HALF-YEAR FINANCIAL REPORT OF THE PIQUADRO GROUP AS AT 30 SEPTEMBER 2010

Disclaimer

This Half-year Financial Report at 30 September 2010 has been translated into English solely for the convenience of the international reader. In the event of conflict or inconsistency between the terms used in the Italian version of the report and the English version, the Italian version shall prevail, as the Italian version constitutes the official document.

Corporate details

Piquadro S.p.A.

Registered office: località Sassuriano, 246-40041 Silla di Gaggio Montano (Province of Bologna – BO)

Authorised share capital: Euro 1,050,000
Subscribed and paid-up share capital: Euro 1,000,000
Bologna Register of Companies, Fiscal Code and VAT no. 02554531208

Production plants, Offices and Directly operated stores ("DOS") through which the Group operates

Silla di Gaggio Montano, località Sassuriano (BO)	*Headquarters, logistics and Offices*
Guangdong, The People's Republic of China (registered office of Uni Best Leather Goods Zhongshan Co. Ltd)	*Production plant*
1. Milan, Via della Spiga 33 (Piquadro S.p.A.)	*Point of sale*
2. Milan, Linate Airport (Piquadro S.p.A.)	*Point of sale*
3. Milan, Malpensa Airport (Piquadro S.p.A.)	*Point of sale*
4. Barcelona, Paseo de Gracia 11, Planta Baja (Piquadro España)	*Point of sale*
5. Rome, Galleria Colonna (Piquadro S.p.A.)	*Point of sale*
6. Bologna, Piazza Maggiore 4/B (Piquadro S.p.A.)	*Point of sale*
7. Barberino del Mugello (FI), c/o 'Factory Outlet Centre' (Piquadro S.p.A.)	*Retail outlet*
8. Fidenza (PR) c/o "Fidenza Village" (Piquadro S.p.A.)	*Retail outlet*
9. Rome – c/o Centro Commerciale Cinecittà (Piquadro S.p.A.)	*Point of sale*
10. Rome – c/o Galleria N. Commerciale di "Porta Roma"(Piquadro S.p.A.)	*Point of sale*
11. Hong Kong, Kowloon Harbour City (Piquadro Hong Kong Ltd)	*Point of sale*
12. Macau, Venetian Mall (Piquadro Macau Limitada)	*Point of sale*
13. Vicolungo (NO) c/o Parco Commerciale (Piquadro S.p.A.)	*Retail outlet*
14. Abu Dhabi, c/o Khalidiyah Mall (Piquadro Middle East Leather Products LLC)	*Point of sale*
15. Hong Kong – Kowloon The Peninsula Hotel (Piquadro Hong Kong Ltd)	*Point of sale*
16. Rome – c/o Euroma 2 (Piquadro S.p.A.)	*Point of sale*
17. Valdichiana (AR), c/o "Valdichiana Outlet Village" (Piquadro S.p.A.)	*Retail outlet*
18. Noventa di Piave (VE), c/o "Factory Outlet Centre" (Piquadro S.p.A.)	*Retail outlet*
19. Dubai, c/o Burjuman Mall (Piquadro Middle East Leather Products LLC)	*Point of sale*
20. Rome, Fiumicino Airport (Piquadro S.p.A.)	*Point of sale*
21. Milan, Via Dante 9 (Piquadro S.p.A.)	*Point of sale*
22. Ingolstadt, c/o "Ingolstadt Village" (Piquadro Deutschland)	*Retail outlet*
23. Bologna, "G. Marconi" Airport (Piquadro S.p.A.)	*Point of sale*
24. Barcelona, c/o "La Roca Village" (Piquadro España)	*Retail outlet*
25. Shanghai – Shanghai International Golden Eagle Square (Piquadro Shenzhen)	*Point of sale*
26. Beijing – Beijing Jinbao Place (Piquadro Shenzhen)	*Point of sale*
27. Taiwan – Taipei Eslite Dun Nan (Piquadro Taiwan)	*Point of sale*
28. Hong Kong – Times Square (Piquadro Hong Kong Ltd)	*Point of sale*
29. Shenzhen – Mix City (Piquadro Shenzhen)	*Point of sale*
30. Hong Kong – Kowloon New Town Plaza (Piquadro Hong Kong Ltd)	*Point of sale*
31. Taiwan – Taipei Xin Yin Shop (Piquadro Taiwan)	*Point of sale*
32. Hong Kong – Kowloon – Isquare Shopping Mall (Piquadro Hong Kong Ltd)	*Point of sale*
33. Hong Kong – Seibu Pacific Place Shopping Mall (Piquadro Hong Kong Ltd)	*Point of sale*
34. Marcianise (CE) - c/o "Factory Outlet Centre" (Piquadro S.p.A.)	*Retail outlet*
35. Hong Kong – Citygate Outlet Store (Piquadro Hong Kong Ltd)	*Retail outlet*
36. Hong Kong – Sogo Causeway Bay(Piquadro Hong Kong Ltd)	*Point of sale*
37. Taiwan – Taipei The Mall Shop (Piquadro Taiwan)	*Point of sale*

INTERIM MANAGEMENT REPORT

Introduction

The consolidated half-year financial report as at 30 September 2010 was prepared in compliance with Article 154-*ter* of Legislative Decree no. 58/1998, as amended, as well as with the Issuers' Regulation issued by Consob (*Commissione Nazionale per le Società e la Borsa,* Italian Securities and Exchange Commission).
This Interim management report was prepared by the Directors in relation to the attached consolidated condensed half-year financial statements of Piquadro S.p.A. (hereinafter also referred to as the "Company") and its subsidiaries ("Piquadro Group") relating to the half-year ended 30 September 2010. The financial statements were prepared in compliance with IAS/IFRS (International Accounting Standards and International Financial Reporting Standards) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union, and were prepared according to the provisions under IAS 34 – Interim financial reporting. The Interim management report must therefore be read together with the accounting statements and the related Explanatory Notes.

Except as otherwise indicated, the amounts entered in this Report are shown in thousands of Euro, in order to facilitate its reading and to improve its clarity.

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* *Testo Unico della Finanza*, Consolidation Act on Finance

A) CORPORATE BODIES HOLDING OFFICE AT 30 SEPTEMBER 2010

- **BOARD OF DIRECTORS**

  (holding office for three years until the date of the Shareholders' Meeting called to approve the financial statements as at 31 March 2013)

Marco Palmieri	*Chairman and CEO*
Marcello Piccioli	*Managing director*
Roberto Trotta	*Managing director*
Pierpaolo Palmieri	*Managing director*
Roberto Tunioli	*Director*
Gianni Lorenzoni	*Director*
Sergio Marchese	*Director*

- **INTERNAL AUDIT AND REMUNERATION COMMITTEE**

  (holding office for three years until the date of the Shareholders' Meeting called to approve the financial statements as at 31 March 2013)

Gianni Lorenzoni	*Chairman*
Sergio Marchese	*Non-executive director*
Roberto Tunioli	*Independent non-executive director*

- **LEAD INDEPENDENT DIRECTOR**

  Gianni Lorenzoni

- **BOARD OF STATUTORY AUDITORS**

  (holding office for three years until the approval of the financial statements as at 31 March 2013)

Regular members

Pietro Michele Villa	*Chairman*
Alessandro Galli	*Auditor*
Vittorio Melchionda	*Auditor*

Substitute members

Matteo Rossi	*Auditor*
Giacomo Passaniti	*Auditor*

- **INDEPENDENT AUDITORS**

  (holding office for nine years until the approval of the financial statements as at 31 March 2016)

  PricewaterhouseCoopers S.p.A.

- **MANAGER RESPONSIBLE FOR THE PREPARATION OF CORPORATE ACCOUNTING DOCUMENTS**

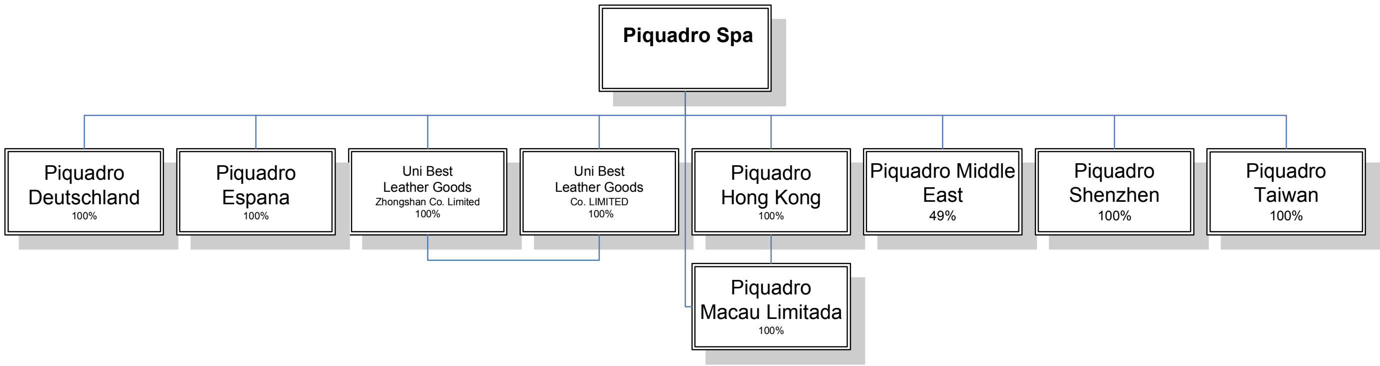
  Roberto Trotta

- **SUPERVISORY BOARD**

  Mario Panzeri

B) THE GROUP STRUCTURE

The chart below shows the structure of the Piquadro Group as at 30 September 2010:



C) INFORMATION ON OPERATIONS

Significant events for the half-year

On 14 June 2010 the Board of Directors of Piquadro SpA approved the financial statements ended 31 March 2010 and proposed to distribute a dividend for a total of Euro 4,000,000 equal to Euro 0.080 per share. At the same time, the Board of Directors of Piquadro SpA took steps to call the Company's Extraordinary Meeting for the approval of amendments to sections 12, 13, 17, 19, 25 and 26 of the Company's By-Laws in order to bring them in line with the current regulations for listed companies.

On 22 June 2010, the Parent Company completed the acquisition of the residual stake held by the Chinese partners in Uni Best Leather Goods Co. Limited, a company based in Hong Kong which, in turn, holds 50% of the joint venture Uni Best Leather Goods (Zhongshan) Co. Ltd – a company incorporated under Chinese law which is responsible for about 40% of the production of the Piquadro Group and of which the Parent Company holds the remaining 50%. Specifically, the Chinese partners held no. 500 shares, equal to 50% of the share capital of Uni Best Leather Goods Co. Limited, while Piquadro S.p.A. directly held the residual 50%. Through this transaction, Piquadro S.p.A. directly holds 100% of Uni Best Leather Goods Co. Limited, and indirectly holds, through the latter, 100% of Uni Best Leather Goods (Zhongshan).
The acquisition described above has entailed a disbursement for Piquadro S.p.A. equal to about HKD 1.6 million (corresponding to about Euro 170 thousand).

The Group, through Piquadro Deutschland GmbH, which holds the lease agreement, completed the sale of the shop directly managed in Frankfurt (Germany). The assignment of this lease agreement to third parties, for an amount equal to about Euro 300 thousand, entailed, for the German subsidiary, the recognition of an income of the same amount in the income statement, which has been considered by the Directors as non-recurring income. In the meanwhile, the Company has identified a new location, again in Frankfurt, more suitable to its needs in terms of traffic and positioning, and for which a key money has been paid for Euro 50 thousand.

The Group's business

Operations

In the first six months of the 2010/2011 financial year, the Group, even if within a macro-economic context which was still dominated by the relative uncertainty of the growth dynamics, reported performances decidedly better than the same period in the 2009/2010 financial year.

In the half-year ended 30 September 2010, the Piquadro Group reported net sales revenues equal to Euro 27,117 thousand, showing an increase equal to more than 17.8% compared to the same period in the 2009/2010 financial year (net sales revenues equal to Euro 23,021 thousand). In the half-year ended 30 September 2010, sales volumes, in terms of quantities sold in the relevant period, showed an increase of about 6.7% compared to the same period in the 2009/2010 financial year. The product families that recorded the most significant increase in terms of sales revenues were those of women's bags (about +48%), travel articles (about +11%) and small leather goods (about +21%), while the product family of organisers/notepad holders (about -30%) showed a reduction.

