PIQUADRO

Press release

Piquadro S.p.A:

The Board of Directors approved the Consolidated Half-year Financial Report as of September 30, 2010

- **Consolidated revenue** amounted to **€ 27.12 million** (**+17.8%** compared to the same period of the previous year);
- **EBITDA** amounted to € **7.19 million** (**+22.9%** compared to the same period of the previous year)
- **EBIT** amounted to € **6.29 million** (**+29.22%** compared to the same period of the previous year)
- **Consolidated Net Profit** amounted to € **3.89 million** (**+36.3%** compared to the same period of the previous year)
- **Net Financial Position** at € **7.34 million**, (it was **5.33 million** as of March 31, 2010) with an improvement of about € 3 million compared to September 30, 2009.

Silla di Gaggio Montano (Bologna), November 18, 2010 – Today the **Board of Directors** of **Piquadro S.p.A**, which designs, manufactures and distributes innovative-design, high-tech leather goods, approved its Consolidated Half-year Financial Report as of **September 30, 2010**.

For the half-year at September 30, 2010, the Piquadro Group reported **consolidated revenue** of € **27.12 million**, **up 17.8%** compared to € 23 million for the same period of the previous year. In the first six months of the 2010/2011 financial year, **sales volumes** in terms of quantities sold in the reporting period, **increased** about **6.7 %** compared to the same period of the 2009/2010 financial year.

Revenue of the **DOS** channel **increased** by about **26.2%** compared to the same period of the previous financial year. On a like-for-like basis, **Same Store Sales Growth – SSSG** indicator, i.e., DOS channel revenue excluding the sales reported by stores not present during the previous year, increased by 11.1% at current exchange rates (adjusted for the different amount of business days and exchange rates, **SSSG** rose by approximately 9.8%). In the second quarter (July-September 2010), on a like-for-like basis revenue of the DOS channel increased by 13.6% at current exchange rates (adjusted for the different amount of business days and exchange rates the indicator rose by 12.3 %).

Sales of the **Wholesale** channel, which at September 30, 2010 accounted for 77.9% of the Group's total revenue, **increased by 15.6%**, as it benefited of the opening of a further 14 franchised stores — 7 in Italy, 6 in Europe and 1 in China — compared to the same period of financial year 2009/2010.

On a global level, Piquadro Group's revenue for the second quarter increased by **19.9%** compared to the same period of the previous financial year.

As of September 30, 2010, **EBITDA** of the Piquadro Group was € **7.19 million** (with **a ratio of 26.53%** to net sales revenue), **up about 22.9%** compared to the same period of 2009/2010 financial year (€ 5.85 million, or 25.42% of net sales revenue). This performance has also been positively influenced by goodwill for the transfer of the rental agreement for the Frankfurt store, classified as a non-recurring income component. Performance at EBITDA level net of this effect is in any event highly significant and is equal to an increase of about **17.7%** (Euro 6.89 million representing 25.42% of net sales revenue).

Group **EBIT** was about € **6.29 million** (**23.21% of net sales revenue**), **up about 29.22%** compared to September 30, 2009 (€ 4.87 million, or 21.16% of net sales revenue). Also at EBIT level performance has been positively influenced by the sum of Euro 300,000 as goodwill for the transfer of the rental agreement for the Frankfurt store, classified as a non-recurring income component. Performance at EBIT level net of this effect increased by about 23.06% (€ 5.99 million representing 22.1% of net sales revenue).

In the first half of 2010, Group **Net Profit** reached € **3.89 million, up** about **36.3%** compared to € 2.85 million for the same period of the previous financial year.

As of September 30, 2010, **Net Financial Position** was negative at € **7.34 million**. Compared to March 31, 2010 Net Financial Position rose **by about Euro 2 million** due primarily to the seasonal effect and in order to support the growth achieved in terms of net working capital. As of September 30, 2010 Net financial debt improved by about **€ 3 million** compared to the same period of the previous year, after having paid dividends of € 4 million, bearing witness of the Group's strong cash-generating capacity through a sound profitability, a careful management of working capital and the Group's investment policy.

"These figures confirmed the recovery trends observed in the first quarter, which justify a reasonable optimism," affirmed **Marco Palmieri, Chairman and CEO** of Piquadro. *"Despite the situation which is still unstable and uneven in geographical terms, the double digit increase in turnover and all the company's profitability indicators mean that we can look to the future with growing confidence, also in view of highly positive data on orders received relating to the sales campaigns for collections for delivery in the next few months. The recovery of consumption was particularly significant in some of Piquadro's strategic foreign markets, e.g. Russia, where the company operates through 7 single-brand franchise stores, and the Far East, where we currently have 19 directly operated stores. In the retail sector, we will continue to pursue a strategy of expansion of the single-brand network and internationalisation of the brand, and thanks to the 12 new stores to be opened in November and December we will achieve a total of 103 single-brand stores, ahead of the 100 Piquadro branded stores set as a goal for the end of this financial year in Italy and abroad."*

Outlook for 2010/2011

The results reached in the first six months at September 30, 2010 confirmed management's expectations in terms of revenue growth. Despite the situation which is still unstable and uneven in geographical terms, the order figures for sales campaigns with deliveries in the next few months continue to indicate a decidedly positive trend in the reference market for the Piquadro Group. The Group is committed to developing its brand internationally both focussing on strategic areas of the Far East where the economic recovery is already showing its first effects and through its network of single-brand, directly operated and franchise stores. Forecasts for the whole year ending March 31, 2011 are linked to the recovery trends emerging in various markets in which the Group operates and has important market shares. The recovery of consumer spending in several countries, and first and foremost in Russia, where the Company is operating through seven franchise stores, should boost international development performances. Based on current market indications and the performance of ongoing sales campaigns, management expects that the end of March 2011 will show a rise in the amount of sales generated by the DOS channel, chiefly owing to new locations (including those opened during the previous year) and an uptrend compared to the previous year in sales through the wholesale channel, due to restocking transactions by multi-brand customers and the recovery of the markets in which the Group has always had a leading position. In this scenario, management constantly strives to monitor possible recovery trends and maintain margins in excess of the average, which will allow the Company to make greater commitments to research and development as well as marketing with the aim of further raising awareness of the Piquadro brand throughout the world.

