



**Board of Directors of Piquadro S.p.A**  
**Draft Separate and Consolidated Financial Statements**  
**as of March 31, 2017 Approved**

- Consolidated revenue of € 75.91 million (+9.5% compared to March 31, 2016);
- EBITDA of € 8.79 million or 11.6% of consolidated revenue;
- EBIT of € 5.69 million or 7.5% of consolidated revenue;
- Consolidated Net Profit of € 3.4 million;
- Net Debt at 8.2, up € 1.5 million after consolidating approximately € 13.0 million from the acquisition of The Bridge;
- Dividend of € 0.04 per share proposed for a total of € 2.0 million.

*Silla di Gaggio Montano, June 12, 2017* – Today the Board of Directors of Piquadro S.p.A., which designs, manufactures and distributes professional and travel leather goods featuring innovative designs and cutting edge technology, approved the Draft Separate Financial Statements and the Consolidated Financial Statements for the year ended March 31, 2017.

The Consolidated Financial Statements for the year ended March 31, 2017 showed consolidated **revenue** of € **75.91 million**, up **9.5%** on the previous year (€ 69.31 million). The increase in revenues was determined both by the introduction into the consolidation area of The Bridge S.p.A., which recorded revenues of € 5.08 million since January 1, 2017, and by a 2.2% increase of sales by the Piquadro brand. To the latter, in particular, contributed both the sales in Italy and abroad, while, from the point of view of the distribution channel, the contribution to growth came from the DOS channel, which also includes the Piquadro e-commerce.

Consolidated revenues from the **DOS Piquadro** channel **grew** by **10.9%** over the previous year. Sales in the DOS channel, calculated as the worldwide average growth rate of revenues from DOS existing at 1 April 2016, was a positive 0.9% at current exchange rates (for the same number of business days and constant exchange rates, SSSG – Same Store Sales Growth was +1.5%). The DOS channel includes Piquadro e-commerce revenues, which have recorded a **20.3% increase**.

The revenues of the **Wholesale Piquadro** channel, which represent 55.9% of the Group's total turnover as of 31 March 2017, showed a **2.9% decrease**. That decline was due to the decline in sales in the domestic and non-European markets, which was not completely offset by the increase in sales in Europe.

Sales revenues made by The Bridge S.p.A. for the period January-March 2017 amounted to €5.08 million.

Under a geographic point of view, the Group's revenues as of March 31 2017 show a **5.6%** increase in the **domestic market**, which represents 74.5% of the Group's revenues, and a **38.7%** increase in the **European market** which stands now at 20.3% of the Group's revenues. In the



extra-European markets, where the Group sells over 34 countries, revenues decreased by 15.6% mainly due to decline in revenues from countries such as Taiwan and Mexico.

**EBITDA** of the Piquadro Group as of 31 March 2017 was **€ 8.79 million** with a ratio of **11.6% to net sales** (12.1% in the previous year).

**EBIT** of the Piquadro Group amounted to **€ 5.69 million** with a ratio of **7.5% to net sales** (€ 5.72 million at March, 31 2016 equal to 8.2% of net sales).

The Group's **Net Profit** was equal to **€ 3.4 million**, down 12.2% compared to € 3.88 million recorded in the previous year.

**Net Financial Position** as of March 31, 2017 – negative - stands at **€ 8.2 million** with an increase of about **€1.5 million** over the previous year. Contribute to that came, on the one hand, from a free cash flow of about €12.2 million (comprising the Group's operating performance of around € 6.2 million and a €6.0 million reduction in operating capital - largely attributable to a rationalization of Working capital) - as well as the sale of the Paris store key money for €3 million. On the other hand, the Net Financial Position was affected by the €2 million dividend paid out on the profit for the financial year 2015/2016, by the €1.7 million for investments in tangible and intangible assets, by the €4.6 million paid for the acquisition of 80% of The Bridge S.p.A., and by the € 8.4 million financial exposure of The Bridge S.p.A. upon acquisition.

