



Piquadro S.p.A:
The Board of Directors approved
the consolidated interim report as of December 31, 2013

- **Consolidated revenue of € 45.3 million** in the first nine months of fiscal year 2013-14 (+11.9% compared to the € 40.5 million of the first nine months of the previous year); € 15,4 million in the third quarter of financial year 2013-14 (+17,7% compared to the same quarter of the financial year 2012-13);
- **EBITDA of € 6.4 million equal to 14% of consolidated turnover** in the first nine months of financial year 2013-14 (6.6 million of revenues in the first nine months of the previous year); € 1.8 million in the third quarter of financial year 2013-14 (+20.1% compared to the same quarter of the financial year 2012-13);
- **Consolidated net profit of € 2.6 million in the first nine months of financial year 2013-14** (€ 2.9 million in the first nine months of the previous year); € 0.6 million in the third quarter of financial year 2013-14 (+37% compared to the same quarter of the financial year 2012-13);
- At present, there are **57 DOSs** and **44 franchises for a total of 101 Piquadro brand boutiques** around the world.

Milan, 11 February 2014 – Today the Board of Directors of Piquadro S.p.A., which designs, manufactures and distributes professional and travel leather goods featuring cutting edge designs and innovative technology, approved the Consolidated Quarterly report as of December 31, 2013 for the first nine months of financial year 2013/2014.

For the first nine months of the year as of December 31, 2013 **consolidated revenue** amounted to **€ 45.3 million, up 11.9%** compared to about € 40.5 million for the same period of the previous year. That increase was determined by the growth of both DOS and Wholesale distribution channels.

The **revenues** reported by the **DOS** channel showed an increase of about 16.8% compared to the same period of the 2012/2013 financial year. On a like for like basis, deducting the sales recorded by the shops which were not yet opened as at 1st April 2012, the performance of sales revenues reported by the DOS channel was about 1.7%. The Same Store Sales Growth (**SSSG**) assuming an equal number of days open and constant exchange rates reported a **2.5%** growth in the first nine months.

The **revenues** of the **Wholesale** channel, which represented 64.1% of the Group total turnover on 31 December 2013, showed a **9.3% increase** due to a 29.4% increase in sales in foreign markets. Sales in the **European Wholesale** market grew by 20.9% and, on 31 December 2013, represent 27% of net sales. On 31 December 2013 the **Foreign Market Wholesale** channel (which includes Europe and the area outside of Europe defined as the “Rest of the World”), represented **19.2%** of consolidated net sales (16.6% as of December 31, 2012). The **Italian Wholesale channel** represents 44.9% of consolidated net sales (49.0% on 31 December 2012) with a 2.5% increase.

In the third quarter 2013/2014 (October-December 2013) the **consolidated revenue** was **up 17.7%** compared to the third quarter of 2012/2013, with the **DOS** channel at **+16.0%** and the **Wholesale** channel at **+18.9%**.

Sales in the **Italian market**, which accounted for a 70.7% of the Group’s turnover, were up **8.7%**, also due to the opening of 6 DOS Directly operated stores and 1 franchised store. The **European market** recorded increasing revenues up by 25.0% (Euro 9.7 million with a ratio of 21.4% of the net sales revenues) compared to the same period in 2012/2013 (19.2% as of December 31, 2012). The **Extra European market** (called the “Rest of the World” with Piquadro selling its products in 16 countries) showed a 9.9% increase compared to the first nine months of 2012/2013.



As to the earning results of the first nine months of the financial year 2013-14, the Piquadro Group reported an **EBITDA of € 6.4 million** compared to € 6.6 million registered during the first nine months of the year ended December 31, 2012. **EBITDA margin was 14.0%**. In the quarter October-December 2013 the Piquadro Group reported an **EBITDA of € 1.8 million, up 20.1%** compared to € 1.5 million registered during the third quarter of the year ended December 31, 2012. **EBITDA margin of the third quarter of financial year 2013-14 was 11.5%**. **EBIT stood at € 4.5 million** compared to € 4.7 million registered as of December 31, 2012. **EBIT margin was 10.0%**. **EBIT of the third quarter 2013/14 stood at € 1.1 million, up 44%** compared to € 0.8 million registered in the third quarter of the previous year. EBIT margin was 7.4%. **Consolidated Net Profit was € 2.6 million**, down 10.5% compared to December 31, 2012. **Consolidated Net Profit for the third quarter of 2013/14 was € 0.6 million, up 37.0%** compared to the same quarter of 2012/13.

