as those substituted for the imported inputs”*
If such a scheme operates in the country of export adjustments can also be made for the drawback payable on the substituted domestic materials, provided the total amount of the drawback does not exceed the total duty paid.
Not applicable.

3. Level of trade

Question D-4 asks you to indicate the level of trade to the domestic customer. To claim an adjustment for level of trade differences you will need to quantify the amount by which level of trade influences price.

Trade level is the level a company occupies in the distribution chain. The trade level to which that company in turn sells the goods and the functions carried out distinguish a level of trade. Examples are producer, national distributor, regional distributor, wholesaler, retailer, end user, and original equipment.

It may not be possible to compare export prices and domestic prices at the same level of trade. Where relevant sales of like goods at the next level of trade must be used to determine normal values an adjustment for the difference in level of trade may be required where it is shown that the difference affects price comparability.

The information needs to establish that there are real trade level differences, not merely nominal differences. Real trade level differences are characterised by a consistent pattern of price differences between the levels and by a difference in functions performed. If there is no real trade level differences all sales are treated as being at the same level of trade.

A real difference in level of trade (may be adjusted for using either of the following methods:

(a) *costs arising from different functions*: the amount of the costs, expenses etc incurred by the seller in domestic sales of the like goods resulting from activities that would not be performed were the domestic sales made at the same level as that of the importer.

This requires the following information:

- a detailed description of each sales activity performed in selling to your domestic customers (for example sales personnel, travel, advertising, entertainment etc);
- the cost of carrying out these activities in respect of like goods;
- for each activity, whether your firm carries out the same activity when selling to importers in Australia;
- an explanation as to why you consider that you are entitled to a level of trade adjustment.

or

(b) *level discount*: the amount of the discount granted to purchasers who are at the same level of trade as the importer in Australia. This is determined by an examination of price differences between the two levels of trade in the exporter's domestic market, for example sales of like goods by other vendors or sales of the same general category of goods by the exporter. For this method to be used it is important that a clear pattern of pricing be established for the differing trade levels. Such pattern is demonstrated by a general availability of the discounts to the level - isolated instances would not establish a pattern of availability.

There are not differences based on level of trade: as better explained under paragraph D-2, variations may depend on products.

4. Credit

The cost of extending credit on domestic sales is not included in the amounts quantified at question D-4. However, the Commission will examine whether a credit adjustment is warranted and determine the amount. An adjustment for credit is to be made even if funds are not borrowed to finance the accounts receivable.

The interest rate on domestic sales in order of preference is:

- the rate, or average of rates, applying on actual short term borrowing's by the company; or
- the prime interest rate prevailing for commercial loans in the country for credit terms that most closely approximate the credit terms on which the sales were made; or
- such other rate considered appropriate in the circumstances.

Provide the applicable interest rate over each month of the investigation period.

If your accounts receivable shows that the average number of collection days differs from the payment terms shown in the sales listing, and if domestic prices are influenced by this longer or shorter period, calculate the average number of collection days.

Where there is no fixed credit period agreed at the time of sale the period of credit is determined on the facts available. For example, where payment is made using an open account system[1], the average credit period may be determined as follows:

1. Calculate an accounts receivable turnover ratio

This ratio equals the total credit sales divided by average accounts receivable.

(It is a measure of how many times the average receivables balance is converted into cash during the year).

In calculating the accounts receivable turnover ratio, credit sales should be used in the numerator whenever the amount is available from the financial statements. Otherwise net sales revenue may be used in the numerator.

An average accounts receivable over the year is used in the denominator. This may be calculated by:

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[1] Under an open account system, following payment the balance of the amount owing is carried into the next period. Payment amounts may vary from one period to the next, with the result that the amount owing varies.

- using opening accounts receivable at beginning of period plus closing accounts receivable at end of period divided by 2, or
- total monthly receivables divided by 12.

2. Calculate the average credit period

The average credit period equals 365 divided by the accounts receivable turnover ratio determined above at 1.

The resulting average credit period should be tested against randomly selected transactions to support the approximation.