*«Despite the economic effort for the acquisition and restructuring of The Bridge, the year ended with a growth thanks to the good performance of the Piquadro brand and the first contribution of The Bridge that we quickly managed to bring to break-even» says **Marco Palmieri, Chairman and CEO of Piquadro and The Bridge.** «The acquisition of The Bridge has required great dedication and commitment with the result of a mere €1.5 million increase in the Group's debt, despite the consolidation of €8.4 million debt from The Bridge S.p.A. and approximately €4.6 million paid for its acquisition including deferred payments and the option to buy the remaining 20%. Our focus now is the implementation of synergies that can be exploited at different levels thanks to the integration of the Florentine company, whose heritage in terms of tradition, product and uniqueness, represents an immense potential for us on the Italian market and, above all, in foreign markets, and allows us to play a relevant role in the women's handbag market, which is an important part of The Bridge's revenue».*

#### **Results of the Parent Company, Piquadro S.p.A.**

During the year ended March 31, 2017, the Parent Company reported revenue of approximately € 67.24 million, up 0.8% compared to the revenue reported in the year ended March 31, 2016. The revenue trend was attributable to the positive performances achieved on the European market (approximately +14.5%). In the domestic market Piquadro S.p.A. recorded revenues in line with the previous year (-0.1%) while sales in the extra-European area reported a 21.3% decrease, mainly concentrated in Asia.

The Parent Company's **EBITDA** for the year was approximately € 6.17 million compared to € 7.42 million in the previous year and represented 9.2% of the Company's revenue at March 31, 2017 (11.1% for the year ended March 31, 2016). The Parent Company's EBIT amounted to € 4.34 million, approximately 6.5% of revenues, compared to 8.3% for the financial year 2015/2016.



**Net Profit** of Piquadro S.p.A. for the year ended March 31, 2017 decreased approximately 21.3%, from € 3.8 million to € 3.0 million.

At March 31, 2017, **Net Financial Debt** of Piquadro S.p.A. was € 9.5 million with an increase of €1.19 million (8.3 million the year ended March 31, 2016) due to a free cash flow generated during the year of approximately 4.9 million Euros, dividends paid out on the profit for the financial year 2015/2016 of 2.0 million, tangible and intangible assets of approximately € 1.24 million and € 4.2 million paid for the acquisition of The Bridge S.p.A.

### **Outlook 2017/18**

During the 2017/2018 financial year the development of the Piquadro Group will depend on both the renewed ability to accelerate the international growth of the Piquadro brand and on putting at operating speed The Bridge S.p.A. through the implementation of the newly drawn production and distribution synergies.

The Management expects that in 2017/18 the Group, after the acquisition of The Bridge S.p.A., may approach the one hundred million sales and grow with similar rates, if not higher than those recorded in the year 2016/17. On profitability, the Management expects industrial margins to increase as a result of a Euro/Dollar ratio aligned with the previous year. In this context, Management will always be careful in controlling margins and operating costs in order to increase its R&D and Marketing commitments with the aim of enhancing the visibility and knowledge of the brands.

In light of the above comments and the financial soundness of the Piquadro Group, Separate and Consolidated Financial Statements of Piquadro S.p.A. have been prepared under the assumption of business continuity.

At the next Shareholders' Meeting, scheduled for 20 July 2017 at 11 a.m. in first call at the head offices of Piquadro S.p.A., and in second call at the same time and place on 21 July 2017, the Board of Directors of Piquadro S.p.A. will propose the distribution of a dividend of € 0.04 per share, calculated on the shares outstanding at today's date (50,000,000 shares).

The total amount of the proposed dividend is therefore € 2 million. The dividend will be placed in payment from 26 July 2017 (record date 25 July 2017) by detaching coupon no. 9 on 24 July 2017.

This memorandum presents a few alternative performance indicators to permit a better assessment of the profitability and financial operation of the Group. Those indicators must not be regarded as substitutes for the conventional ones contemplated in the IFRS. More specifically, the alternative indicator presented is EBITDA (gross operating margin) defined as earnings before depreciation and amortization, interest, and current income taxes. With regard to the financial reporting schedules contained in the memorandum, please note that auditing activity has not yet been completed on these data.

The manager responsible for preparing the Piquadro S.p.A.'s, financial reports, Roberto Trotta, declares – pursuant to paragraph 2 of Article 154-bis of Italy's Legislative Decree 58/1998 – that the accounting information contained in this press release and relevant to the financial year 2016/2017, corresponds to the documented results, books, and accounting records.



The financial statements as of March 31, 2017 are currently being audited and the report on operations as well as the corporate governance and ownership structure report are also being reviewed by the independent auditors. The audit process is underway.