Net Financial Debt as of December 31, 2013 was approximately € 14.5 million. The main reasons for the dynamics of the Net Financial Debt compared to March 31, 2013 (€ 8.5 million) are the distribution of € 1 million dividend, investments for € 3 million in tangible and intangible assets and € 6.2 million increase in net working capital due to the diverse seasonal dynamics. Compared to December 31, 2013 Net Financial Position rose by about € 1.3 million due to the increased net working capital of the growing Group.

«The growth of the first nine months and the considerable increase in sales and earnings performance recorded in the third quarter testify the validity of the strategies so far and allow us to look toward the future with confidence even in the present uncertain economic scenario» said **Marco Palmieri, President and CEO of Piquadro**. *«The positive trend of the directly operated stores (DOS), which are growing even in the difficult economic situation of the Italian market, also demonstrate that the originality of the brand positioning and the strong distinctive features of the product, can be successful elements on the domestic as well as on the international market, if they are supported by suitable communication campaigns and solid operations»*.

Outlook 2013/2014

The development of the Piquadro Group in the financial year 2013/2014 will be influenced by the economic scenario in which it operates, mainly Italy which represents an important share, and by the Group's ability to pursue the international growing process which has showed its initial successes in the first nine months.

The increased revenues registered at 31 December 2013 and the improving sales and revenues performance of the third quarter, together with the positive trend of the directly operated stores, which grew even in the difficult economic scenario of the domestic market, testify that the Group's investments in a glamorous brand repositioning are generating the results expected by the Management.

The Group is focusing on global development and is consistently pursuing a strategy to increase the international visibility and awareness of the Piquadro brand, a strategy that brought the openings of single-brand stores in Paris, Venice, Florence, Forte dei Marmi, Turin and Beijing, London will follow in March 2014.

The management foresees the fourth quarter of the financial year 2013-14 will register the same trend as the third quarter of the year.

Relevant facts after December 31, 2013

Since January 1, 2014 to the date of this report, there were no significant events occurring at the Group level.

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, corresponds to the documented results, books and accounting records.

The interim consolidated financial report as of December 31, 2013 will be made available to the public at the company's Registered Office and through the NIS circuit at the Italian Stock Market as well as on the website www.piquadro.com in the Investor Relations section within today.



Piquadro S.p.A

Piquadro is an Italian brand of professional and travel items characterized by innovative design and technological content. In Piquadro products, the flair of Italian craftsmanship, the quality of selected leather and attention to detail combine with the three distinctive values that inspire the brand: design, functionality and technology.

The Company's origins date back to 1987 and an idea of Marco Palmieri, its Chairman and Chief Executive Officer. Piquadro is based in Silla di Gaggio Montano, near Bologna, where all design, project, planning, acquisition, quality control, logistics, marketing, communications and distribution activities are carried out. In financial year 2012/2013, which ended on March 31, 2013, the Group's consolidated sales amounted to Euro 56.3 million and its consolidated net profit was approximately Euro 3.3 million.

Piquadro sells its products in over 50 countries worldwide, through a distribution network that includes 101 single - brand boutiques (56 in Italy and 45 abroad, 57 DOS – directly operated stores and 44 franchised). Piquadro has been listed on the Italian Stock Exchange since October 2007.

Piquadro S.p.A.