The following items are identified in the amounts quantified at question D-4:

Not applicable

5. Transportation

Explain how you have quantified the amount of inland transportation associated with the domestic sales (**"Inland transportation Costs"**). Identify the general ledger account where the expense is located. If the amount has been determined from contractual arrangements, not from an account item, provide details and evidence of payment.

Please refer to Annex A-5.

6. Handling, loading and ancillary expenses

List all charges that are included in the domestic price and explain how they have been quantified (**"Handling, loading and ancillary Expenses"**). Identify the general ledger account where the expense is located. If the amounts have been determined using actual observations, not from a relevant account item, provide details.

Please refer to Annex A-5.

7. Packing

List material and labour costs associated with packing the domestically sold product. Describe how the packing method differs from sales on the domestic market, for each model. Report the amount in the listing in the column headed **"Packing"**.

None.

8. Commissions

For any commissions paid in relation to the domestic sales:

- provide a description
- explain the terms and conditions that must be met.

Report the amount in the sales listing under the column headed "**Commissions"**. Identify the general ledger account where the expense is located.

Please refer to Annex A-5.

9. Warranties, guarantees, and after sales services

List the costs incurred. Show relevant sales contracts. Show how you calculated the expenses (**"Warranty & Guarantee expenses"** and **"Technical assistance & other services"**), including the basis of any allocations. Include a record of expenses incurred. Technical services include costs for the service, repair, or consultation. Where these expenses are closely related to the sales in question, an adjustment will be considered. Identify the ledger account where the expense is located.

Please refer to Annex A-5.

10. Other factors

There may be other factors for which an adjustment is required if the costs affect price comparability – these are identified in the column headed **"Other factors"**. List the factors and show how each has been quantified in per unit terms. For example:

- *inventory carrying cost*: describe how the products are stored prior to sale and show data relating to the average length of time in inventory. Indicate the interest rate used;
- *warehousing expense*: an expense incurred at the distribution point;
- *royalty and patent fees*: describe each payment as a result of production or sale, including the key terms of the agreement;

- *advertising*; and
- *bad debt*.

Not applicable

E-3 Duplication

In calculating the amount of the adjustments you must ensure that there is no duplication.

For example:

- adjustments for level of trade, quantity or other discounts may overlap, or
- calculation of the amount of the difference for level of trade may be based upon selling expenses such as salesperson's salaries, promotion expenses, commissions, and travel expenses.

Separate adjustment items must avoid duplication.

An adjustment for quantities may not be granted unless the effect on prices for quantity differences is identified and separated from the effect on prices for level of trade differences.

SECTION F
EXPORT SALES TO COUNTRIES OTHER THAN AUSTRALIA (THIRD COUNTRY SALES)

F-1 Using the column names and column descriptions below provide a summary of your export sales to countries other than Australia.

Column heading	Explanation
Country	Name of the country that you exported like goods to over the investigation period.
Number of customers	The number of different customers that your company has sold like goods to in the third country over the investigation period.
Level of trade	The level of trade that you export like goods to in the third country.
Quantity	Indicate quantity, in units, exported to the third country over the investigation period.
Unit of quantity	Show unit of quantity eg kg
Value of sales	Show net sales value to all customers in third country over the investigation period
Currency	Currency in which you have expressed data in column SALES
Payment terms	Typical payment terms with customer(s) in the country eg. 60 days=60 etc
Shipment terms	Typical shipment terms to customers in the third country eg CIF, FOB, ex-factory, DDP etc.

Supply this information in spreadsheet file named “Third country”
Please, refer to Annex F.1

F-2 Please identify any differences in sales to third countries which may affect their comparison to export sales to Australia.
None.

SECTION G
COSTING INFORMATION AND CONSTRUCTED VALUE

G-1. Production process and capacity

1. Describe the production process for the goods. Provide a flowchart of the process. Include details of all products manufactured using the same production facilities as those used for the goods. Also specify all scrap or by-products that result from producing the goods.
Please refer to Annex G.1.1 for Peeled Tomatoes Flow Chart and to Annex G.1.2 for Chopped Tomatoes Flow Chart.