In the half-year ended 30 September 2010, the Piquadro Group reported average selling prices showing an increase of about 3% compared to the half-year ended 30 September 2009, mainly attributable to the growth in sales in the DOS channel over the total Group sales, and, in any case, in line with the management's expectations.

In the half-year ended 30 September 2010, the Piquadro Group reported, in terms of profitability, EBITDA[1] equal to Euro 7.19 million (equal to 26.53% of net sales revenues), up by about 22.9% compared to the value recorded in the first half of the 2009/2010 financial year (Euro 5.85 million, equal to 25.42% of net sales revenues). This performance was positively affected by the income deriving from the assignment of the lease agreement relating to the Frankfurt shop, non-recurring income classified under item "Other income" in the income statement. The performance at EBITDA level, net of this effect, is equal to an increase of about 17.7% (Euro 6.89 million, with the net sales revenues accounting for 25.42%).

The Group's EBIT[2] came to about Euro 6.29 million (23.21% of net sales revenues), up by about 29.22% compared to the half-year ended 30 September 2009 (Euro 4.87 million, equal to 21.16% of net sales revenues). The performance at EBIT level, net of the non-recurring effect indicated above, is equal to an increase of about 23.06% (Euro 5.99 million, with the net sales revenues accounting for 22.1%).

As at 30 September 2010 the Group net profit was equal to Euro 3,884 thousand, up by about 36.5% compared to the half-year ended 30 September 2009 (net profit of Euro 2,850 thousand).

Net sales revenues

As at 30 September 2010 the Piquadro Group recorded net sales revenues equal to about Euro 27,117 thousand, up by about 17.8% compared to 30 September 2009. Below is reported the breakdown of revenues by distribution channel and geographical area:

Breakdown of revenues by distribution channel

Piquadro products are sold through a network of specialist stores that are able to enhance the prestige of the Piquadro brand. For this purpose, the Group makes use of a distribution network focused on two channels:

(i) a direct channel which, as at 30 September 2010, included 30 directly operated single-brand stores (the so-called "Directly Operated Stores" or "DOS");

1 - EBITDA (which is an acronym for Earnings Before Interest, Taxes, Depreciation and Amortisation, or Gross Operating Margin) is an economic indicator that is not defined by the International Accounting Standards. EBITDA is a unit of measurement utilised by the Management to monitor and assess the Group's operational performance. The Management believes that EBITDA is an important parameter for the measurement of the Group's performance, as it is not affected by the volatility due to the effects of the various criteria for the determination of taxable income, by the amount and characteristics of the capital employed, as well as by the amortisation and depreciation policies. EBITDA is defined as the Earnings for the period before depreciation of property, plant and equipment and amortisation of intangible assets, financial income and charges and the income taxes for the period.

2 – Operating Result (EBIT – Earnings Before Interest and Taxes) is the Earnings for the period before financial income and charges and income taxes.

(ii) an indirect channel (Wholesale), which is represented by multi-brand shops/department stores, single-brand shops run by third parties linked to the Group by franchise agreements and distributors who then resell the articles in specialist multi-brand shops.

The table below reports the breakdown of net consolidated revenues by distribution channel:

Sales channel *(in thousands of Euro)*	**Net revenues as at 30 September 2010**	**%**	**Net revenues as at 30 September 2009**	**%**	**% change 2010/2009**
DOS	5,999	22.1%	4,752	20.6%	26.2%
Wholesale	21,118	77.9%	18,269	79.4%	15.6%
Total	**27,117**	**100.0%**	**23,021**	**100.0%**	**17.8%**

The revenues reported by the DOS channel showed an increase of about 26.2% compared to the same period in the 2009/2010 financial year; this increase was determined by both the increase in the quantities sold in the already existing shops also in the first six months of the 2010/2011 financial year ("comparable shops") and the contribution given by the opening of 9 new shops that were not present as at 30 September 2009, and that are listed below:

Month of opening	**Location**	**Channel**
October 2009	Shenzhen (China)– Mix City	DOS
October 2009	Hong Kong – Kowloon New Town Plaza	DOS
October 2009	Taiwan – Taipei Xin Yin Shop	DOS
January 2010	Hong Kong – Kowloon – I Square	DOS
January 2010	Hong Kong – Seibu Pacific Place	DOS
February 2010	Marcianise (CE) - c/o "Factory Outlet Centre"	DOS
July 2010	Hong Kong - Citygate Outlet Store	DOS Outlet Store
July 2010	Taiwan – Taipei The Mall	DOS
September 2010	Hong Kong - Sogo Causeway Bay	DOS

The Same Store Sales Growth (SSSG), which is calculated as a world average of growth rates of the revenues recorded by the DOSs existing at 1 April 2009, was equal, in the six-month period, to 11.1% at current rates of exchange (9.8% assuming an equal number of days of opening and constant rates of exchange). The 2nd quarter (July-September 2010) saw a significant increase, equal to a 13.6% growth at current rates of exchange (12.3% assuming constant rates of exchange and an equal number of days of opening).

Sales reported by the Wholesale channel, which as at 30 September 2010 represented 77.9% of the Group's total turnover, showed a 15.6% increase, as they also benefitted, compared to the same period in the 2009/2010 financial year, from the opening of 14 additional franchise shops, of which 7 in Italy, 6 in Europe and 1 in China, as listed below (as at 30 September 2010 there were 45 franchise shops, of which 28 in Italy, 16 in Europe and 1 in China):

Month of opening	**Location**	**Channel**
October 2009	Trieste, Via Mazzini 40	Franchising (Wholesale)
October 2009	Ravenna, via Cavour 95	Franchising (Wholesale)
October 2009	Barcelona (Spain), Calle Rosselò 218	Franchising (Wholesale)
October 2009	Ningbo (China) – Tianyi International Shopping Plaza	Franchising (Wholesale)
November 2009	Moscow, Sokolniki disctrict Rusakovskaja	Franchising (Wholesale)
November 2009	Turin, Centro Commerciale Le Gru	Franchising (Wholesale)
November 2009	Bari, via Sparano 23	Franchising (Wholesale)
December 2009	Brescia, Centro Commerciale Freccia Rossa	Franchising (Wholesale)
January 2010	Moscow, Flagship Store Petrovskie	Franchising (Wholesale)
March 2010	Moscow, Mega Belaja Dacha Commercial Center	Franchising (Wholesale)
June 2010	Verona, Piazza delle Erbe	Franchising (Wholesale)

June 2010	Verona, Centro Commerciale "La Grande Mela"	Franchising (Wholesale)
July 2010	Wien, International Airport	Franchising (Wholesale)
September 2010	Kiev (Ukraine), Shopping Mall "Ukraina"	Franchising (Wholesale)

Breakdown of revenues by geographical area

The table below reports the breakdown of net revenues by geographical area:

Geographical area *(in thousands of Euro)*	**Net revenues as at 30 September 2010**	**%**	**Net revenues as at 30 September 2009**	**%**	**% change 2010/2009**
Italy	20,904	77.1%	18,924	82.2%	10.5%
Europe	4,201	15.5%	2,762	12.0%	52.1%
Rest of the world	2,012	7.4%	1,335	5.8%	50.7%
Total	**27,117**	**100.0%**	**23,021**	**100.0%**	**17.8%**

As at 30 September 2010, the Group's revenues showed that the Italian market accounts for a percentage of the Group's total turnover which is still very high (equal to about 77.1%), up by about 10.5% compared to the same period in the 2009/2010 financial year, also benefiting from the opening of 1 new DOS (Marcianise (CE), - c/o "Factory Outlet Centre") and 7 franchise shops (Trieste, Ravenna, Turin - Centro Commerciale "Le Gru", Bari, Brescia, Verona-Piazza delle Erbe, Verona-Centro Commerciale "La Grande Mela").

The Group operates through the two DOS and Wholesale sales channels in 28 European Countries. Within the European market, the Group achieved a turnover equal to Euro 4,201 thousand, equal to about 15.5% of consolidated sales (+52.1% compared to Euro 2,762 thousand for the half-year ended 30 September 2009). The most significant growths in the turnover were recorded in countries such as Russia (+201%), Spain (+14%) and The Netherlands (+153%). In the European region, the Group has opened 6 new franchise shops: Barcelona, Wien, Moscow (3 openings) and Kiev.

In the non-European geographical area (named "Rest of the world"), where the Group sells in 18 Countries, turnover rose by about 50.7%. The higher rises were recorded in Hong Kong (+73%), which also benefited from the opening of 5 new DOSs and in China (+307%), which also benefited from the opening of a new DOS in Shenzhen and a new franchise shop in Ningbo.

At the same time as the increase in sales revenues, the first six months of the 2010/2011 financial year recorded EBITDA, net of non-recurring income relating to the sale of the Frankfurt shop previously commented, up by about 17.7% compared to the same figure as at 30 September 2009 and an operating result up by 23.1% compared to the same period of the 2009/2010 financial year (from Euro 4.9 million - equal to 21.2% of total sales revenues - in the half-year ended 30 September 2009 to Euro 6.0 million - equal to about 22.1% of total sales revenues in the half-year ended 30 September 2010), net of the non-recurring income relating to the assignment of the lease agreement of the Frankfurt shop.

In the opinion of the management, the growth in the operating result, net of non-recurring income, in the first six months of the 2010/2011 financial year was also attributable to the following factors:

- positive performances in the DOS segment, in terms of SSSG, even if counterbalanced by new openings with margins which are not yet in line with the expected ones;
- an increase in revenues from the wholesale channel that have then generated, thanks to the substantial margins that characterised them, an operational leverage in a situation in which overheads substantially remained the same, which was offset by a growth dynamic in marketing costs that already started in the first quarter .

Summary economic-financial data

Below are reported the Group's main economic-financial indicators as at 30 September 2010 and 30 September 2009 (financial indicators are also compared to the similar values inferred from the consolidated financial statements ended 31 March 2010):

Economic and financial indicators *(in thousands of Euro)*	**Half-year ended 30 September 2010**	**Half-year ended 30 September 2009**
Revenues from sales	27,117	23,021
EBITDA	7,193	5,853
EBIT	6,295	4,872
Pre-tax result	6,102	4,507
Group's profit for the period	3,884	2,850
Amortisation and depreciation of fixed assets and write-downs	898	981
Financial absorption (Group net profit, amortisation and depreciation, write-downs)	4,782	3,831

Financial indicators *(in thousands of Euro)*	**As at 30 September 2010**	**As at 31 March 2010**
Net Financial Position[3]	(7,348)	(5,334)
Shareholders' equity	(20,579)	(20,967)

EBITDA for the period came to Euro 7.2 million, against Euro 5.9 million recorded in the same period ended 30 September 2009 and as at 30 September 2010 it represented 26.5% of consolidated revenues (against 25.4% recorded in the half-year ended 30 September 2009).

In the half-year ended 30 September 2010, the Group's amortisation and depreciation were equal to Euro 898 thousand and were broken down as follows: Euro 765 thousand relating to property, plant and equipment (mainly connected to the depreciation of the building where the Company operates for Euro 93 thousand; of business equipment, including automated warehouse and fittings for shops, for Euro 511 thousand; of general systems for Euro 149 thousand and other assets for Euro 12 thousand), and Euro 133 thousand relating to intangible assets (of which Euro 70 thousand for software and patent rights, Euro 32 thousand for key money of some shops and Euro 31 thousand for development costs).

As at 30 September 2010 EBIT came to Euro 6.3 million, equal to about 23.2% of net sales revenues, up by about 200 basis points compared to the value recorded in the half-year ended 30 September 2009 (for a percentage equal to 21.16%).

The result from financial operations as at 30 September 2010, which was negative for a value equal to about Euro 0.2 million, was attributable to the net financial debt dynamics, in addition to the differential between foreign exchange gains and losses.

[3] - The Net Financial Position ("NFP") utilised as a financial indicator of borrowing, is represented as the sum of the following positive and negative components of the Balance Sheet, as required by CONSOB notice no. 6064293 of 28 July 2006. Positive components: cash and cash equivalents, liquid securities under current assets, short-term financial receivables and derivative instruments. Negative components: payables to banks, payables to other lenders, leasing and factoring companies and derivative instruments.

The pre-tax result recorded by the Group in the half-year ended 30 September 2010 came to about Euro 6.1 million (up by about 35.4% against the value of Euro 4.5 million recorded in the half-year ended 30 September 2009) and was affected by income taxes, including the effects of deferred taxation, equal to Euro 2.2 million.