### **Remuneration Report**

The Board of Directors today approved the Remuneration Report pursuant to art. 123-ter of Legislative Decree 58/1998 (the Consolidated Law on Financial Intermediation "TUF") and the implementation of the regulations issued by the Consob. The Board has also resolved to present and submit to the advisory vote of the next Shareholders' Meeting the first Section of the Report, illustrating the Company's Policy on remuneration for the Directors and Managers with strategic responsibilities, pursuant to art. 123-ter of the TUF.

### **Corporate Governance Report**

Today, the Board of Directors also approved the Corporate Governance Report for the year ended on March 31, 2017, which contains information on Company's compliance with the Governance Code for listed companies promoted by Borsa Italiana S.p.A. and the additional information required by applicable legislation.

### **Convening of the Shareholders' Meeting**

The today's Board of Directors' meeting also resolved to call an ordinary Shareholders' Meeting for July 20, 2017 and, if necessary, in a second convening, for July 21, 2017 in order to resolve on the following matters, as well as to approve the Financial Statements as of March 31, 2017:

- advisory vote on the First Section of the Remuneration Report pursuant to art. 123-ter of the TUF;
- authorization to the Board of Directors concerning the purchase and sale of own shares.

The Shareholders' Meeting call notice will be published by the Company pursuant to applicable laws and in compliance with the provisions of the Company's By-laws on June 19, 2017, on Piquadro website [www.piquadro.com](http://www.piquadro.com), in the "Il Giornale" newspaper and on the authorized storage system "eMarket-Storage" accessible at [www.emarketstorage.com](http://www.emarketstorage.com).

### **Own shares**

The renewal of the authorization request from the Shareholders' Meeting for the purchase and sale of own shares has the main objective of stabilizing the price of the Company's shares and supporting liquidity but also to make it possible to create, if the Board of Directors will deem it necessary, a 'Share Stock' – to be used as consideration in case of extraordinary dealings, even by means of shares' exchange, with third parties in the interest of the Company - in accordance with market practice no. 2 referred to in Consob Resolution 16839/2009. The proposal of the Board, if approved by the Shareholders' Meeting, envisages that the Board is authorized to purchase own shares in the maximum number permitted by the Law, for a period of 12 months from the authorization date - that is, until the Shareholders' Meeting which will approve the Financial Statements as of March 31, 2018 - by using the reserves available as posted in the last duly approved Financial Statements. These operations may be carried out, in one or more installments, by purchasing shares, pursuant to art.144-bis, paragraph 1, letter b, of the Issuer Regulations, in regulated markets following operating modalities provided for in the regulations for the organization and management of the markets themselves, which do not permit the direct combination of the purchase negotiation proposals with predetermined sale negotiation proposals. The purchases may be made with modalities different from those indicated above pursuant to art. 132, paragraph 3, of the TUF or other regulations from time to time applicable at the time of the transaction. The share purchase price will be identified accordingly from time to



time, with regard to the method preselected for the execution of the transaction and in accordance with the provisions of law, regulations or accepted market practices, within a minimum and a maximum which may be determined using the following criteria:

- the minimum purchase consideration must not in any case be 20% lower than the reference price which the share registered during the Stock Exchange session on the day before each transaction;
- the maximum purchase consideration must not in any case be 10% higher than the reference price which the share registered during the Stock Exchange session on the day before each transaction.

If the own shares purchase transaction are carried out within the accepted practices with reference to the liquidity support activity referred to in point 1 of Consob Resolution 16839/2009, notwithstanding the further limits provided for by such Resolution, the price for the purchase negotiation proposals must not be higher than the higher of: a) the price of the most recent independent transaction or b) the current price of the highest independent purchase negotiation proposal present in the market in which the purchase proposals are submitted. The proposal of the Board also envisages authorization for the sale, in one or more installments, of any own shares purchased, at a consideration, which will be set by the Board of Directors, not 20% lower than the reference price, which the share registered during the Stock Exchange session on the day before each transaction. The authorization to the sale of own shares is also requested to the Shareholders' Meeting, from the authorization date - that is the Shareholders' Meeting which will take place on July 20, 2017 with no time limits. If the own share sale operations are carried out within the accepted practices in relation to the market liquidity support activity, as referred to in point 1 of Consob Resolution 16839/2009, without prejudice to the further limits provided for by that Resolution, the price for the sale negotiation proposals must not be lower than the lower of: a) the price of the most recent independent transaction and or b) the current price of the lowest independent sale negotiation proposal present in the market in which the sale proposals are submitted. The Company does not currently hold own shares; the subsidiary companies do not hold any Company's shares.