G-2. Provide information about your company's total production in the following table:

	PREVIOUS FINANCIAL YEAR	MOST RECENT FINANCIAL YEAR	Investigation Period
A – Production capacity (eg kg, tonnes)*			
B – Actual production in volume (eg kg, tonnes)			
C – Capacity utilisation (%) (B/A x 100)			

* rather than showing a 'name-plate' optimal capacity it is more meaningful to show the maximum level of production that may reasonably be attained under normal operating conditions. For example assuming: normal levels of maintenance and repair; a number of shifts and hours of operation that is not abnormally high; and a typical production mix.

Provide this information on a spreadsheet named "**Production**".
Annex G.2 refers to the total production of La Doria Group. As requested, we considered the plants where we produced canned tomatoes (Angri, Sarno, Fisciano and Lavello) with respect to the investigation period and with the exclusion of pastes ("concentrato"), purees ("passata") and packs exceeding 1.14 litres in volume. Production of pulses and fruit juices is as well excluded.

G-3. Cost accounting practices

1. Outline the management accounting system that you maintain and explain how that cost accounting information is reconciled to your audited financial statements.
La Doria has a general accounting system integrated with the cost accounting (SAP) organized by direct and indirect cost center as well as product lines. For the valuation of stocks, La Doria adopts the method of weighted average cost ("costo medio ponderato") - composed as follows:
- ***The initial stock;***
- ***Purchase data;***
- ***Production data.***

The purchase data are aligned with the general ledger accounts through cost accounting. The production data (bill of materials) are obtained by processing raw materials (valued at weighted average cost), direct labour (progressive rate per hour), energy (unit rate progressive) and burden. The tariff of burden is determined by the sum of the costs centers: indirect labour of production, depreciation, overhead industrial, rental and leasing, maintenance, supplies, salaries divided by the direct labor hours .

The bill of materials is composed by:
- ***Variable costs (such as direct materials -valued at weighted average cost-, energy, methane, direct labor, other variable costs); and***
- ***Fixed costs (such as fixed burden – please refer above for calculation of tariff).***

2 Is your company's cost accounting system based on standard (budgeted) costs? State whether standard costs were used in your responses to this questionnaire. If they were state whether all variances (ie differences between standard and actual production costs) have been allocated to the goods - and describe how those variances have been allocated.
Our cost accounting system is not based on standard (budgeted) costs. La Doria does not adopt the standard cost method for the enhancement of output, but the actual costs.

3 Provide details of any significant or unusual cost variances that occurred during the investigation period.
No significant or unusual cost variances occurred during the investigation period.

4 Describe the profit/cost centres in your company's cost accounting system.
Please refer to question no. 5 below.

5 For each profit/cost centre describe in detail the methods that your company normally uses to allocate costs to the goods under consideration. In particular specify how, and over what period, expenses are amortised or depreciated, and how allowances are made for capital expenditures and other development costs.
La Doria profit centers consist on economic lines divided as follows:
- ***red lines: peeled, chopped, cherry tomatoes, paste, sauces;***
- ***pulse lines: beans, pasta and soups;***
- ***fruit lines: drinks, nectars and juices.***

Cost centers are divided into:
- ***Structure's cost centers, which are reverted on sales; and***
- ***Production's cost centers, which could be direct (such as directly attributable to the product) or indirect. The latter (also defined common cost centers) are absorbed on the basis of direct labour hours - the primary cost centers that use them through the tariff burden of the above.***

6 Describe the level of product specificity (models, grades etc) that your company's cost accounting system records production costs.
The unit of measurement used in the bill of materials are:
- ***Finished products: packs;***
- ***Semiworked: pieces;***
- ***Raw materials: kilograms;***
- ***Packaging: pieces.***

7 List and explain all production costs incurred by your company which are valued differently for cost accounting purposes than for financial accounting purposes.
Not applicable.

8 State whether your company engaged in any start-up operations in relation to the goods under consideration. Describe in detail the start-up operation giving dates (actual or projected) of each stage of the start-up operation.
Not applicable.

9 State the total cost of the start-up operation and the way that your company has treated the costs of the start-up operation it its accounting records.
Not applicable.

