



Piquadro S.p.A:

The Board of Directors approved the Consolidated Half-year Financial Report as of September 30, 2011

- **Consolidated revenue** amounted to **€ 30.13 million (+11.1%** compared to the same period of previous year);
- **EBITDA** amounted to **€7.26 million (+1%** compared to the same period of the previous year)
- **Consolidated Net Profit** amounted to **€ 3.91 million (+1%** compared to the same period of the previous year)
- As of today the **number of Piquadro single-brand stores** around the world is **105** (50 DOS and 55 franchised).

Silla di Gaggio Montano (Bologna), November 17, 2011 - 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, 2011**.

For the half-year at September 30, 2011, the Piquadro Group reported **consolidated revenue of € 30.13 million, up 11.1%** compared to € 27.11 million for the same period of the previous year.

The increase in sales is attributable to the good performance recorded on Asian markets as well as to a very satisfactory growth on the Italian market. **The sales growth on the Asian markets**, which represent 7.7% of the Group's revenue, was **15.6%** and was driven by the markets of the so called **Greater China** including Hong Kong, China, Taiwan and Macau where **9 new stores were opened**. The **Italian market**, which accounted for 78.6% of the Group's turnover, showed a **13.4% growth**.

The rise in consolidated revenues was also driven by sales of the **DOS channel** which **increased about 28.6%** compared to the same period of the year ended March 31, 2011. This increase was in turn the result of both the increase in sales volume in existing stores as well as the contribution from the 19 new stores opened after September 30, 2010.

The **Same Store Sales Growth (SSSG)** data, calculated as average global growth rates of profits registered in the existing DOS on April 1, 2010, was positive and equal to the 9.7% growth in the quarter at current exchange rates (equal to the opening days and at constant exchange rates, it was equal to a 13% growth rate).

Sales from the Wholesale channel, which as of September 30, 2011 make up 74.4% of the Group's total revenue, showed a 6.2% increase over the same period in the 2010/2011 financial year, benefiting, among other things, from the opening of 10 more franchise stores (5 in Italy, 3 in Europe, 1 the Middle East and 1 in Canada).

As of September 30, 2011, **EBITDA** of the Piquadro Group was **€7.26 million (with a ratio of 24.1%** to net sales revenue), **up about 1%** compared to the same period of 2010/2011 (€ 7.19 million, 26.5% of net sales revenue). Considering the fact that during the first semester of the previous fiscal year performance (on EBITDA level) was positively influenced by the non-recurring income of three hundred thousand euro obtained for the sale of the lease contract on the Frankfurt store, the net EBITDA growth in the semester ending September 30, 2011, amounts to about **5.4%** (€ 7.3 million on September 30, 2011 as opposed to € 6.9 million on September 2010).



Group **EBIT** was about **€6.20 million (20.6% of net sales revenue)**, **down 1%** compared to September 30, 2010 (€ 6.30 million, 23.2% of net sales revenue). Considering the fact that during the first semester of the previous fiscal year performance (at EBIT level) was positively influenced by the non-recurring income of three hundred thousand euro obtained for the sale of the lease contract on the Frankfurt store, the net EBIT growth in the semester ending September 30, 2011, amounts to about **3.5%** (€ 6.2 million on September 30, 2011 as opposed to € 6 million on September 2010).

In the first half of 2010, **Group Net Profit** reached **€3.91 million, up 1%** compared to € 3.88 million for the same period of the previous financial year. Considering the fact that during the first semester of the previous fiscal year performance (on the Net Profit level) was positively influenced by the non-recurring income of three hundred thousand euro obtained for the sale of the lease contract on the Frankfurt store, the net profit growth in the semester ending September 30, 2011, shows an increase of about **9.0%** compared to the same period of the previous year (€ 3.91 million on September 30, 2011 as opposed to € 3.58 million on September 2010).

As of September 30, 2011, **Net Financial Position** was negative at **€ 8.6 million**. Compared to March 31, 2010 Net Financial Position rose **by about € 4.9 million** due to the seasonal effect and the dividend of € 5 million paid in the month of July 2011. Compared to September 30 2010, Net Financial Position rose by € 1.2 million, due primarily to higher dividends paid in 2011 (dividends of € 5 million paid in 2011 compared to dividends of € 4 million paid in 2010) and to the net working capital trend due to increased inventory and commercial credit.