### Documents

The annual report (which also includes the report on operations, the draft separate financial statements, consolidated financial statements for the financial year ended March 31, 2017) and the Corporate Governance Report will be made available to the public at the Company's registered office, on the internet site [www.piquadro.com](http://www.piquadro.com) in the Investor Relations section and on the authorized storage system "eMarket-Storage" accessible at [www.emarketstorage.com](http://www.emarketstorage.com), within the terms provided for by current applicable laws. The Directors' Report on the authorization request from the Shareholders' Meeting for the purchase and sale of own shares will be distributed with the modalities provided for by the applicable laws - and, therefore, also on the internet site [www.piquadro.com](http://www.piquadro.com) in the Investor Relations section - at the time of distribution of the Report on the Agenda (art. 125-ter of the TUF) and, in any case, within the terms provided for by the Law. The Remuneration Report pursuant to art. 123-ter of the TUF will be distributed at the times and with the methods provided for by the applicable standards - therefore, also consultable at the internet site [www.piquadro.com](http://www.piquadro.com) in the Investor Relations section - within the terms provided for by the Law.

### Annexes

Consolidated and Separate Balance Sheets, Income Statements and Cash Flow Statements of the Group and the Parent Company Piquadro S.p.A.. The figures presented have yet to be certified and are subject to final assessment by the Board of Statutory Auditors of Piquadro S.p.A.



### **Disclaimer**

This press release contains forward-looking statements, especially in the “Outlook 2017/18” section. Such forward-looking statements are founded on the Piquadro Group's expectations and projections of future events and, by their nature, are subject to an intrinsic element of uncertainty. Such statements refer to events and depend upon circumstances that may or may not occur or arise in the future and, as such, undue reliance should not be made upon them. Actual results could differ from those contained in those statements due to a variety of factors, including market volatility and negative performance, changes in the prices of commodities and production processes, changes in macroeconomic conditions and other variations of business conditions, amendments to regulations and modifications of the institutional framework in Italy and abroad and many other factors, most of which are beyond the Piquadro Group's control.

### **About Piquadro Group**

*The Piquadro Group operates in the sector of leather accessories through the Piquadro and The Bridge brands. Cornerstones for both brands is attention to details and the quality of the workmanship as well as the leather but the Piquadro product stands out for its innovative design and technological content, while The Bridge emphasises the vintage flavor of Tuscan craftsmanship. The origins of the Group date back to 1987 when Marco Palmieri, now President and Chief Executive Officer, founded his company near Bologna, where it is still headquartered. The distribution network extends over 50 countries around the world and counts 117 outlets including 102 Piquadro boutiques (64 in Italy and 38 abroad including 55 DOS-directly operated stores and 47 franchised) and 15 The Bridge boutiques (13 in Italy and 2 abroad including 8 DOS-directly operated stores and 7 franchised).*

*The Group's consolidated revenue for the year 2016/2017 closed on March 31, 2017 is € 75.91 million with a consolidated net profit of € 3.4 million.*

*Since October 2007, Piquadro S.p.A. has been listed on the Italian Stock Exchange.*

#### **Piquadro S.p.A.**

Ufficio relazioni con i media

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**Consolidated statement of financial position as at March 31, 2017 and March 31, 2016**

<i>(in thousands of Euro)</i>	<b>March 31, 2017</b>	<b>March 31, 2016</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Intangible assets	3,775	4,107
Goodwill	4,658	0
Property, plant and equipment	12,691	12,618
Investments	2	0
Receivables from others	772	700
Deferred tax assets	2,204	1,182
<b>TOTAL NON-CURRENT ASSETS</b>	<b>24,102</b>	<b>18,607</b>
<b>CURRENT ASSETS</b>		
Inventories	18,991	16,344
Trade receivables	27,747	23,801
Others current assets	3,411	1,823
Derivative assets	0	70
Tax receivables	1,011	328
Cash and cash equivalents	15,288	10,214
<b>TOTAL CURRENT ASSETS</b>	<b>66,449</b>	<b>52,581</b>
<b>TOTAL ASSETS</b>	<b>90,550</b>	<b>71,188</b>