G-4 Cost to make and sell on domestic market

1. Please provide (in the format shown in the table below) the actual unit cost to make and sell each model/type* (identified in section C) of the like goods sold on the domestic market. Provide this cost data for each quarter over the investigation period. If your company calculates costs monthly, provide monthly costs.
Please refer to Annex G.4.

Pursuant to our mail to the ADM Commission dated 31st July 2013 - and relating reply dated 6th August 2013 - the costs have been calculated on the basis of the average costs (the so-called "costo medio ponderato") from 1/01/2012 to 31/12/2012 and from 1/01/2013 to 30/06/2013.

2. If your company is a vertically integrated producer (ie. a common owner that also controls subsidiaries that grow and produce tomatoes), please also provide the actual unit cost to make and sell (in the format shown in the table below) for fresh tomatoes used in the production of prepared and preserved tomatoes sold on the domestic market in Italy.
Not applicable because La Doria is not a vertically integrated producer.

3. Indicate the source of cost information (account numbers etc) and/or methods used to allocate cost to the goods. Provide documentation and worksheets supporting your calculations.

	Quarter X	**Quarter X**	**Quarter X**	**Quarter X**
Like Domestic Model/Type – from spreadsheet LIKEGOOD				
Material Costs[1]				
Direct Labour				
Manufacturing Overheads				
Other Costs[2]				
Total Cost to Make				
Selling Costs				
Administration Costs				
Financial Costs				
Delivery Expenses[3]				
Other Costs[3]				
Unit Cost to Make and Sell				

Prepare this information in a spreadsheet named "**Domestic CTMS**".
Please refer to Annex G.4. Unit of currency is Euro.

G-5 Cost to make and sell goods under consideration (goods exported to Australia)

The information is relevant to calculating the normal values based on costs. It is also relevant to calculating certain adjustments to the normal value.

	Quarter X	Quarter X	Quarter X	Quarter X
Model/Type exported to Australia – from spreadsheet LIKEGOOD				
Material Costs[1]				
Direct Labour				
Manufacturing Overheads				
Other Costs[2]				
Total Cost to Make				
Selling Costs				
Administration Costs				
Financial Costs				
Delivery Expenses[3]				
Other Costs[3]				
Unit Cost to Make and Sell				

Prepare this information in a spreadsheet named "**Australian CTMS**".

1 Where there are cost differences between goods sold to the domestic market and those sold for export, give reasons and supporting evidence for these differences.

2 Give details and an explanation of any significant differences between the costs shown, and the costs as normally determined in accordance with your general accounting system. Reference should be made to any differences arising from movements in inventory levels and variances arising under standard costing methods.

3 In calculating the unit cost to make and sell, provide an explanation if the allocation method used (eg number, or weight etc) to determine the unit cost differs from the prior practice of your company.

Please refer to Annex G.5. Unit of currency is Euro.

G-6 Major raw material costs

List major raw material costs, which individually account for <u>10% or more</u> of the total production cost. For these major inputs:

- identify materials sourced in-house and from associated entities;
- identify the supplier; and
- show the basis of valuing the major raw materials in the costs of production you have shown for the goods (eg market prices, transfer prices, or actual cost of production).

Where the major input is produced by an associate of your company the Commission will compare your purchase price to a normal market price. If the associate provides information on the cost of production for that input such cost data may also be considered.

Normal market price is taken to be the price normally available in the market (having regard to market size, whether the input is normally purchased at 'spot prices' or under long term contracts etc).

The term associate is defined in section 269TAA of the *Customs Act*. Included in that definition are companies controlled by the same parent company (a company that controls 5% or more of the shares of another is taken to be an associated company); companies controlled by the other company; and companies having the same person in the board of directors.

Important note: If the major input is sourced as part of an integrated production process you should provide detailed information on the full costs of production of that input.

Please refer to Annex G.6.

SECTION H – PARTICULAR MARKET SITUATION - *NOT APPLICABLE*

Information required

To assist our examination as to whether a ‘particular market exists’ within the domestic market in Italy in relation to the goods (so explained above), we also seek your assistance to identify any benefits, payments or forms of support that your company has received from the Italian government, the European Committee or any other affiliated agency or group, during calendar year 2011, 2012 and year-to-date 2013 which are directly or indirectly associated with your sale or production of prepared or preserved tomatoes.