Investments

Investments in intangible assets, property, plant and equipment and financial assets in the half-years ended 30 September 2010 and 30 September 2009 were equal to Euro 537 thousand and Euro 614 thousand, respectively, as reported below:

(in thousands of Euro)	**Half-year ended 30 September 2010**	**Half-year ended 30 September 2009**
Investments		
Intangible assets	184	48
Property, plant and equipment	353	566
Financial fixed assets	-	-
Total	**537**	**614**

Increases in intangible assets, equal to Euro 184 thousand in the half-year ended 30 September 2010, mainly related to the registration of trademarks for Euro 41 thousand, investments in software for Euro 47 thousand, the Key money paid by Piquadro Deutschland GmbH for the opening of the new point of sale in Frankfurt for Euro 50 thousand and fixed assets under development for Euro 45 thousand relating to the software project for optimising Supply Chain processes (the so-called integrated Demand Management system).

On the contrary, increases in property, plant and equipment, equal to Euro 353 thousand in the half-year ended 30 September 2010, were mainly attributable to fittings purchased for new DOSs opened in the period under consideration and to the refurbishment of some existing shops for Euro 311 thousand, to electric and electronic office machines for Euro 5 thousand, to the purchases of moulds relating to new products for Euro 25 thousand and to the purchase of equipment for Euro 11 thousand.

CONSOLIDATED BALANCE SHEET

Below is summarised the Group's consolidated equity and financial structure as at 30 September 2010 (compared to the corresponding structure as at 31 March 2010 and 30 September 2009):

(in thousands of Euro)	**30 September 2010**	**31 March 2010**	**30 September 2009**
Trade receivables	22,031	20,255	20,610
Inventories	11,909	7,618	8,465
(Trade payables)	(15,134)	(12,849)	(11,961)
Total net current trade assets	*18,806*	*15,024*	*17,114*
Other current assets	1,944	1,565	1,275
(Other current liabilities)	(2,921)	(2,663)	(2,450)
(Tax payables)	(1,905)	0	(1,449)
A) Working capital	***15,924***	***13,926***	***14,490***
Intangible assets	699	648	824
Property, plant and equipment	11,104	11,517	11,412
Receivables from others beyond 12 months	517	539	477
Deferred tax assets	1,170	1,112	986
B) Fixed assets	***13,490***	***13,816***	***13,699***
C) Non-current provisions and non-financial liabilities	***(1,487)***	***(1,441)***	***(1,280)***
Net invested capital (A+B+C)	**27,927**	**26,301**	**26,909**
FINANCED BY:			
D) Net financial position	*7,348*	*5,334*	*10,350*
E) Equity attributable to Minority interests	-	*81*	*163*
F) Equity attributable to the Group	*20,579*	*20,886*	*16,396*
Total financial payables and Shareholders' Equity (D+E+F)	**27,927**	**26,301**	**26,909**

CONSOLIDATED NET FINANCIAL POSITION

Below is the statement showing the net financial position of the Piquadro Group:

(Values expressed in thousands of Euro)	**30 September 2010**	**31 March 2010**	**30 September 2009**
Cash	92	58	62
Other cash and cash equivalents (available current bank accounts)	8,550	9,259	5,634
Liquidity	**8,642**	**9,317**	**5,696**
Finance leases	(920)	(948)	(948)
Current bank debt	(2,712)	-	-
Current portion of non-current debt	(2,893)	(2,409)	(1,955)
Current financial debt	**(6,525)**	**(3,357)**	**(2,903)**
Short-term net financial position	**2,117**	**5,960**	**2,793**
Non-current bank debt	(4,647)	(6,046)	(7,445)
Finance leases	(4,818)	(5,248)	(5,698)
Non-current financial debt	**(9,465)**	**(11,294)**	**(13,143)**
Consolidated net financial position	**(7,348)**	**(5,334)**	**(10,350)**

As at 30 September 2010 the Consolidated net financial position was negative for about Euro 7.3 million. Compared to 31 March 2010, the Net Financial Position increased by about Euro 2 million, mainly as a result of the seasonality and in order to support the growth achieved in terms of net working capital. Net financial debt as at 30 September 2010, compared to that recorded as at 30 September 2009, showed a positive improvement equal to about Euro 3 million, after paying dividends of Euro 4 million, and showed the Company's capacity to generate cash by means of solid profits hand in hand with careful management of working capital and of the Group's investment policy.

Human Resources

The products that the Group offers are conceived, manufactured and distributed according to the guidelines of an organisational model whose feature is that it monitors all the most critical phases of the chain, from conception and manufacturing to subsequent distribution. This entails great care with the correct management of human resources, which, while respecting the different local environments in which the Group operates, must necessarily lead to intense personal involvement, above all in what the Group considers the strategic phases for the success of the brand.

As at 30 September 2010 the Group had 553 members of staff compared to 511 units as at 30 September 2009. Below is reported the breakdown of staff by country:

Country	30 September 2010	30 September 2009
Italy	162	143
China	322	331
Hong Kong	38	16
Macau	5	5
Germany	5	5
Spain	6	4
UAE	4	5
Taiwan	11	2
Total	**553**	**511**

With reference to the Group's organisational structure, as at 30 September 2010 43.6% of staff operated in the production area, 26.8% in the retail area, 17.4% in the support functions (Administration, IT Systems, Purchasing, Quality, Human Resources, etc), 8.9% in the Research and Development area and 3.3% in the sales area.

OTHER INFORMATION

D) RESEARCH AND DEVELOPMENT ACTIVITY

The Piquadro Group's Research and Development activity is carried out by the Parent Company in house through a dedicated team that currently consists of 13 persons mainly engaged in the product research and development department and the style office. Products are conceived within the Group and occasionally in collaboration with outside industrial designers, taking account of the information regarding market trends supplied by the Group's internal departments (Product Management and sales departments). In this manner, the Group develops its collections trying to meet the needs of end customers that are not yet satisfied by the market. The internal unit dedicated to the design of products manages operating activities and also coordinates the external consultants of which the Company makes use. In some cases, in fact, the Group only uses external designers for the product design phase, while the research and development phase is in any case carried out in house. As required by IFRS (IAS 38), the Piquadro Group has capitalised, over the years, the development costs, when they could be identified reliably, relating to some new product lines put onto the market on a continuing basis, which generated turnover in the financial year after that in which they were designed as prototypes; these costs are amortised on the basis of the residual useful life of the product which is estimated by the management at four years. As at 30 September 2010, the residual net value of capitalised development costs relating to the continuous product lines are equal to Euro 99 thousand.

E) INFORMATION REQUIRED BY ARTICLES 36 AND 39 OF THE MARKETS' REGULATION

With reference to the "Requirements for listing of shares of companies controlling companies established and regulated by the law of States not belonging to the European Union" ("*Condizioni per la quotazione di azioni di società controllanti società costituite e regolate dalla legge di Stati non appartenenti all'Unione Europea*") under Article 36 of the Markets' Regulation (in the implementation of Article 62, paragraph 3-*bis*, of Legislative Decree no.58/98, as amended by resolution no. 16530 of 25 June 2008), with reference to the subsidiaries Unibest Leather Goods Zhongshan Co. Ltd. and Piquadro Hong Kong Ltd., the only Group companies as of today that meet the significance requirements under title VI, chapter II, of the Issuers' Regulation, the Piquadro Group declares that:

I. as regards the requirement of obtaining from the subsidiaries the by-laws and the details of the composition and powers of the corporate bodies, Piquadro already has information and documents available on a continuing basis in relation to the composition of the corporate bodies of all its subsidiaries, showing the corporate positions held;
II. the administrative, accounting and reporting systems currently in place in the Piquadro Group already essentially allow it to comply with the requirements of this provision, both in that the accounting statements prepared for the purposes of drawing up consolidated accounts are made available to the public and in that these systems are suitable to allow the data required for the preparation of the consolidated accounts themselves to be regularly received by the management and the independent auditors of Piquadro;
III. by means of the present process of communication with the independent auditors, Piquadro complies efficiently with the requirement to control the flow of information to the main auditor that is functional to the auditing of annual and interim accounts of Piquadro itself.

F) DIRECTION AND COORDINATION ACTIVITIES (pursuant to Article 37, paragraph 2, of the Markets' Regulation)

The Company is not subject to direction and coordination activities pursuant to Article 2497 and ff. of the Italian Civil Code. In fact, although under Article 2497-*sexies* of the Italian Civil Code "it is presumed, unless there is evidence to the contrary, that the activity of direction and coordination of companies is carried out by the company or entity that is required to consolidate their financial statements or that controls them in any way pursuant to Article 2359", neither Piqubo SpA nor Piquadro Holding SpA, i.e. the companies controlling Piquadro S.p.A., carries out direction and coordination activities in relation to the Company, in that (i) they do not give their subsidiary instructions; and (ii) there is no significant organisational/functional connection between these companies and Piquadro S.p.A..
In addition to directly carrying out operating activities, Piquadro SpA, in its turn, also carries out direction and coordination activities in relation to the companies it controls, pursuant to Articles 2497 and ff. of the Italian Civil Code.

G) SIGNIFICANT EVENTS AFTER THE HALF-YEAR END

Within the framework of the continuous development and distribution mix plan mainly in the Far East region, the Group opened, subsequent to 30 September 2010, 2 new DOSs (People's Republic of China – Beijing IFC Mall and Germany – Frankfurt) in October and 1 new franchise shop in Beirut. Furthermore, the Company executed an agreement for the distribution of its products in Canada and at the same time it opened a franchise point of sale in Toronto.

In addition to the above, no significant events are reported which occurred at Group level from 1 October 2010 to the date of this Report.

H) OUTLOOK

The results achieved in the first six months of the 2010/2011 financial year have confirmed the management's expectations in terms of turnover growth. The data relating to order collection, relating to the sales campaigns to be delivered in the next months, continue to show a sharply positive performance of the relevant market for the Piquadro Group, even if in a situation which is yet unstable and scattered in geographical terms. The Group is committed to developing the brand internationally, paying particular attention to the strategic areas of the Far East where the initial effects of economic recovery can already be felt and through the development of the network of single-brand, DOS and Franchise shops. The expectations for the whole financial year, which will end on 31 March 2011, are connected to the extent of the recovery which is taking place in the various markets in which the Group operates and holds important positions. The upturn in consumption in some foreign countries, including Russia mainly, where the company operates through seven franchise shops, should continue to help the rate of development abroad. However, on the basis of current indications from the market and from the performance of the current sales campaigns, the management is expecting a growth in the turnover generated by the DOS channel by the end of March 2011, mainly as a result of new openings (including those opened in the course of the previous financial year), and a trend of improvement, compared to the previous year, in the dynamics of sales in the wholesale segment, also due only to restocking by the multi-brand customers and the recovery of historical markets where the Group has always held leading positions. In this context, the management is constantly committed to monitoring recovery dynamics (if any) and maintaining above-average profit margins that can allow it to undertake greater commitments in research and development activities and at the same time commitments to marketing which are able to further develop awareness of the Piquadro brand all over the world.

Silla di Gaggio Montano (BO), 18 November 2010

FOR THE BOARD OF DIRECTORS
THE CHAIRMAN
(Marco Palmieri)

CONSOLIDATED CONDENSED HALF-YEAR FINANCIAL STATEMENTS
AS AT 30 SEPTEMBER 2010

Statement of financial position - Assets

(in thousands of Euro)	**Notes**	**30 September 2010**	**31 March 2010**
ASSETS			
Non-current assets			
Intangible assets	(1)	699	648
Property, plant and equipment	(2)	11,104	11,517
Receivables from others	(3)	517	539
Deferred tax assets	(4)	1,170	1,112
Total non-current assets		**13,490**	**13,816**
Current assets			
Inventories	(5)	11,909	7,618
Trade receivables	(6)	22.031	20.255
Other current assets	(7)	1,944	1,513
Derivative financial assets	(8)	-	69
Cash and cash equivalents	(9)	8,642	9,317
Total current assets		**44,526**	**38,772**
TOTAL ASSETS		**58,016**	**52,588**

* The effects of relations with related parties on the consolidated statement of financial position are reported in Note 35 Relations with related parties.