**Consolidated statement of financial position as at March 31, 2017 and March 31, 2016**

<i>(in thousands of Euro)</i>	<b>March 31, 2017</b>	<b>March 31, 2016</b>
<b>LIABILITIES</b>		
<b>EQUITY</b>		
Share Capital	1,000	1,000
Share premium reserve	1,000	1,000
Other reserves	1,042	737
Retained earnings	31,942	30,212
Group profit for the period	3,435	3,946
<b>Total equity attributable to the Group</b>	<b>38,420</b>	<b>36,895</b>
Capital and Reserves attributable to minority interests	(105)	(37)
Profit/(loss) for the period attributable to minority interests	(31)	(68)
<b>Total share attributable to minority interests</b>	<b>(136)</b>	<b>(105)</b>
<b>TOTAL EQUITY</b>	<b>38,284</b>	<b>36,790</b>
<b>NON-CURRENT LIABILITIES</b>		
Borrowings	13,676	7,046
Payables to other lenders for lease agreements	916	1,431
Other non current liabilities	2,209	0
Provision for employee benefits	1,756	291
Provision for risk and chargers	1,970	1,087
Deferred tax liabilities	0	0
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>20,527</b>	<b>9,854</b>
<b>CURRENT LIABILITIES</b>		
Borrowings	5,987	7,881
Payables to other lenders for lease agreements	691	606
Derivative liabilities	11	0
Trade Payables	20,244	12,521
Other current liabilities	4,344	3,078
Tax payables	464	458
<b>TOTAL CURRENT LIABILITIES</b>	<b>31,740</b>	<b>24,544</b>
<b>TOTAL LIABILITIES</b>	<b>52,267</b>	<b>34,398</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>90,550</b>	<b>71,188</b>



**Consolidated income statement for the period ended March 31, 2017 and March 31, 2016**

<i>(in thousands of Euro)</i>	<b>Twelve months as of March 31, 2017</b>	<b>Twelve months as of March 31, 2016</b>
<b>REVENUES</b>		
Revenues from sales	75,912	69,311
Other income	2,332	1,241
<b>TOTAL REVENUES (A)</b>	<b>78,243</b>	<b>70,552</b>
<b>OPERATING COSTS</b>		
Change in inventories	2,848	(574)
Costs for purchases	16,407	13,568
Costs for services and leases and rental	32,323	33,357
Personnel costs	16,818	15,310
Amortization, depreciation and write-downs	3,583	2,914
Other operating costs	575	262
<b>TOTAL OPERATING COSTS (B)</b>	<b>72,555</b>	<b>64,837</b>
<b>OPERATING PROFIT (A-B)</b>	<b>5,689</b>	<b>5,716</b>
<b>FINANCIAL INCOME AND COSTS</b>		
Financial income	885	938
Financial costs	(1,203)	(811)
<b>TOTAL FINANCIAL INCOME AND COSTS</b>	<b>(318)</b>	<b>127</b>
<b>RESULT BEFORE TAX</b>	<b>5,370</b>	<b>5,842</b>
Income tax	(1,966)	(1,964)
<b>PROFIT FOR THE PERIOD</b>	<b>3,405</b>	<b>3,878</b>
attributable to:		
EQUITY HOLDERS OF THE COMPANY	3,435	3,946
MINORITY INTERESTS	(31)	(68)
<b>(Basic) EARNING PER SHARE</b>	<b>0.068</b>	<b>0.078</b>