The Commission is aware of a number of general categories of agricultural support policies applicable within the EU pursuant to which benefits may have been delivered to producers of the goods under consideration.

We seek your response to the specific questions set out below:

Single Payment Scheme benefits (SPS)

H1. During the years 2011-2013, has your company applied for the payment of benefits under the Single Payment Scheme (SPS)?

H2. If you have answered yes to the above, please explain the process by which you applied and whether your applications were approved.

H3. If you have been the recipient of annual benefits under the SPS of the CAP, please explain how these benefits are provided by the Italian government and how the benefit is accounted for within your company accounts

(Please refer to statements of income and/or financial statements in explaining how benefits are accounted for).

Direct benefit/support

H4. Has your company received any direct benefit from the Italian government (or related bodies) under the CAP, other than SPS payment, during the years 2011, 2012 and 2013?

H5. If you have received any form of direct support from the government during the periods in question, please identify the form of support provided and a summary of the rationale for the provision of the support by the Italian government.

Market organisation support

The Commission is aware that policies of common market organisation (CMO) have been adopted by the EC in the past, pursuant to which initiatives of organisation and support programmes have been applied in relation to the markets in processed fruits and vegetables, including the goods under consideration.

H6. During the years 2011-2013 has your company received any form of production aid or price support in relation to the production of prepared or preserved tomatoes? If your company has received any such aid or production support please indicate

- -the form of the support
- -the period within which support was provided;
- -the rationale for the provision of the support; and
- -the quantitative value of the support provided

H7. The Commission understands that, as part of the CMO principles associated with the sector, annual negotiations are held between processors and producing organisations pursuant to which prices for fresh tomatoes originating within Italy are set for the calendar year. Please explain who is involved in negotiations and what are the key variables considered in setting annual prices?

H8. Please advise whether there are any collective negotiation arrangements that occur within Italy in relation to processed tomato products, similar to the price negotiations that occur between producers and processors? In providing your response, please explain whether there are any support mechanisms or policies which assist to stabilise the price of processed products – for example stock withholding mechanisms, price compensations or price support?

Other benefits or support mechanisms

H9. Please identify any other forms of benefit or support that your company has received on a recurring basis, or as one off payments or support interventions, from the Italian government or any other body or agency during calendar years 2011 and 2012 and year-to-date 2013.

Benefit payment summary

On the basis of your responses to the above, please complete the tables below:

2011

Summary of benefit	Benefit program (SPS payment, direct payment, production support, other)	Total value of benefit (Euro)

2012

Summary of benefit	Benefit program (SPS payment, direct payment, production support, other)	Total value of benefit (Euro)

2013

Summary of benefit	Benefit program (SPS payment, direct payment, production support, other)	Total value of benefit (Euro)

SECTION I
EXPORTER'S DECLARATION

I hereby declare that La Doria S.p.A. did, during the period of investigation, export the goods under consideration and have completed the attached questionnaire and, having made due inquiry, certify that the information contained in this submission is complete and correct to the best of my knowledge and belief.

Name : Antonio Ferraioli

Signature : Antonio Ferraioli
Amministratore Delegato

Position in Company : Chief Executive Officer

Date : 16th September 2013

SECTION J
CHECKLIST

This section is an aid to ensure that you have completed all sections of this questionnaire.

Section	Please tick if you have responded to all questions
Section A – general information	X
Section B – export price	X
Section C – like goods	X
Section D – domestic price	X
Section E – fair comparison	X
Section F – exports to third countries	X
Section G – costing information	X
Section H – Particular market situation	X
Section I – declaration	X

Electronic Data	Please tick if you have provided spreadsheet
INCOME STATEMENT	X
TURNOVER – sales summary	X
AUSTRALIAN SALES – list of sales to Australia	X
DOMESTIC SALES – list of all domestic sales of like goods	X
THIRD COUNTRY – third country sales	X
PRODUCTION – production figures	X
DOMESTIC COSTS – costs of goods sold domestically	X
AUSTRALIAN COSTS – costs of goods sold to Australia	X