Statement of financial position - Liabilities

TOTAL EQUITY AND LIABILITIES			
(in thousands of Euro)	**Notes**	**30 September 2010**	**31 March 2010**
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 period		3,884	7,243
Total equity attributable to the Group		**20,579**	**20,886**
Capital and reserves attributable to minority interests		-	201
Profit/(loss) for the period attributable to minority interests		-	(120)
Total equity attributable to minority interests		**-**	**81**
TOTAL EQUITY	(10)	**20,579**	**20,967**
NON-CURRENT LIABILITIES			
Borrowings	(11)	4,647	6,046
Payables to other lenders for lease agreements	(12)	4,818	5,248
Provision for employee benefits	(13)	282	287
Provisions for risks and charges	(14)	779	728
Deferred tax liabilities	(15)	426	426
TOTAL NON-CURRENT LIABILITIES		**10,952**	**12,735**
CURRENT LIABILITIES			
Borrowings	(16)	5.605	2.409
Payables to other lenders for lease agreements	(17)	920	948
Derivative financial liabilities	(18)	278	17
Trade payables	(19)	15,134	12,849
Other current liabilities	(20)	2,643	2,663
Current income tax liabilities	(21)	1,905	-
TOTAL CURRENT LIABILITIES		**26,485**	**18,886**
TOTAL LIABILITIES		**37,437**	**31,621**
TOTAL EQUITY AND LIABILITIES		**58,016**	**52,588**

* The effects of relations with related parties on the consolidated statement of financial position are reported in Note 35 Relations with related parties.

Income statement

(in thousands of Euro)	**Notes**	**1st half of 2010**	**1st half of 2009**
REVENUES			
Revenues from sales	(22)	27,117	23,021
Other income	(23)	664	427
- *of which: non-recurring income*		*300*	-
TOTAL REVENUES (A)		**27,781**	**23,448**
OPERATING COSTS			
Change in inventories	(24)	(4,164)	(761)
Costs for purchases	(25)	6,513	3,852
Costs for services and leases and rentals	(26)	14,065	10,725
Personnel costs	(27)	4,113	3,686
Amortisation, depreciation and write-downs	(28)	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	(29)	604	253
Financial charges	(30)	(797)	(618)
TOTAL FINANCIAL INCOME AND CHARGES		**(193)**	**(365)**
PRE-TAX RESULT		**6,102**	**4,507**
Income tax expenses	(31)	(2,218)	(1,685)
PROFIT FOR THE PERIOD		**3,884**	**2,822**
attributable to:			
EQUITY HOLDERS OF THE COMPANY		3,884	2,850
MINORITY INTERESTS		-	(28)
(Basic) Earnings per share in Euro		0.07768	0.05700
(Diluted) Earnings per share in Euro	(32)	0.07527	0.05523

* The effects of relations with related parties on the consolidated income statement are reported in Note 35 Relations with related parties.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	30 September 2010	30 September 2009
Group profit and loss for the period (A)	**3,884**	**2,822**
Profits (losses) arising from the translation of financial statements of foreign companies	37	(72)
Effect of IAS 39 fair value of derivative contracts	(67)	(40)
Other changes	-	-
Total other profits/(losses) not recognised through P&L (B)	**(30)**	**(112)**
Total comprehensive income/(losses) (A) + (B)	**3,854**	**2,710**
Attributable to		
- the Group	3,854	2,754
- Minority interests	-	(44)

Statement of changes in consolidated equity

(in thousands of Euro)

Description	Share capital	Share premium reserve	Other reserves: Translation reserve	Other reserves: Fair value reserve	Other reserves: Other reserves	Other reserves: Total Other reserves	Undivided profit	Group profit	Equity attributable to the Group	Capital and reserves attributable to minority interests	Profit/(Loss) attributable to minority interests	Equity attributable to the Group and to minority interests
Balances as at 31.03.2009	**1,000**	**1,000**	**(12)**	**(34)**	**508**	**462**	**6,726**	**7,533**	**16,721**	**224**	**(19)**	**16,926**
Profit for the period						**0**		2,850	**2,850**		(28)	**2,822**
Other components of the comprehensive income as at 30 September 2009:												
Foreign exchange differences from translation			(56)			**(56)**			**(56)**	(16)		**(72)**
Fair value of financial instruments				(40)		**(40)**			**(40)**			**(40)**
Total comprehensive income for the period			**(56)**	**(40)**	**0**	**(96)**	**0**	**2,850**	**2,754**	**(16)**	**(28)**	**2,710**
Allocation of the result for the period as at 31 March 2009:												
- to dividends						**0**		(3,100)	**(3,100)**			**(3,100)**
- to reserves						**0**	4,433	(4,433)	**0**	(19)	(19)	**0**
Change in scope of consolidation						**0**			**0**	2		**2**
Fair Value of the Stock Option Plan					21	**21**			**21**			**21**
Other changes						**0**			**0**			**0**
Balances as at 30.09.2009	**1,000**	**1,000**	**(68)**	**(74)**	**529**	**387**	**11,159**	**2,850**	**16,396**	**191**	**(28)**	**16,559**

Description	Share capital	Share premium reserve	Other reserves: Translation reserve	Fair value reserve	Other reserves	Total Other reserves	Undivided profit	Group profit	Equity attributable to the Group	Capital and reserves attributable to minority interests	Profit/(Loss) attributable to minority interests	Equity attributable to the Group and to minority interests
Balances as at 31.03.2010	**1,000**	**1,000**	**(77)**	**12**	**549**	**484**	**11,159**	**7,243**	**20,886**	**201**	**(120)**	**20,967**
Profit for the period						0		3,884	3,884			3,884
Other components of the comprehensive income as at 30 September 2010:												
Foreign exchange differences from translation			37			37			37			37
Fair value of financial instruments				(67)		(67)			(67)			(67)
Total comprehensive income for the period			37	(67)	0	(30)	0	3,884	3,854	0	0	3,854
Allocation of the result for the period as at 31 March 2010:												
- to dividends						0		(4,000)	(4,000)			(4,000)
- to reserves						0	3,243	(3,243)	0	(120)	120	0
Acquisition of Unibest Leather Goods Hong King					(182)	(182)			(182)	(81)		(263)
Fair Value of the Stock Option Plan					21	21			21			21
Other changes						0			0			0
Balances as at 30.09.2010	**1,000**	**1,000**	**(40)**	**(55)**	**388**	**293**	**14,402**	**3,884**	**20,579**	**0**	**0**	**20,579**

The comparative figure as at 31 March 2010 has been restated to take account of the reclassification of some reserves.

CONSOLIDATED CASH FLOW STATEMENT

(*in thousands of Euro*)	**30 September 2010**	**30 September 2009**
Pre-tax profit	**6,102**	**4,507**
Adjustments for:		
Depreciation of property, plant and equipment/Amortisation of intangible assets	898	981
Provision for bad debts	-	-
Adjustment to the provision for employee benefits	(3)	10
Net financial charges/(income), including exchange rate differences	193	365
Cash flow from operating activities before changes in working capital	**7,190**	**5,863**
Change in trade receivables (net of the provision)	(1,776)	(1,133)
Change in inventories	(4,291)	(641)
Change in other current assets	(431)	(121)
Change in trade receivables	2,285	675
Change in provisions for risks and charges	51	62
Change in other current liabilities	(20)	(116)
Cash flow from operating activities after changes in working capital	**3,008**	**4,589**
Payment of taxes	(273)	(327)
Interest paid	(253)	(441)
Cash flow generated from operating activities (A)	**2,482**	**3,822**
Investments in intangible assets	(184)	(48)
Investments in property, plant and equipment	(299)	(531)
Investments in fixed financial assets	(132)	-
Changes generated from investing activities (B)	**(615)**	**(579)**
Financing activities		
Registering/(Repayment) of short- and medium/long-term borrowings	1,797	(775)
Changes in financial instruments	330	29
Lease instalments paid	(668)	(597)
Payment of dividends	(4,000)	(3,100)
Cash flow generated from/(absorbed by) financing activities (C)	**(2,541)**	**(4,443)**
Net increase (decrease) in cash and cash equivalents (A+B+C)	(675)	(1,201)
Cash and cash equivalents at the beginning of the period	**9,317**	**6,897**
Cash and cash equivalents at the end of the period	**8,642**	**5,696**

* The effects of relations with related parties on the consolidated cash flow statement are reported in Note 35 Relations with related parties.

NOTES TO THE CONSOLIDATED CONDENSED HALF-YEAR FINANCIAL STATEMENTS

1. GENERAL INFORMATION

1.1 The Company and the Group

Piquadro SpA (hereinafter also referred to as "Piquadro", "the Company" or "the Parent Company") and its subsidiaries ("the Piquadro Group" or "the Group") design, produce and market leather goods - bags, suitcases and accessories - characterised by attention to design and functional and technical innovation.

As of today's date, the Company is owned by Marco Palmieri through Piqubo SpA, which is 100% owned. Piqubo SpA, in fact, holds 93.34% of the share capital of Piquadro Holding SpA, which in its turn holds, as at 30 September 2010, 68.055% of the share capital of Piquadro S.p.A., a company which is listed on the Milan Stock Exchange since 25 October 2007.

These consolidated condensed half-year financial statements were approved by the Board of Directors on 18 November 2010.

1.2 Seasonality

The Piquadro Group operates in a seasonal market that is typical of the sector to which it belongs.

Historically, the Group's sales revenues achieved in the first half of the financial year (i.e. from April to September) are less than those realised in the subsequent half-year, with a consequent impact on margins. Also as a result of the above, revenues for the half-year ended 30 September 2009 (equal to Euro 23,021 thousand) represented a share of about 44.09% of the consolidated revenues for the financial year ended 31 March 2010 (equal to Euro 52,218 thousand).

Accordingly, it should be noted that, even if expressing the Group's economic and financial performance, the result as at 30 September 2010 does not fully represent the result that the Group expects to achieve in the financial year that will end on 31 March 2011.

2. CRITERIA FOR THE PREPARATION OF CONSOLIDATED CONDENSED HALF-YEAR FINANCIAL STATEMENTS, THE GROUP STRUCTURE AND THE SCOPE OF CONSOLIDATION

2.1 Accounting standards and policies

These consolidated condensed half-year financial statements as at 30 September 2010 were prepared pursuant to Article 154-*ter* of Legislative Decree no. 58/98 and in accordance with International Accounting Standards (IAS/IFRS) adopted by the European Union and in particular with the accounting standard applicable to interim financial reporting (IAS 34).

IAS 34 allows interim financial statements to be prepared in a "condensed" form, i.e. on the basis of minimum disclosures substantially less detailed than required by IFRS as a whole, provided that a complete set of financial statements prepared on the basis of IFRS has been previously made available to the public.

These consolidated half-year financial statements have been prepared in a "condensed" form and they must therefore be read together with the Group's consolidated financial statements ended 31 March 2010 prepared in accordance with IFRS adopted by the European Union, to which reference is made for a better understanding of the Group's business and structure and of the accounting standards and criteria adopted.

The preparation of interim financial statements in accordance with IAS 34 – Interim Financial Reporting requires judgments, estimates and assumptions that impact on assets, liabilities, costs and revenues. It should be noted that the final results may prove different from those obtained as a result of these estimates.

The Accounting statements (statement of financial position, income statement, statement of comprehensive income, statement of changes in equity and cash flow statement) are prepared in an extended form and are the same as those adopted for the consolidated financial statements ended 31 March 2010.

The accounting standards and policies adopted in preparing the condensed consolidated half-year financial statements are the same as those used in preparing the consolidated financial statements of Piquadro S.p.A. ended 31 March 2010, to which reference is made for a description of the same.

These consolidated condensed half-year financial statements are made up of the Statement of Financial Position, the Income Statement, the Statement of Comprehensive Income, the Cash Flow Statement, the Statements of Changes in Equity and these Explanatory Notes. Economic data, changes in equity and cash flows for the half-year ended 30 September 2010 are compared with the half-year ended 30 September 2009. Financial data as at 30 September 2010 are compared with the corresponding values as at 31 March 2010 (relating to the last consolidated annual accounts).

For a better description, accounting data are reported in thousands of Euro in both the accounting statements and these Notes.