Pursuant to Section 2 of Article 154-*bis* of Legislative Decree No. 58/1998, the executive in charge of the financial reports of Piquadro S.p.A., Roberto Trotta, declares that the accounting information contained in this press release corresponds to the documented results, books and accounting records.

Significant Events After September 30, 2010

After September 30, 2010, as part of its ongoing development and distribution mix plan, primarily for the Far East, the Group opened two new DOS stores (IFC Mall in Beijing, People's Republic of China, and in Frankfurt, Germany) in October, and one new franchise store in Beirut. Furthermore, the company signed a distribution agreement to deliver its products in Canada, while opening a new franchise store in Toronto.

Other information

The Board of Directors has also approved the procedure governing the related parties' transactions pursuant to CONSOB regulation n. 17221/20 having obtained the compulsory prior favorable opinion of Independent Directors.

Piquadro

Founded in 1987, Piquadro is an Italian brand of professional and travel leather goods characterized by innovative design and technological content. The company originated from an idea of Marco Palmieri, the current Chairman and Chief Executive Officer. Piquadro is headquartered in Silla di Gaggio Montano, near Bologna, where it carries out all design, project, planning, acquisition, quality control, logistics, marketing, communications and distribution activities.
In the fiscal year ended March 31, 2010, consolidated revenues amounted to € 52.2 million (+1% compared to March 31, 2009).
Piquadro sells its products in over 50 countries worldwide, through a distribution network that includes 91 single brand boutiques (49 in Italy and 42 abroad, of which 41 directly operated stores and 50 franchised stores).
Piquadro has been listed on the Italian Stock Exchange since October 2007.

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Interim Consolidated statement of financial position as at September 30, 2010 and March 31, 2010

(in thousands of euro)	**September 30, 2010**	**March 31, 2010**
NON-CURRENT ASSETS		
Intangible assets	699	648
Tangible fixed assets	11,104	11,517
Other receivables	517	539
Deferred tax assets	1,170	1,112
TOTAL NON-CURRENT ASSETS	**13,490**	**13,816**
CURRENT ASSETS		
Inventories	11,909	7,618
Trade receivables	22,031	20,255
Other current assets	1,944	1,513
Receivables for derivative financial instruments	-	69
Cash and cash equivalents	8,642	9,317
TOTAL CURRENT ASSETS	**44,526**	**38,772**
TOTAL ASSETS	**58,016**	**52,588**

LIABILITIES AND SHAREHOLDERS' EQUITY		
(in thousands of euro)	**September 30, 2010**	**March 31 2010**
SHAREHOLDERS' EQUITY		
Share capital	1,000	1,000
Share premium reserve	1,000	1,000
Other reserves	293	484
Retained earnings	14,402	11,159
Group profit for the year	3,884	7,243
Total Group shareholders' equity	**20,579**	**20,886**
Minority interest capital and reserves	-	201
Net profit(loss) pertaining to minority interests	-	(120)
Total minority interest share	**-**	**81**
SHAREHOLDERS' EQUITY	**20,579**	**20,967**
NON-CURRENT LIABILITIES		
Financial payables	4,647	6,046
Payables to other lenders for leasing contracts	4,818	5,248
Provisions for employee benefits	282	287
Provisions for risks and charges	779	728
Deferred tax liabilities	426	426
TOTAL NON-CURRENT LIABILITIES	**10,952**	**12,735**
CURRENT LIABILITIES		
Financial payables	5,605	2,409
Payables to other lenders for leasing contracts	920	948
Liabilities for derivative financial instruments	278	17
Trade payables	15,134	12,849
Other current liabilities	2,643	2,663
Tax payables	1,905	-
TOTAL CURRENT LIABILITIES	**26,458**	**18,886**
TOTAL LIABILIITES	**37,437**	**31,621**
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	**58,016**	**52,588**

Interim Consolidated income statement for the period ended September 30, 2010 and 2009

(in thousands of euro)	**1st Half 2010/2011**	**1st Half 2009/2010**
REVENUE		
Revenues from sales	27,117	23,021
Other income	664	427
- *non-recurring*	*300*	-
TOTAL REVENUE (A)	**27,781**	**23,448**
OPERATING COSTS		
Change in inventories	(4,164)	(761)
Purchases	6,513	3,852
Service costs and rents, leases and similar costs	14,065	10,725
Personnel costs	4,113	3,686
Amortization, depreciation and write-downs	898	981
Other operating costs	61	93
TOTAL OPERATING COSTS (B)	**21,486**	**18,576**
OPERATING PROFIT (A-B)	**6,295**	**4,872**
FINANCIAL INCOME AND CHARGES		
Financial income	604	253
Financial charges	(797)	(618)
TOTAL FINANCIAL INCOME AND CHARGES	**(193)**	**(365)**
PROFIT BEFORE TAXES	**6,102**	**4,507**
Income Taxes	(2,218)	(1,685)
NET PROFIT	**3,884**	**2,822**
attributable to:		
SHAREHOLDERS OF THE PARENT COMPANY	3,884	2,850
MINORITY INTERESTS	-	(28)
EARNINGS PER SHARE (basic) in Euro	0.07768	0.05700
EARNINGS PER SHARE (diluted) in Euro	0.07527	0.05523