**Consolidated cash flow statement as at March 31, 2017 and March 31, 2016**

(in thousands of Euro)	March 31, 2017	March 31, 2016
<b>Profit before tax</b>	<b>5,370</b>	<b>5,842</b>
Adjustments for:		
Depreciation of property, plant and equipment/Amortisation of intangible assets	2,492	2,472
Write-downs of property, plant and equipment and intangible assets	565	173
Provision for bad debts	(478)	269
Adjustment to the provision for employee benefits	0	0
Net financial costs/(income), including foreign exchange differences	318	(127)
<b>Cash flow from operating activities before changes in working capital</b>	<b>8,268</b>	<b>8,629</b>
Change in trade receivables (net of the provision)	2,520	(885)
Change in inventories	2,467	(382)
Change in other current assets	(3,173)	(303)
Change in trade payables	(6,536)	(1,136)
Change in provisions for risks and charges	(590)	207
Change in other current liabilities	1,758	(189)
Change in tax receivables/payables	(539)	874
<b>Cash flow from operating activities after changes in working capital</b>	<b>4,175</b>	<b>6,816</b>
Taxes paid	(1,866)	(1,975)
Interest paid	(189)	383
<b>Cash flow generated from operating activities (A)</b>	<b>2,119</b>	<b>5,224</b>
Investments in and disinvestments from intangible assets	(315)	(225)
Variation of consolidation area (The Bridge S.p.A.)	620	0
Disinvestment for the sale of the Saint Honoré store	1,530	0
Investments in and disinvestments from property, plant and equipment	(1,116)	(2,158)
<b>Changes generated from investing activities (B)</b>	<b>719</b>	<b>(2,383)</b>
<b>Financing activities</b>		
Change in long-term financial receivables	0	0
Change in short-and medium/long-term borrowings	4,633	(2,307)
Changes in financial instruments	59	(70)
Lease instalments paid	(605)	(700)
Change in the translation reserve	148	0
Other minor changes	0	(255)
Dividends paid	(2,000)	(2,000)
<b>Cash flow generated from/(absorbed by) financing activities (C)</b>	<b>2,236</b>	<b>(5,332)</b>
Net increase (decrease) in cash and cash equivalents (A+B+C)	5,074	(2,491)
<b>Cash and cash equivalents at the beginning of the period</b>	<b>10,214</b>	<b>12,705</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>15,288</b>	<b>10,214</b>

**Separate statement of financial position of Piquadro S.p.A. as at March 31,  
2017 and March 31, 2016**

<i>(in Euro units)</i>	<b>March 31, 2017</b>	<b>March 31, 2016</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Intangible assets	1,836,354	1,909,069
Property, plant and equipment	9,343,147	10,109,057
Financial assets	8,799,966	7,142,746
Receivables from others	292,000	307,881
Deferred tax assets	791,349	780,328
<b>TOTAL NON-CURRENT ASSETS</b>	<b>21,062,816</b>	<b>20,249,081</b>
<b>CURRENT ASSETS</b>		
Inventories	11,418,708	13,793,407
Trade receivables	21,538,394	23,570,322
Receivables due from group companies	13,792,915	6,213,160
Others current assets	2,309,377	1,235,697
Receivables for derivative financial instruments	0	70,340
Tax receivables	486,690	101,576
Cash and cash equivalents	13,346,382	8,477,766
<b>TOTAL CURRENT ASSETS</b>	<b>62,892,466</b>	<b>53,462,268</b>
<b>TOTAL ASSETS</b>	<b>83,955,282</b>	<b>73,711,349</b>

**Separate statement of financial position of Piquadro S.p.A. as at March 31,  
2017 and March 31, 2016**

<i>(in Euro units)</i>	<b>March 31, 2017</b>	<b>March 31, 2016</b>
<b>LIABILITIES</b>		
<b>EQUITY</b>		
Share Capital	1,000,000	1,000,000
Share premium reserve	1,000,000	1,000,000
Other reserves	1,234,840	1,294,369
Retained earnings	30,695,785	28,877,211
Group profit for the exercise	3,005,842	3,817,974
<b>EQUITY</b>	<b>36,936,467</b>	<b>35,989,554</b>
<b>NON-CURRENT LIABILITIES</b>		
Borrowings	13,676,094	7,045,569
Payables to other lenders for lease agreements	830,480	1,430,646
Other non current liabilities	2,209,000	0
Provision for employee benefits	294,147	290,924
Provision for risk and chargers	814,670	1,210,712
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>17,824,391</b>	<b>9,977,851</b>
<b>CURRENT LIABILITIES</b>		
Borrowings	5,826,963	7,697,717
Payables to other lenders for lease agreements	600,166	605,915
Trade Payables	14,788,269	11,870,849
Payables due to group companies	5,286,741	4,568,599
Payables for derivative financial instruments	10,940	4,568,599
Other current liabilities	2,681,345	2,598,130
Current income tax liabilities	0	402,734
<b>TOTAL CURRENT LIABILITIES</b>	<b>29,194,424</b>	<b>27,743,944</b>
<b>TOTAL LIABILITIES</b>	<b>47,018,815</b>	<b>37,721,795</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>83,955,282</b>	<b>73,711,349</b>