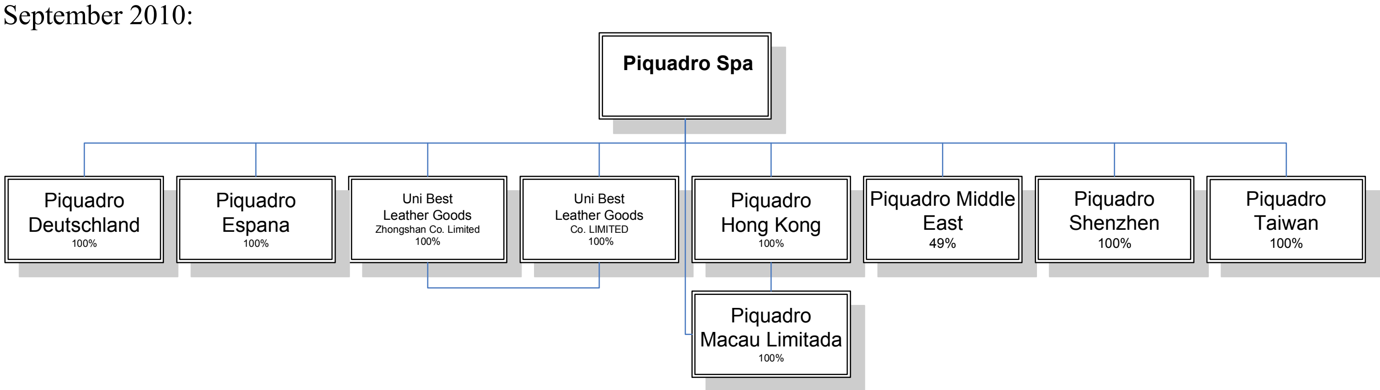
The reporting currency of these consolidated financial statements is the Euro, since this currency prevails in the economies of the countries where the Piquadro Group companies conduct their business.

The Group, through Piquadro Deutschland GmbH, which holds the lease agreement, completed the sale of the shop directly managed in Frankfurt (Germany). The assignment of this lease agreement to third parties, for an amount equal to about Euro 300 thousand, entailed, for the German subsidiary, the recognition of an income of the same amount in the income statement, income which has been considered by the Directors as non-recurring income. In the meanwhile, the Company has identified a new location, again in Frankfurt, more suitable to its needs in terms of traffic and positioning, and for which a key money has been paid for Euro 50 thousand.

Except as indicated above, the management believes that no other significant non-recurring events or transactions occurred either in the half-year ended 30 September 2010 or in the half-year ended 30 September 2009, nor did any atypical or unusual transactions significantly affect the operating result.

2.2 The Group structure

For the purpose of provide a clear representation, below is reported the chart of the Group structure as at 30 September 2010:



2.3 Principles of consolidation

Subsidiaries

Companies are defined as subsidiaries when the Parent Company, either directly or indirectly, has the power to operate them in such a way as to obtain the benefits from conducting this business. Control is presumed to exist when the Group holds the majority of the voting rights. Potential voting rights that can be exercised or are convertible at the time are also taken into consideration in defining control.

The criteria adopted in applying the method of consolidation on a line-by-line basis are mainly the following:

- the book value of the equity investments held by the Parent Company or by the other companies being consolidated is eliminated against the related equity in consideration of the assumption of assets and liabilities of the investee companies;
- the surplus, if any, of the total cost of the businesses acquired with respect to the portion in the fair value pertaining to identifiable assets and liabilities and potential liabilities is recognised under item Goodwill, under Intangible Assets;
- significant transactions occurred between consolidated companies are also eliminated, as well as credit and debt items and profits not yet realised which arise from transactions between Group companies;
- the portion of Total Equity pertaining to minority shareholders is recognised under a special item, while the portion of result for the period pertaining to minority interests is recognised separately in the consolidated income statement;
- the companies acquired or sold in the course of the financial year are consolidated for the period in which control was exercised.

2.4 Scope of consolidation

The consolidated condensed half-year financial statements ended 30 September 2010 and 30 September 2009 include the interim financial statements of the Parent Company Piquadro SpA and those of all companies over which it exercises control, either directly or indirectly.

Compared to the financial year ended 31 March 2010 and to the half-year ended 30 September 2009, no new company was included in the scope of consolidation as at 30 September 2010.

It should be noted that, on 22 June 2010, the Parent Company completed the acquisition of the residual stake held by the Chinese partners in Uni Best Leather Goods Co. Limited, a company based in Hong Kong which, in turn, holds 50% of the joint venture Uni Best Leather Goods (Zhongshan) Co. Ltd – a company incorporated under Chinese law which is responsible for about 40% of the production of the Piquadro Group and of which the Parent Company holds the remaining 50%. Specifically, the Chinese partners held no. 500 shares, equal to 50% of the share capital of Uni Best Leather Goods Co. Limited, while Piquadro S.p.A. directly held the residual 50%. Through this transaction, Piquadro S.p.A. directly holds 100% of Uni Best Leather Goods Co. Limited, and indirectly holds, through the latter, 100% of Uni Best Leather Goods (Zhongshan).

The complete list of the companies included in the scope of consolidation as at 30 September 2010 and 30 September 2009, with the related shareholders' equity and share capital recognised according to Italian or foreign accounting standards (as the Group companies have prepared their interim financial statements according to the Italian or foreign regulations and accounting standards, and have only prepared the consolidation file according to IFRS functionally to the consolidation into Piquadro) are reported in the tables below:

Scope of consolidation as at 30 September 2010

Name	HQ	Country	Currency	Share Capital (local currency /000)	Shareholders' equity (Euro/000)	Control %
Piquadro SpA	Gaggio Montano (BO)	Italy	Euro	1,000	22,092	Parent Company
Uni Best Leather Goods Co. Limited	Kowloon	Hong Kong	HKD	1	197	100%
Piquadro España Slu	Barcelona	Spain	Euro	198	(36)	100%
Piquadro Deutschland Gmbh	Munich	Germany	Euro	25	(8)	100%
Uni Best Leather Goods Zhongshan Co Limited	Guangdong	People's Republic of China	RMB	3,576	122	100%
Piquadro Hong Kong Limited	Hong Kong	Hong Kong	HKD	2,000	(211)	100%
Piquadro Macau Limitada	Macau	Macau	HKD	25	(24)	100%
Piquadro Trading (Shenzhen) Co. Ltd.	Shenzhen	People's Republic of China	RMB	7,403	537	100%
Piquadro Taiwan Co. Ltd.	Taipei	Taiwan	NTD	5,000	10	100%
Piquadro Middle East Leather Products LLC [a]	Abu Dhabi	United Arab Emirates	AED	150	(476)	49%

[a] Type of company in which, by virtue of the provisions of the by-laws and separate agreements, the Parent Company is entitled to the totality of corporate quotas and the profits generated by the same, in addition to retaining full control of the corporate governance.

Scope of consolidation as at 30 September 2009

Name	HQ	Country	Currency	Share Capital (local currency /000)	Shareholders' equity (Euro/000)	Control %
Piquadro SpA	Gaggio Montano (BO)	Italy	Euro	1,000	17,723	Parent Company
Uni Best Leather Goods Co. Limited	Kowloon	Hong Kong	HKD	1	184	50%
Piquadro España Slu	Barcelona	Spain	Euro	198	(122)	100%
Piquadro Deutschland Gmbh	Munich	Germany	Euro	25	(226)	100%
Uni Best Leather Goods Zhongshan Co Limited	Guangdong	People's Republic of China	RMB	1,542	143	50%
Piquadro Hong Kong Limited	Hong Kong	Hong Kong	HKD	2,000	93	100%
Piquadro Macau Limitada	Macau	Macau	HKD	25	(115)	100%
Piquadro Trading (Shenzhen) Co. Ltd.	Shenzhen	People's Republic of China	RMB	4,031	267	100%
Piquadro Taiwan Co. Ltd.	Taipei	Taiwan	NTD	5,000	110	100%
Piquadro Middle East Leather Products LLC [a]	Abu Dhabi	United Arab Emirates	AED	150	(316)	49%

[a] Type of company in which, by virtue of the provisions of the by-laws and separate agreements, the Parent Company is entitled to the totality of corporate quotas and the profits generated by the same, in addition to retaining full control of the corporate governance.

The companies that the Parent Company Piquadro SpA controls, either directly or indirectly, and either legally or in practice, are consolidated according to the line-by-line consolidation method, which consists in reporting all the assets and liabilities items in their entirety from the date on which control has been acquired up to the date control ceases.

The financial statements expressed in a foreign currency other than the Euro are translated into Euro by applying the exchange rates applied below for the half-years ended 30 September 2010 and 30 September 2009 (foreign currency corresponding to Euro 1):

Foreign currency	Average		Closing	
	30 September 2010	30 September 2009	30 September 2010	30 September 2009
Hong Kong Dollar (HKD)	9.9662	10.8217	10.5918	11.3485
Renminbi (Yuan)	8.7118	9.5369	9.1321	9.9958
Arab Emirates Dirham (AED)	4.7082	5.1282	5.0129	5.7384
Taiwan Dollar (NTD)	40.8341	45.9762	42.6062	47.0575

2.5 Accounting standards, amendments and interpretations

The accounting standards applied to these consolidated half-year financial statements as at 30 September 2010 comply with those adopted in the previous consolidated financial statements ended 31 March 2010, except for the adoption, as from 1 April 2010, of the new standards and interpretations listed below:

IAS 27 (revised) – Consolidated and separate Financial Statements. The amendment to IAS 27 provides that the changes in the shareholding that do not constitute a loss of control must be treated as transactions between shareholders (the so-called equity transaction) and must be entered against an entry in equity, eliminating the option for the entry in the income statement. Furthermore, when the controlling company transfers control in one of its investee companies, but continues in any case to hold a stake in the company, the investment maintained in the accounts shall be measured at fair value and profits or losses (if any) arising from the loss of control shall be charged to the income statement.

IFRS 2 (amended) - Share-based payments. The standard has been amended in order to clarify the definition of vesting conditions and to prescribe the accounting treatment in the case of a plan effectively cancelled following the non-fulfilment of a non-vesting condition.

IFRS 3 (revised) – Business combinations: the amended standard introduces a number of significant changes; specifically: it will be possible to enter goodwill also with reference to portions of minority interests (the so-called full goodwill method); amendments are made to the procedures for entering assets and liabilities in the case of the acquisition of subsidiaries in more than one phase (goodwill is determined as the difference between the value of the investments immediately before the acquisition, the consideration for the transaction and the fair value of the net acquired assets); the standard also introduces the obligation to recognise all the costs connected to the business combination in the income statement.

IFRIC 9 and IAS 39 (amended) – Reassessment of embedded derivatives and Financial Instruments: Recognition and Measurement. It specifies the accounting treatment to be adopted for derivatives embedded in financial assets being reclassified.

IFRIC 15 – Agreements for the construction of real estate: it identifies the cases in which revenues for the construction of real estate are to be considered as a sale of goods (IAS 18) or construction services (IAS 11).

IFRIC 12 – Service concession arrangements. The standard illustrates the procedure to recognise the infrastructure subject to service concession arrangements in the financial statements of the concessionaire and specifies the distinction between of the various phases of an agreement (construction/management) and the procedures to recognise income ad expenses in any case. It provides for two models (financial assets and intangible assets) to recognise the infrastructure and the related income/expenses according to the degree of uncertainty to which the concessionaire is exposed as regards future receipts.

IFRIC 16 – Hedges of a net investment in a foreign operation. The interpretation specifies the procedures to apply the international accounting standards IAS 21 and IAS 39 in the cases when an entity hedges the foreign exchange risk arising from its net investments in foreign operations.

IFRIC 17 – Distribution of non-cash assets to Owners. The interpretation regulates the procedure to account for dividends paid out according to procedures other than those laid down for cash assets.

IFRIC 18 – Transfers of assets from customers. The interpretation regulates the procedure to account for receipt from customers collected through assets other than cash assets.

Improvements to IFRS (2009): minor amendments to 12 IFRS.

The following standards, amendments and interpretations, which will be applicable from 1 April 2011, have not been adopted by the Group in advance.

IFRS 2 (amended) – Share-based payments: the amendments specifies the accounting treatment of the share-based payment transactions in which the supplier of goods or services receives cash payments and the obligation is undertaken by another Group entity (cash-settled share-based payment transactions within a Group).

IAS 32 (amended) – Financial instruments: presentation: the standard has been amended in order to allow the rights issued (warrants and options) to be better classified in the accounts.

IAS 38 (amended) – Intangible assets: the amendments made to the standard will be adopted starting from the date of application of IFRS 3 (revised). It specifies the guidelines to determine the fair value of an intangible asset acquired within a business combination.

IAS 24 (amended): it simplifies disclosure requirements concerning related parties including public bodies and provides a new definition of related parties.

IFRIC 19: it deals with the cases in which a lender reaches an agreement with a debtor company to extinguish one of its financial liability through equity instruments.

IFRIC 14 (amended): it deals with the case in which a company must comply with minimum funding requirements of defined benefit plans and makes advance payments in order to ensure compliance with such requirements.