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**Consolidated statement of financial position as at December 31, 2013 and March 31, 2013**

<i>(in thousands of Euro)</i>	31 December 2013	31 March 2013 Restated¹⁾
ASSETS		
NON-CURRENT ASSETS		
Intangible assets	4,957	3,951
Property, plant and equipment	12,894	12,684
Receivables from others	779	877
Deferred tax assets	1,525	1,424
TOTAL NON-CURRENT ASSETS	20,155	18,936
CURRENT ASSETS		
Inventories	16,808	14,227
Trade receivables	24,434	21,517
Others current assets	1,433	870
Tax receivables	1,286	1,447
Receivables for derivative financial instruments	-	-
Cash and cash equivalents	15,088	20,476
TOTAL CURRENT ASSETS	59,049	58,537
TOTAL ASSETS	79,204	77,473

**Consolidated statement of financial position as at December 31, 2013 and March 31, 2013****31 March 2013***(in thousands of Euro)***31 December 2013****Restated¹⁾****LIABILITIES****EQUITY**

Share Capital	1,000	1,000
Share premium reserve	1,000	1,000
Other reserves	623	678
Retained earnings	25,575	23,312
Group profit for the period	2,567	3,263
Total equity attributable to the Group	30,765	29,253
Capital and Reserves attributable to minority interests	20	40
Profit/(loss) attributable to minority interests	(6)	(20)
Total share attributable to minority interests	14	20
EQUITY	30,779	29,273

NON-CURRENT LIABILITIES

Borrowings	13,221	17,420
Payables to other lenders for lease agreements	2,753	3,180
Provision for employee benefits	249	252
Provision for risk and chargers	1,039	1,069
Deferred tax liabilities	102	196
TOTAL NON-CURRENT LIABILITIES	17,364	22,117

CURRENT LIABILITIES

Borrowings	13,036	7,796
Payables to other lenders for lease agreements	571	562
Payables for derivative financial instruments	57	-
Trade Payables	12,540	15,030
Other current liabilities	3,230	2,695
Current income tax liabilities	1,627	-
TOTAL CURRENT LIABILITIES	31,061	26,083

TOTAL LIABILITIES**48,425****48,200****TOTAL EQUITY AND LIABILITIES****79,204****77,473**

**Consolidated income statement for the period ended December 31, 2013 and December 31, 2012**

<i>(in thousands of Euro)</i>	31 December 2013	31 December 2012 Restated¹⁾
Revenues from sales	45,327	40,509
Other income	634	612
OPERATING COSTS		
Change in inventories	(2,877)	(2,649)
Costs for purchases	8,706	9,461
Costs for services and leases and rental	22,582	18,197
Personnel costs	10,592	9,153
Amortisation, depreciation and write-downs	2,166	2,249
Other operating costs	250	58
TOTAL OPERATING COSTS	41,419	36,469
OPERATING PROFIT	4,542	4,652
FINANCIAL INCOME AND CHARGES		
Financial income	397	467
Financial charges	(950)	(715)
TOTAL FINANCIAL INCOME AND CHARGES	(553)	(248)
PRE-TAX RESULT	3,989	4,404
INCOME TAX EXPENSES	(1,428)	(1,542)
PROFIT FOR THE PERIOD	2,561	2,862
Attributable to:		
EQUITY HOLDERS OF THE COMPANY	2,567	2,862
MINORITY INTERESTS	(6)	-
EARNING PER SHARE		
(Basic) EARNING PER SHARE	0.05134	0.05724
(Diluted) EARNING PER SHARE	0.04775	0.05525

¹⁾ Starting from the Half Year Financial Report as at 31 December 2013, the Piquadro Group applied, on a mandatory and retrospective basis, the revised version of IAS 19 – Employee benefits, in relation to the financial statements of the financial years that commenced from 1 April 2013; therefore, the 2012/2013 comparative data were re-determined consistently. The effects of the retrospective application of said changes entailed the failure to recognize an actuarial loss, reported for an amount of Euro 6 thousand in the income statement of the first nine months of the 2012/2013, with an increase in the net profit for the above mentioned period, including the related tax effect of Euro 3 thousand.