**Separate income statement of Piquadro S.p.A. for the period ended March 31, 2017 and March 31, 2016**

<i>(in Euro units)</i>	<b>Twelve months as of March 31, 2017</b>	<b>Twelve months as of March 31, 2016</b>
<b>REVENUES</b>		
Revenues from sales	67,239,637	66,733,862
Other income	760,238	1,010,977
<b>TOTAL REVENUES (A)</b>	<b>67,999,875</b>	<b>67,744,839</b>
<b>OPERATING COSTS</b>		
Change in inventories	2,374,699	(459,494)
Costs for purchases	18,895,421	18,596,008
Costs for services and leases and rental	28,519,636	31,386,120
Personnel costs	11,094,901	10,346,533
Amortisation, depreciation and write-downs	2,274,540	2,123,092
Other operating costs	500,578	190,461
<b>TOTAL OPERATING COSTS (B)</b>	<b>63,659,775</b>	<b>62,182,720</b>
<b>OPERATING PROFIT (A-B)</b>	<b>4,340,100</b>	<b>5,562,119</b>
<b>FINANCIAL INCOME AND CHARGES</b>		
Financial income	905,661	761,651
Financial charges	(896,951)	(607,828)
<b>TOTAL FINANCIAL INCOME AND CHARGES</b>	<b>8,710</b>	<b>153,823</b>
<b>PRE-TAX RESULT</b>	<b>4,348,810</b>	<b>5,715,942</b>
Income tax expenses	(1,342,968)	(1,897,968)
<b>PROFIT FOR THE PERIOD</b>	<b>3,005,842</b>	<b>3,817,974</b>

**Piquadro S.p.A. cash flow statement as at March 31, 2017 and March 31, 2016**

(in thousands of Euro)	March 31, 2017	March 31, 2016
<b>Pre-tax profit</b>	<b>4,349</b>	<b>5,716</b>
Adjustments for:		
Depreciation of property, plant and equipment/Amortisation of intangible assets	1,835	1,806
Write off tangible and intangible assets	0	48
Other provisions	0	21
Provision for bad debts	440	269
Adjustment to the provision for employee benefits	0	0
Dividends received	(339)	0
Net financial charges (income), including exchange rate differences	(9)	(154)
<b>Cash flow from operating activities before changes in working capital</b>	<b>6,276</b>	<b>7,706</b>
Change in trade receivables (net of the provision)	1,592	(1,133)
Change in trade receivables (group companies)	(7,580)	222
Change in inventories	2,375	(459)
Change in other current assets	(1,058)	(157)
Change in trade payables	2,917	(1,071)
Change in trade payables (group companies)	3,118	107
Change in provisions for risks and charges	(238)	83
Change in other current liabilities	85	(50)
Change in tax receivables/payables	(788)	1,115
<b>Cash flow from operating activities after changes in working capital</b>	<b>6,700</b>	<b>6,363</b>
Payment of taxes	(1,332)	(1,825)
Interest paid	9	154
<b>Cash flow generated from operating activities (A)</b>	<b>5,377</b>	<b>4,692</b>
Investments in intangible assets	(360)	(225)
Investments in property, plant and equipment	(880)	(1,209)
Disinvestments in property, plant and equipment	246	0
Investments in financial assets	(332)	(947)
Disinvestments in financial assets	0	0
Dividends received	339	0
Investments for The Bridge S.p.A. acquisition	(1,675)	0
<b>Changes generated from investing activities (B)</b>	<b>(2,662)</b>	<b>(2,381)</b>
<b>Financing activities</b>		
Repayment and registering of borrowings	4,760	(1,695)
Changes in derivative financial instruments	0	70
Lease instalments paid	(606)	(673)
Other movements	0	(89)
Payment of dividends	(2,000)	(2,000)
<b>Cash flow generated from/(absorbed by) financing activities (C)</b>	<b>2,154</b>	<b>(4,387)</b>
Net increase (decrease) in cash and cash equivalents (A+B+C)	4,869	(2,076)
<b>Cash and cash equivalents at the beginning of the period</b>	<b>8,478</b>	<b>10,554</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>13,346</b>	<b>8,478</b>