IFRS 1 (amended): it provides for the partial exemption in preparing the comparative disclosures required by IFRS 7 for the new users.

The Group has also considered the effects of other standards, interpretations and updates approved but not yet endorsed by the community legislator, as listed below, and has not reported that the same might have significant potential impacts on its equity, financial and economic position.

- IFRS 9: it reports new criteria for the classification of financial assets.
- IFRS 7 (disclosures): financial instruments.
- Improvements to IFRS (2010): minor amendments to 7 IFRS.

3. COMMENT ON THE MAIN STATEMENT OF FINANCIAL POSITION ITEMS

ASSETS

Non-current assets

Note 1 – Intangible assets

As at 30 September 2010 the value of Intangible assets was equal to Euro 699 thousand (Euro 648 thousand as at 31 March 2010).

Below is reported the statement of changes of this item:

(in thousands of Euro)	**30 September 2010**
Balance as at 31 March 2010	648
Investments	184
Sales and disposals	-
Other changes	-
Amortisation	(133)
Write-downs	-
Total	**699**

Increases in intangible assets, equal to Euro 184 thousand in the half-year ended 30 September 2010, mainly related to the registration of trademarks for Euro 41 thousand, investments in software for Euro 47 thousand, the Key money paid by Piquadro Deutschland GmbH for the opening of a new point of sale in Frankfurt for Euro 50 thousand and fixed assets under development for Euro 45 thousand relating to the software project for optimising Supply Chain processes (the so-called integrated Demand Management system).

Note 2 – Property, plant and equipment

As at 30 September 2010, the value of Property, plant and equipment was equal to Euro 11,104 thousand (Euro 11,517 thousand as at 31 March 2010).

Below is reported the statement of changes of this item:

(in thousands of Euro)	**30 September 2010**
Balance as at 31 March 2010	11,517
Investments in assets entered into operation	352
Other changes	-
Depreciation and write-downs	(765)
Total	**11,104**

On the contrary, increases in property, plant and equipment, equal to Euro 352 thousand in the half-year ended 30 September 2010, were mainly attributable to fittings purchased for new DOSs opened in the period under consideration and to the refurbishment of some existing shops for Euro 311 thousand, to electric and electronic office machines for Euro 5 thousand, to the purchases of moulds relating to new products for Euro 25 thousand and to the purchase of equipment for Euro 11 thousand**.**

Below is reported the net book value as at 30 September 2010 of the assets used by the Group by virtue of finance lease agreements:

(in thousands of Euro)	**30 September 2010**
Land	878
Buildings	5,115
Plant and equipment	257
Industrial and business equipment	828
Total	**7,078**

Note 3 – Receivables from others

Receivables from others, equal to Euro 517 thousand as at 30 September 2010 (compared to Euro 539 thousand as at 31 March 2010) relate to both guarantee deposits paid for various utilities, including those relating to the operation of Company-owned shops, and deposits relating to the lease of Company-owned shops that are not yet operating.

Note 4 – Deferred tax assets

As at 30 September 2010, deferred tax assets amounted to Euro 1,170 thousand (Euro 1,112 thousand as at 31 March 2010). The balance is mainly made up of temporary fiscal differences relating to Piquadro S.p.A. for Euro 1,142 thousand (Euro 1,084 thousand as at 31 March 2010) referred to the IRES (*Imposta sul Reddito delle Società*, Corporate Income Tax) and IRAP (*Imposta Regionale sulle Attività Produttive*, Local Tax on Production Activities) tax effect on taxed funds, in addition to adjustments made at the time of the preparation of the consolidated financial statements (including the reversal of the intercompany profit with an anticipated tax effect equal to Euro 304 thousand against about Euro 263 thousand as at 31 March 2010).

Current assets

Note 5 – Inventories

The tables below report the breakdown of net inventories into the relevant classes and the changes in the provision for write-down of inventories (entered as a direct reduction in the individual classes of inventories), respectively:

(in thousands of Euro)	**Gross value as at 30 September 2010**	**Provision for write-down**	**Net value as at 30 September 2010**	**Net value as at 31 March 2010**
Raw Materials	2,284	(151)	2,133	1,330
Semi-finished products	524	-	524	358
Finished products	9,549	(297)	9,252	5,930
Inventories	**12,357**	**(448)**	**11,909**	**7,618**

(in thousands of Euro)	**Provision as at 31 March 2010**	**Use**	**Allocation**	**Provision as at 30 September 2010**
Provision for write-down of raw materials	151	-	-	151
Provision for write-down of finished products	297	-	-	297
Total provision for write-down of inventories	**448**	**-**	**-**	**448**

As at 30 September 2010, inventories showed an increase compared to the corresponding values as at 31 March 2010. This increase is mainly attributable to seasonal trends, in addition to the increases in the quantities stored to meet the needs deriving from the growth in turnover and of the orders under development.

Note 6 – Trade receivables

As at 30 September 2010, trade receivables were equal to Euro 22,031 thousand compared to Euro 20,255 as at 31 March 2010. The increase over 31 March 2010 is attributable to both seasonal trends in sales and the growth dynamics.
The adjustment to the face value of receivables from customers at their presumed realisable value is obtained through a special provision for bad debts, whose changes in the half-year under consideration are showed in the table below:

(in thousands of Euro)	**Provision as at 31 March 2010**	**Use**	**Allocation**	**Provision as at 30 September 2010**
Provision for bad debts	933	-	-	933

Note 7 – Other current assets

Below is reported the breakdown of other current assets:

(in thousands of Euro)	**30 September 2010**	**31 March 2010**
Other assets	1,235	970
Accrued income and prepaid expenses	709	543
Other current assets	**1,944**	**1,513**

Other current assets mainly include advances to suppliers of the Parent Company (Euro 650 thousand as at 30 September 2010 against Euro 306 thousand as at 31 March 2010), other sundry receivables of Uni Best Leather Goods (Zhongshang) Co. Ltd. (Euro 178 thousand as at 30 September 2010 against Euro 174 thousand as at 31 March 2010) and other sundry receivables of Piquadro España SLU (Euro 31 thousand as at 30 September 2010 against Euro 30 thousand as at 31 March 2010).

Accrued income and prepaid expenses mainly include prepaid expenses on set of samples relating to the clothing collection for spring/summer 2011 for a total of Euro 188 thousand.

Note 8 – Derivative financial assets

As at 30 September 2010, the Group had no derivative financial assets (as at 31 March 2010 the Group had reported assets of Euro 69 thousand relating to forward exchange contracts).

Note 9 – Cash and cash equivalents

Below is reported the breakdown of cash and cash equivalents (mainly relating to Piquadro S.p.A.):

(in thousands of Euro)	**30 September 2010**	**31 March 2010**
Available current bank accounts	8,550	9,259
Cash, cash on hand and cheques	92	58

Cash an cash equivalents	**8,642**	**9,317**

The balance represents cash and cash equivalents and the existence of cash and cash on hand at the closing date of the periods. For a better understanding of the dynamics in the Company's liquidity, reference is made to the Cash flow statement and the breakdown of Net Financial Position.

LIABILITIES

Note 10 – TOTAL EQUITY

Share capital

As at 30 September 2010 the Share Capital of Piquadro S.p.A. was equal to Euro 1,000 thousand and was represented by no. 50,000,000 of ordinary shares, fully subscribed and paid up, with regular enjoyment, with no indication of their par value.
On 31 January 2008, following the resolution of 20 December 2007, the Company's Board of Directors resolved to approve a stock option plan named "Stock Option Plan of Piquadro S.p.A. 2008-2013", for a maximum of 1,600,000 shares, setting the price for the subscription of Piquadro ordinary shares at Euro 2.20, to be paid by the beneficiaries at the time of subscription of the shares. The Plan is reserved for certain directors, executives, employees and collaborators of Piquadro S.p.A. and of other companies under its control that have been selected by the Board of Directors in consultation with the Remuneration Committee.
Vesting of options, to the extent of 20% at any time during the fourth year in the term of the plan, 30% at any time during the fifth year in the term of the Plan and 50% at any time during the sixth year in the term of the Plan, respectively, is subject not only to condition that the directors, executives, subordinate employees or collaborators concerned are still serving the Company, but to the official Piquadro share price reaching certain arithmetic mean targets as specified in the Plan's regulations. The Group has no obligation to repurchase the shares or liquidate them.
The criterion used for measurement is based on the Monte Carlo simulation. The model created for the valuation of stock options takes account of all the operating characteristics reported in the plan's regulations. 50,000 scenarios have been developed for the purpose of valuation. In estimating expected volatility, as required in the Operational guidance (appendix B) to point B26 of IFRS 2, reference was made to stocks from the same commodity sector that have been listed for a longer period of time.
As at 30 September 2010, no option had been vested out of no. 1,600,000 options assigned.

Share premium reserve

This reserve, which as at 30 September 2010 was equal to Euro 1,000 thousand, has not undergone changes compared to 31 March 2010.

Translation reserve

As at 30 September 2010 the translation reserve was negative for Euro 40 thousand (while was negative for Euro 77 thousand as at 31 March 2010). This item is referred to the exchange rate differences due to the consolidation of the companies with a relevant currency other than the Euro, i.e. Uni Best Hong Kong Ltd, Piquadro Hong Kong (the relevant currency being the Hong Kong Dollar) and Uni Best Leather Goods (Zhongshan) Co. Ltd and Piquadro Shenzhen (the relevant currency being the Chinese Renminbi), Piquadro Middle East (the relevant currency being the Dirham) and Piquadro Taiwan Co. Ltd (the relevant currency being the Taiwan Dollar).

Group net profit

This item relates to the recognition of the Group profit recorded for the half-year, equal to Euro 3,884 thousand in the half-year ended 30 September 2010.

Equity attributable to minority interests

As previously reported, following the agreement entered into on 22 June 2010, the Parent Company completed the acquisition of the residual stake held by the Chinese partners in Uni Best Leather Goods Co. Limited, a company based in Hong Kong which, in turn, holds 50% of the joint venture Uni Best Leather Goods (Zhongshan) Co. Ltd, while the remaining 50% of the share capital of the latter is directly owned by by Piquadro S.p.A..
As a result of this transaction, as at 30 September 2010 Equity attributable to minority interests was equal to zero (as at 31 March 2010 the equity attributable to minority interests was equal to Euro 81 thousand).
It should be noted that, by virtue of specific provisions in the by-laws and separate agreements, the Parent Company has full control of the corporate governance, and is also entitled to the total corporate stakes and profits of Piquadro Middle East Leather Products LLC.

It should be noted that this transaction, as it was implemented towards shareholders, was accounted for as required by IAS 27 (revised); this standard provides that the changes in the ownership structure of a subsidiary that do not constitute a loss of control must be treated as transactions between shareholders (the so-called equity transaction) and must be entered against an entry in equity, eliminating the option for the entry in the income statement.

Non-current liabilities

Note 11 – Borrowings

Below is the breakdown of non-current payables to banks:

(in thousands of Euro)	30 September 2010	31 March 2010
Financial payables from 1 to 5 years	4,647	6,046
Financial payables beyond 5 years	-	-
Medium/long-term financial payables	**4,647**	**6,046**

As at 30 September 2010, non-current borrowings mainly related to Piquadro SpA and included:

1. the loan granted by Carisbo SpA on 31 January 2008 for an amount of Euro 3,050 thousand (against an initial amount of Euro 5,300 thousand), of which the non-current portion is equal to Euro 1,550 thousand, with a two-year pre-amortisation;

2. the 60-month unsecured loan disbursed by Carisbo SpA on 1 September 2008 for an amount of Euro 897 thousand (against an initial amount of Euro 1,500 thousand), of which the non-current portion is equal to Euro 597 thousand, aimed partly at financing the opening of new points of sale in Italy and abroad and partly at meeting the Company's financial requirements;

3. the unsecured loan granted by Carisbo SpA on 28 February 2009 for an amount of Euro 3,500 thousand, of which the non-current portion is equal to Euro 2,500 thousand. In relation to this loan, it is specified that, following an amendment to the relevant agreement entered into on 31 May 2010, the Parent Company is no longer required to comply with any covenants.

4. The credit line granted by Carisbo SpA was used by the Parent Company to meet temporary cash requirements and to pay part of the dividend distributed on 26 July 2010.