"Despite the deterioration on the Italian and European scenes in recent months, the half-year results are positive and demonstrate the success of the strategic choices we made in retail development and the push towards internationalising the brand" states **Marco Palmieri, President and CEO of Piquadro**. *"The company will continue to follow these strategies by expanding the network of single-brand boutiques - DOS as well franchised - paying special attention to the strategic areas of the Far East and Eastern Europe."*

Outlook for 2010/2011

The results reached during the first six months of the 2011/2012 fiscal year, while confirming management expectations in terms of revenue growth, suffered however, due to the changing domestic and international scenario of the new crisis that we are facing as of August 2011. The new wave of financial crisis, especially in the domestic and European markets, has created a situation of general instability and, besides having influenced the dynamics of consumption growth, seems to have also profoundly affected the possibility of credit access for small and mid-sized companies which, particularly in Italy, represent a large part of Piquadro's *multibrand* clientele. This obviously influenced the first quarter results and consequently it seems that it could curtail the Group's growth expectations in some of the countries that are the hardest hit by the new financial crisis. Nevertheless, the SSSG in Italy for the month of October again registered positively even if it is less than the progress during the first six months of the fiscal year. The Group continues to pursue *brand* development on an international level, with close attention being paid to the strategic areas of the Far East and Eastern Europe through the development of the network of single-brand stores, DOS and franchise stores. Because of both the altered economic and financial conditions and the poor visibility that the new wave of crisis has provoked, the expectations for the entire fiscal year, which will close on March 31, 2012, are attached to recovery trends and the Group's ability to leverage the leadership gained in some markets. However, for the end of March 2012, management expects dimensional growth in the revenue generated by the *DOS* channel mainly due to new openings (including those opened during the course of the previous fiscal year); in the wholesale channel, a context in which visibility is considerably rare, the group will be engaged in seizing all opportunities from the domestic and international market. In this context, management is constantly aimed at monitoring any recovery trends and maintaining margins above the



sector average which can allow for greater efforts in research and development activities along with marketing activities which can further develop awareness of the Piquadro name 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, 2011

Since October 1, 2011 no significant events were reported at Company or Group level.

Piquadro

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, 2011, consolidated revenues amounted to € 61.8 million (+18.4% compared to March 31, 2010).

Piquadro sells its products in over 50 countries worldwide, through a distribution network that includes 105 single-brand boutiques (56 in Italy and 49 abroad di cui 50 DOS-directly operated stores and 55 franchised).

Piquadro has been listed on the Italian Stock Exchange since October 2007.

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LIABILITIES AND SHAREHOLDERS' EQUITY		
<i>(in thousands of euro)</i>	September 30, 2011	March 31 2011
SHAREHOLDERS' EQUITY		
Share capital	1,000	1,000
Share premium reserve	1,000	1,000
Other reserves	515	404
Retained earnings	18,499	14,402
Group profit for the year	3,908	9,097
Total Group shareholders' equity	24,922	25,903
Minority interest capital and reserves	-	-
Net profit(loss) pertaining to minority interests	-	-
Total minority interest share	-	-
SHAREHOLDERS' EQUITY	24,922	25,903
NON-CURRENT LIABILITIES		
Financial payables	3,547	5,266
Payables to other lenders for leasing contracts	4,033	4,469
Provisions for employee benefits	231	258
Provisions for risks and charges	834	852
Deferred tax liabilities	479	470
TOTAL NON-CURRENT LIABILITIES	9,124	11,315
CURRENT LIABILITIES		
Financial payables	10,593	3,805
Payables to other lenders for leasing contracts	797	865
Liabilities for derivative financial instruments	4	38
Trade payables	18,123	13,301
Other current liabilities	3,389	3,887
Tax payables	2,579	736
TOTAL CURRENT LIABILITIES	35,485	22,632
TOTAL LIABILITIES	44,609	33,947
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	69,531	59,850



Interim Consolidated income statement for the period ended September 30, 2011 and 2010

<i>(in thousands of euro)</i>	September 30, 2011	September 30, 2010
REVENUE		
Revenues from sales	30,133	27,117
Other income	304	664
- <i>non-recurring</i>	-	300
TOTAL REVENUE (A)	30,437	27,781
OPERATING COSTS		
Change in inventories	(3,978)	(4,164)
Purchases	6,835	6,513
Service costs and rents, leases and similar costs	14,954	14,065
Personnel costs	5,270	4,113
Amortization, depreciation and write-downs	1,113	898
Other operating costs	41	61
TOTAL OPERATING COSTS (B)	24,235	21,486
OPERATING PROFIT (A-B)	6,202	6,295
- <i>non recurring</i>	-	300
FINANCIAL INCOME AND CHARGES		
Financial income	786	604
Financial charges	(775)	(797)
TOTAL FINANCIAL INCOME AND CHARGES	11	(193)
PROFIT BEFORE TAXES	6,213	6,102
Income Taxes	(2,305)	(2,218)
NET PROFIT	3,908	3,884
attributable to:		
SHAREHOLDERS OF THE PARENT COMPANY	3,908	3,884
MINORITY INTERESTS	-	-
EARNINGS PER SHARE (basic) in Euro	0.07816	0.07768
EARNINGS PER SHARE (diluted) in Euro	0.07574	0.07527



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