(in thousands of)	Company	Date of granting of the loan	Currency	Initial amount *(in currency/1000)*	Current financial payables (*Euro/1000*)	Non-current financial payables (*Euro/1000*)	Total (*Euro/1000*)
Carisbo loan	Piquadro SpA	31.01.2008	Euro	5,300	1,500	1,550	3,050

Carisbo loan	Piquadro SpA	01.09.2008	Euro	1,500	300	597	897
Carisbo loan	Piquadro SpA	28.02.2009	Euro	3,500	1,000	2,500	3,500
Carimini loan	Piquadro SpA	26.10.2005	Euro	88	2	-	2
Currency loan - Unicredit	Piquadro Trading Shenzhen	04.06.2009	CNY	900	91	-	91
Use of Carisbo credit line	Piquadro SpA		Euro		2,712	-	2,712
					5,605	**4,647**	**10,252**

Note 12 – Payables to other lenders for lease agreements

Below is reported the following breakdown:

(in thousands of Euro)	30 September 2010	31 March 2010
Non-current portion:		
Payables to leasing companies	4,818	5,248
Current portion:		
Payables to leasing companies	920	948
Payables to other lenders for lease agreements	**5,738**	**6,196**

As at 30 September 2010 payables to other lenders due beyond 12 months were equal to Euro 4,818 thousand and related to payables to leasing companies, and specifically to the residual debt of Euro 4,697 thousand relating to the lease agreement initially entered into by Piqubo Servizi S.r.l., which was merged by incorporation into Piquadro S.p.A. by deed of 24 October 2008, with Centro Leasing S.p.A. in relation to the plant, land and the automated warehouse located in Sassuriano, Silla di Gaggio Montano (Province of Bologna) (Euro 5,030 thousand as at 31 March 2010). Furthermore, it should be noted that, effective from 1 August 2006, Centro Leasing SpA has transferred to Cassa di Risparmio di Pistoia e Pescia SpA a share equal to 50% of the receivables relating to finance lease rentals arising from the said lease agreement. The residual amount of Euro 121 thousand (Euro 218 thousand as at 31 March 2010) relates to payables for lease agreements related to equipment, furniture and fittings of shops run by the Company.

Note 13 – Provision for Employee Benefits

As at 30 September 2010 the value of the provision was equal to Euro 282 thousand (Euro 287 thousand as at 31 March 2010) as determined by an independent actuary; the actuarial assumptions used for calculating the provision are not changed compared to the information reported in the paragraph *Accounting standards – Provision for employee benefits* in the Notes to the Financial Statements as at 31 March 2010).

Note 14 – Provision for risks and charges

Below are the changes of provisions for risks and charges as at 30 September 2010:

(in thousands of Euro)	**Provision as at 31 March 2010**	Use	Allocation	**Provision as at 30 September 2010**
Provision for supplementary clientele indemnity	511	(35)	86	562
Other provisions for risks	217	-	-	217
Total	**728**	**(35)**	**86**	**779**

The “provision for agents’ supplementary indemnity” represents the potential liability with respect to agents in the event of Group companies’ terminating agreements or agents retiring.

Note 15 – Deferred tax liabilities

As at 30 September 2010, deferred tax liabilities amounted to Euro 426 thousand (Euro 426 thousand as at 31 March 2010), fully referable to the Parent Company.

Current liabilities

Note 16 – Borrowings

As at 30 September 2010 borrowings were equal to Euro 5,605 thousand compared to Euro 2,409 thousand as at 31 March 2010; for the breakdown, reference is made to Note 11.

Note 17 – Payables to other lenders for lease agreements

As at 30 September 2010 they were equal to Euro 920 thousand (Euro 948 thousand as at 31 March 2010) and related to the current portion of payables to leasing companies in relation to agreements for the lease of furniture, fittings and equipment for the shops and of the building, plant and equipment of the operational headquarters.

NET FINANCIAL POSITION

The statement below shows the Net Financial Position of the Piquadro Group as a summary of what is detailed in the Notes above:

(Values expressed in thousands of Euro)	**30 September 2010**	**31 March 2010**	**30 September 2009**
Cash	92	58	62
Other cash and cash equivalents (available current bank accounts)	8,550	9,259	5,634
Liquidity	**8,642**	**9,317**	**5,696**
Finance leases	(920)	(948)	(948)
Current bank debt	(2,712)	-	-
Current portion of non-current debt	(2,893)	(2,409)	(1,955)
Current financial debt	**(6,525)**	**(3,357)**	**(2,903)**
Short-term net financial position	**2,117**	**5,960**	**2,793**
Non-current bank debt	(4,647)	(6,046)	(7,445)
Finance leases	(4,818)	(5,248)	(5,698)
Non-current financial debt	**(9,465)**	**(11,294)**	**(13,143)**
Net financial position	**(7,348)**	**(5,334)**	**(10,350)**

As at 30 September 2010 the Net Financial Position was negative for about Euro 7.3 million. Compared to 31 March 2010, the Net Financial Position increased by about Euro 2 million, mainly as a result of seasonality and in order to support the growth achieved in terms of net working capital. Net financial debt as at 30 September 2010, compared to that recorded as at 30 September 2009, showed a positive improvement equal to about Euro 3 million, after paying dividends of about Euro 4 million, and showed the Company’s capacity to generate cash by means of solid profits hand in hand with careful management of working capital and of the Group’s investment policy.

Note 18 – Derivative financial liabilities

As at 30 September 2010 liabilities relating to the hedging of derivative financial instruments were equal to Euro 278 thousand (Euro 17 thousand as at 31 March 2010).

The Company has taken steps to hedge the risk of increases in interest rates linked to the performance of the 3-month Euribor rate; this derivative was entered into to hedge the variable portion of interest due on the loan raised with Banca Cassa di Risparmio di Bologna on 16 January 2008 for an amount equal to Euro 5,300 thousand; the cost of the transaction is represented by the fixed spread equal to 0.30%.

This transaction is accounted for according to the hedge accounting criteria (IAS 39). The valuation of this hedging contract entailed the recognition of a liability of Euro 11 thousand (a financial liability of Euro 17 thousand as at 31 March 2010) which has been accounted for against an entry in equity.

As at 30 September 2010, liabilities relating to forward exchange contracts were equal to Euro 267 thousand (assets of Euro 69 thousand as at 31 March 2010).
The Company hedges the exchange risk connected to purchases of raw materials in US dollars and for contract work done in China. In consideration for this risk, the Company makes use of instruments to hedge the risk attached to the related rate, trying to fix and crystallise the exchange rate at a level that is in line with the budget forecast. Only some of the derivative financial instruments have met all the conditions laid down for hedge accounting, accounting for a value equal to Euro 67 thousand at fair value against an entry in the equity reserve.

Note 19 – Trade payables

Below is the breakdown of current trade liabilities:

(in thousands of euro)	**30 September 2010**	**31 March 2010**
Payables to suppliers	15,134	12,849

As at 30 September 2010 the increase in payables to suppliers, equal to Euro 2,285 thousand, compared to 31 March 2010, was mainly attributable to the seasonality trends in the Group's business, which are also reflected in the inventory dynamics.

Note 20 – Other current liabilities

Below is the breakdown of other current liabilities:

(in thousands of Euro)	**30 September 2010**	**31 March 2010**
Payables to social security institutions	231	319
Payables to pension funds	23	12
Other payables	415	554
Payables to employees	444	339
Advances from customers	68	49
Deferred income	288	215
Payables for VAT	928	950
IRPEF* tax payables and other tax payables	246	225
Other current liabilities	**2,643**	**2,663**

* IRPEF, *Imposta sul reddito delle persone fisiche* = Personal Income Tax.

Payables to social security institutions mainly relate to the Parent Company's payables due to INPS. Payables to employees as at 30 September 2010 mainly included the Company's payables for remunerations to be paid and deferred charges with respect to employees.

Note 21 – Tax payables

Below is the breakdown of tax payables:

(in thousands of Euro)	30 September 2010	31 March 2010
IRES tax (income taxes)	1,539	-
IRAP tax	366	-
Tax payables	**1,905**	**-**

Tax payables for IRES and IRAP tax (reported after tax advances paid in the course of the period under consideration) relate to the obligations with respect to the Tax Office existing at the date of the interim financial statements, and fully refer to the Parent Company.

4. COMMENT ON THE MAIN INCOME STATEMENT ITEMS

Note 22 – Revenues from sales

In relation to the breakdown of revenues from sales by distribution channel, reference is made to the Directors' Report on the performance of operations.

The Group's revenues are mainly realised in Euro.

Below is the breakdown of revenues by geographical area:

(in thousands of Euro)	Half-year ended 30 September 2010	Half-year ended 30 September 2009
Italy	20,904	18,924
Europe	4,201	2,762
Rest of the world	2,012	1,335
Revenues from sales	**27,117**	**23,021**

In the half-year ended 30 September 2010, revenues from sales reported an increase equal to Euro 4,096 thousand compared to the corresponding revenues realised in the half-year ended 30 September 2009 (+17.8%).

Note 23 – Other income

In the half-year ended 30 September 2010, other income amounted to Euro 664 thousand (Euro 427 thousand in the half-year ended 30 September 2009). These revenues are mainly attributable to the recognition of non-recurring income of Euro 300 thousand on the part of Piquadro Deutschland GmbH. This sum derives from the assignment of the lease agreement to third parties relating to the shop located in Frankfurt, 60313, Goethestrasse 32.
Furthermore, it should be noted that the remaining amount of Euro 364 thousand, mainly attributable to the Parent Company, is made up of Euro 160 thousand of revenues for charging back customers for transport costs, collection and Corners, in addition to Euro 185 thousand for other chargebacks.

Note 24 – Change in inventories

The change in inventories was positive in both the half-year ended 30 September 2010 (Euro 4,164 thousand) and the half-year ended 30 September 2009 (Euro 761 thousand); this positive change is mainly attributable to the seasonality of the Group's business which realises more than half of its turnover in the second half of the financial year, and, compared to the half-year ended 30 September 2009, reflects the requirements of increased requests for supply of products deriving from the strong acceleration in growth.

Note 25 – Costs for purchases

This item essentially includes the cost of materials used for the production of the Company's goods and of consumables.

In the half-year ended 30 September 2010, costs for purchases were equal to Euro 6,513 thousand (Euro 3,852 thousand in the half-year ended 30 September 2009).

Note 26 – Costs for services and leases and rentals

Below is the breakdown of costs for services:

(in thousands of Euro)	**30 September 2010**	**30 September 2009**
External production	5,668	4,103
Advertising and marketing	1,463	912
Transport services	1,794	1,299
Business services	1,460	1,403
Administrative services	454	410
General services	607	529
Services for production	35	-
Others	753	585
Total Costs for services	**12,234**	**9,241**
Costs for leases and rentals	**1,831**	**1,484**
Costs for services and leases and rentals	**14,065**	**10,725**

Costs for leases and rentals mainly relate to lease rentals relating to the Parent Company's shops.
The increase in marketing costs is mainly attributable to the first TV advertising campaign of the Group which was broadcast on the Mediaset networks during June and July 2010.

Note 27 – Personnel costs

Below is reported the breakdown of personnel costs:

(in thousands of Euro)	**Half-year ended 30 September 2010**	**Half-year ended 30 September 2009**
Wages and salaries	3,488	3,115
Social security contributions	502	476
TFR	123	95
Personnel costs	**4,113**	**3,686**

The table below reports the exact number by category of employees as at 30 September 2010 and 30 September 2009:

Category	30 September 2010	30 September 2009	31 March 2010
Executives	1	1	1
Office workers	220	171	202
Manual workers	332	339	339
Total	**553**	**511**	**542**

The number of employees as at 30 September 2010 increased by 42 units compared to the number of employees recorded as at 30 September 2009 as a result of the increase in staff mainly due to the new openings of shops in Italy and abroad.

In the half-year ended 30 September 2010, personnel costs reported an increase of about 11.58%, passing from Euro 3,686 thousand in the half-year ended 30 September 2009 to Euro 4,113 thousand in the half-year ended 30 September 2010. The increase in personnel costs is mainly due to the increase in staff of Piquadro Spa and is attributable to the increased number of employees as a result of the new openings of DOSs.

To supplement the information provided, below is also reported the average number of employees for half-years ended 30 September 2010 and 30 September 2009:

Average unit	30 September 2010	30 September 2009
Executives	1	1
Office workers	209	158
Manual workers	320	374
Total for the Group	**530**	**533**

Note 28 – Amortisation, depreciation and write-downs

In the half-year ended 30 September 2010, amortisation and depreciation were equal to Euro 898 thousand (Euro 941 thousand in the half-year ended 30 September 2009).
Furthermore, it should be noted that, as at 30 September 2010, no write-downs were recognised (as at 30 September 2010 the Group had reported write-downs of Euro 40 thousand).

Note 29 – Financial income

In the half-year ended 30 September 2010, financial income was equal to Euro 604 thousand (Euro 253 thousand in the half-year ended 30 September 2009) and related to Euro 75 thousand of interest receivable on current accounts and to Euro 529 thousand of foreign exchange gains either realised or estimated (Euro 177 thousand as at 30 September 2009).

Note 30 – Financial charges

In the half-year ended 30 September 2010, financial charges were equal to Euro 797 thousand (Euro 618 thousand in the half-year ended 30 September 2009); this amount includes charges recognised on lease agreements for an amount of Euro 99 thousand (Euro 130 thousand as at 30 September 2009), mainly attributable to the charges for the finance lease of the plant located in Silla di Gaggio Montano, in addition to foreign exchange losses either realised or estimated for Euro 305 thousand (Euro 230 thousand as at 30 September 2009).

Note 31 – Income tax expenses

Below is reported the breakdown of income tax expenses:

(in thousands of Euro)	**Half-year ended 30 September 2010**	**Half-year ended 30 September 2009**
IRES tax	1,856	1,484
IRAP tax	395	280
Total current taxes	**2,251**	**1,764**

(in thousands of Euro)	**Half-year ended 30 September 2010**	**Half-year ended 30 September 2009**
Deferred tax liabilities	271	264
Deferred tax assets	(304)	(185)
Total deferred tax assets and liabilities	**(33)**	**79**

Note 32 - Earnings per share

As at 30 September 2010 diluted earnings per share amounted to Euro 0.07527 (basic earnings per share amounted to Euro 0.07768 as at 30 September 2010 and Euro 0.057 as at 30 September 2009); they are calculated on the basis of the consolidated net profit for the period attributable to the Group, equal to Euro 3,884 thousand, divided by the weighted average number of ordinary shares outstanding in the quarter, equal to 51,600,000 shares, including potential shares relating to the stock option plan resolved and granted on 31 January 2008. As at 30 September 2009, diluted earnings per share were equal to Euro 0.0553.

	30 September 2010	**30 September 2009**
Group net profit (in thousands of Euro)	3,884	2,850
Average number of outstanding ordinary shares (in	51,600	51,600

x\x thousands of shares)

Diluted earnings per share (in Euro)	**0.07527**	**0.0553**
Group net profit (in thousands of Euro)	3,884	2,850
Average number of outstanding ordinary shares	50,000	50,000
Basic earnings per share (in Euro)	**0.07768**	**0.057**

5. OTHER INFORMATION

Note 33– Segment reporting

In order to provide disclosures regarding the economic, financial and equity position by segment (segment reporting), the Group has chosen the distinction by distribution channel as the primary model for presenting segment data. This method of representation reflects how the Group's business is organised and the structure of its internal reporting on the basis of the consideration that risks and rewards are influenced by the distribution channels used by the Group.

The distribution channels selected as those being presented are the following ones:

- DOS channel
- Wholesale channel

In fact, the Group distributes its products through two distribution channels:

- a direct channel, which as at 30 September 2010, included 37 single-brand stores directly operated by the Group (the so-called "Directly Operated Stores" or "DOSs");
- an indirect channel ("Wholesale"), which is represented by multi-brand shops/department stores, single-brand shops run by third parties linked to the Group by franchise agreements and distributors who then resell the articles in specialist multi-brand shops.

As shown below, as at 30 September 2010, approximately 22.1% of the Group's consolidated revenues was realised through the direct channel, while 77.9% of consolidated revenues was realised through the indirect channel.

The table below illustrates the segment data of the Piquadro Group broken down by sales channel (DOSs and Wholesale), in relation to the six months ended 30 September 2010 and 30 September 2009, respectively.

Segment economic performance is monitored by the Company's Management up to the "Segment result before amortisation and depreciation". DOS channel's performance in the half-year ended 30 September 2010, compared to the results recorded as at 30 September 2009, shows that margins are higher, the following factors having impacts:

- Same Store Sales Growth (SSSG), assuming constant exchange rates and perimeter, reported in the period equal to 9.8%;
- new shops opened with performance not yet in line with the management's expectations and with the Company's benchmark.

Furthermore, the DOS channel was positively affected by the assignment of the lease agreement relating to the Frankfurt shop, an assignment which generated non-recurring income of Euro 300 thousand.

The performance of the wholesale channel in the half-year ended 30 September 2010, compared with the results recorded as at 30 September 2009, shows substantially stable margins in percentage terms and is attributable to the excellent performance of sales which was slightly offset by the increase in costs, particularly in marketing, also by reason of the first TV advertising campaign carried out by the Company.

Segment economic performance is monitored by the Company's Management up to the "Segment result before amortisation and depreciation":

(*in thousands of Euro*)	Half-year ended 30 September 2010				Half-year ended 30 September 2009				
	DOS	Wholesale	Total for the Group (including non-allocated items)	% Impact	DOS	Wholesale	Total for the Group (including non-allocated items)	% Impact	% Change
Revenues from sales	**5,999**	**21,118**	**27,117**	**100.0%**	**4,752**	**18,269**	**23,021**	**100.0%**	**17.8%**
Segment result before amortisation and depreciation	766	6,427	7,193	26.5%	257	5,596	5,853	25.4%	22.9%
Amortisation and depreciation			(898)	(3.3%)			(981)	(4.3%)	(8.5%)
Financial income and charges			(193)	(0.7%)			(365)	(1.6%)	(47.1%)
Pre-tax result			**6,102**	**22.50%**			**4,507**	**19.58%**	**35.4%**
Income taxes			2,218	(8.2%)			(1,685)	(7.3%)	31.6%
Profit for the half-year			**3,884**	**14.32%**			**2,822**	**12.26%**	**37.6%**
Result attributable to minority interests			0	(0%)			(28)	(0.12%)	(100%)
Group net profit			**3,884**	**14.32%**			**2,850**	**12.38%**	**36.3%**

Note 34 – Commitments

As at 30 September 2010, the Group had not executed contractual commitments that would entail significant investments in property, plant and equipment and intangible assets in the 2010/2011 financial year.

Note 35 – Relations with related parties

Piquadro S.p.A., the parent company of the Piquadro Group, operates in the leather goods market and designs, produces and markets articles under its own brand. The subsidiaries mainly carry out activities of distribution of products (Piquadro España SLU, Piquadro Hong Kong Ltd, Piquadro Deutschland GmbH , Piquadro Middle East Leather Products LLC, Piquadro Trading (Shenzhen) Ltd. and Piquadro Taiwan Co. Ltd.), or production (Uni Best Leather Goods Hong Kong Co Ltd. and Uni Best Leather Goods Zhongsanhg Co. Ltd.).
The relations with Group companies are mainly commercial and are regulated at arm's length. There are also financial relations (inter-group loans) between the Parent Company and some subsidiaries, conducted at arm's length.
The Directors report that, in addition to Piquadro Holding SpA and Piqubo SpA, there are no other related parties (pursuant to IAS 24) of the Piquadro Group.

During the first half of the 2010/2011 financial year, Piqubo S.p.A., the ultimate parent company, charged Piquadro the rent (whose amounts are reported in the table below) relating to the use of the plant located in Riola di Vergato (Province of Bologna) as a warehouse.
The table below reports the breakdown of the economic and financial relations with these related companies in the first half of the 2010/2011 and 2009/2010 financial year:

(in thousands of euro)	Costs	
	30 September 2010	30 September 2009
Costs for rents due to Piqubo S.p.A.	15	15
Total costs towards controlling companies	**15**	**15**

In the 2010/2011 and 2009/2010 half-years, no economic transactions occurred with the majority Shareholder, Piquadro Holding SpA.

In the absence of economic relations, below are reported the following relations with Piquadro Holding SpA:

- during the first 2010/2011 half-year, Piquadro SpA distributed dividends of Euro 2,719,196, relating to the profit for the 2009/2010 financial year, to the majority shareholder Piquadro Holding S.p.A.;
- during the first 2009/2010 half-year, Piquadro SpA distributed dividends of Euro 2,091,169, relating to the profit for the 2008/2009 financial year, to the majority shareholder Piquadro Holding S.p.A..

Fees due to the Board of Directors

The table below reports the fees (including emoluments as Directors and current and deferred remuneration, including in kind, as employees) due to Directors and to the members of the Board of Statutory Auditors of Piquadro S.p.A., in relation to the first half of 2010/2011, for the performance of their duties in the Parent Company and other Group companies, and the fees accrued by any executives with strategic responsibilities (as at 30 September 2010, Directors had not identified executives with strategic responsibilities):

First and last Name	Position held	Period in which the position was held	Term of office	Fees in Piquadro (in thousands of Euro)	Pays for subordinate employment	**Total**
Marco Palmieri	Chairman and CEO	01/04/10-30/09/10	31/03/2013	200	-	200
Pierpaolo Palmieri	Director	01/04/10-30/09/10	31/03/2013	100	-	100
Marcello Piccioli	Managing director	01/04/10-30/09/10	31/03/2013	116	-	116
Roberto Trotta	Managing director	01/04/10-30/09/10	31/03/2013	-	66	66
Roberto Tunioli	Director	01/04/10-30/09/10	31/03/2013	13	-	13
Gianni Lorenzoni	Director	01/04/10-30/09/10	31/03/2013	13	-	13
Sergio Marchese	Director	01/04/10-30/09/10	31/03/2013	4	-	4
				446	**66**	**512**

* It should be noted that, in addition to the pay as an employee, the Company will pay the executive, as per contract, a variable portion of remuneration equal to 20% of the annual gross remuneration if certain Group and Company targets are achieved.

Note 36 – Events after the period end

Within the framework of the continuous development and distribution mix plan mainly in the Far East region, the Group opened, subsequent to 30 September 2010, 2 new DOSs (People's Republic of China – Beijing IFC Mall and Germany – Frankfurt) in October and 1 new franchise shop in Beirut. Furthermore, the Company executed an agreement for the distribution of its products in Canada and at the same time it opened a franchise point of sale in Toronto.

In addition to the above, no significant events are reported which occurred at Group level from 1 October 2010 to the date of this Report.

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CERTIFICATION ON THE CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ARTICLE 81-*Ter* of Consob Regulation No. 11971 of 14 May 1999, as amended and supplemented

1) The undersigned Marco Palmieri, in his capacity as Chief Executive Officer, and Roberto Trotta, in his capacity as Manager responsible for the preparation of corporate accounting documents of Piquadro S.p.A., certify, also taking account of the provisions under Article 154-*bis*, paragraphs 3 and 4, of Legislative Decree no. 58 of 24 February 1998:
   • adequacy in relation to the characteristics of the Company and
   • actual application of administrative and accounting procedures for the preparation of the consolidated financial statements in the course of the half-year April 2010-September 2010.

2) The evaluation of the adequacy of administrative and accounting procedures for the preparation of the condensed consolidated half-year financial statements as at 30 September 2010 has been based on a process defined by Piquadro S.p.A. consistently with the Internal Control – Integrated Framework model issued by the Committee of Sponsoring Organisations of the Treadway Commission which represents a reference framework generally accepted at international level.

3) It is also certified that:

   3.1 the condensed consolidated half-year financial statements as at 30 September 2010:

   a) have been prepared in accordance with the applicable international accounting standards acknowledged by the European Union pursuant to regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002 and in particular with IAS 34 – Interim Financial Reporting, as well as with the measures issued to implement Article 9 of Legislative Decree no. 38/2005;

   b) correspond to the results in the accounting books and records;

   c) have been prepared in accordance with the International Financial Reporting Standards adopted by the European Union, as well as with the measures issued to implement Article 9 of Legislative Decree no. 38/2005, and, as far as we know, are suitable to give a true and correct representation of the equity, economic and financial position of the issuer and of all the companies included in the scope of consolidation.

   3.2. The interim management report includes a reliable analysis of the references to the significant events that occurred during the first six months of the financial year and of their impact on the condensed consolidated half-year financial statements, together with a description of the main risks and uncertainties for the remaining six months of the financial year. The interim management report also includes a reliable analysis of the information on significant transactions with related parties.

Silla di Gaggio Montano (BO) 18 November 2010

/F/ Marco Palmieri
Chief Executive Officer

Marco Palmieri

/F/ Roberto Trotta
Manager responsible for the preparation of corporate accounting documents
Roberto Trotta