INTERIM FINANCIAL REPORT OF THE PIQUADRO GROUP
AS AT 30 JUNE 2011

Disclaimer

This Report at 30 June 2011 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.

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

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*
Milan - Via della Spiga 33 (Piquadro S.p.A.)	*Point of sale*
Milan - Linate Airport (Piquadro S.p.A.)	*Point of sale*
Milan - Malpensa Airport (Piquadro S.p.A.)	*Point of sale*
Barcelona - Paseo de Gracia 11, Planta Baja (Piquadro España)	*Point of sale*
Rome - Galleria Colonna (Piquadro S.p.A.)	*Point of sale*
Bologna - Piazza Maggiore 4/B (Piquadro S.p.A.)	*Point of sale*
Barberino del Mugello (FI), c/o 'Factory Outlet Centre' (Piquadro S.p.A.)	*Retail outlet*
Fidenza (PR) c/o "Fidenza Village" (Piquadro S.p.A.)	*Retail outlet*
Rome - c/o Centro Commerciale Cinecittà (Piquadro S.p.A.)	*Point of sale*
Rome - c/o Galleria N. Commerciale di "Porta Roma"(Piquadro S.p.A.)	*Point of sale*
Hong Kong- Kowloon Harbour City (Piquadro Hong Kong Ltd)	*Point of sale*
Macau - Venetian Mall (Piquadro Macau Limitada)	*Point of sale*
Vicolungo (NO) c/o Parco Commerciale (Piquadro S.p.A.)	*Retail outlet*
Abu Dhabi- c/o Khalidiyah Mall (Piquadro Middle East Leather Products LLC)	*Point of sale*
Rome - c/o Euroma 2 (Piquadro S.p.A.)	*Point of sale*
Valdichiana (AR)-c/o "Valdichiana Outlet Village" (Piquadro S.p.A.)	*Retail outlet*
Noventa di Piave (VE)-c/o "Factory Outlet Centre" (Piquadro S.p.A.)	*Retail outlet*
Dubai- c/o Burjuman Mall (Piquadro Middle East Leather Products LLC)	*Point of sale*
Rome - Fiumicino Airport (Piquadro S.p.A.)	*Point of sale*
Milan - Via Dante 9 (Piquadro S.p.A.)	*Point of sale*
Ingolstadt - c/o "Ingolstadt Village" (Piquadro Deutschland)	*Retail outlet*
Bologna - "G. Marconi" Airport (Piquadro S.p.A.)	*Point of sale*
Barcelona - c/o "La Roca Village" (Piquadro España)	*Retail outlet*
Shanghai - Shanghai International Golden Eagle Square (Piquadro Shenzhen)	*Point of sale*
Taipei (Taiwan) - Eslite Dun Nan (Piquadro Taiwan)	*Point of sale*
Shenzhen (China) - Mix City (Piquadro Shenzhen)	*Point of sale*
Hong Kong - Kowloon New Town Plaza (Piquadro Hong Kong Ltd)	*Point of sale*
Taipei (Taiwan) - Xin Yin Shop (Piquadro Taiwan)	*Point of sale*
Hong Kong - Kowloon – Isquare Shopping Mall (Piquadro Hong Kong Ltd)	*Point of sale*
Marcianise (CE) - c/o "Factory Outlet Centre" (Piquadro S.p.A.)	*Retail outlet*
Hong Kong - Citygate Outlet Store (Piquadro Hong Kong Ltd)	*Retail outlet*
Hong Kong - Sogo Causeway Bay (Piquadro Hong Kong Ltd)	*Point of sale*
Taipei (Taiwan) - The Mall Shop (Piquadro Taiwan)	*Point of sale*
Agira (EN) - Sicilia Fashion Outlet (Piquadro S.p.A.)	*Retail outlet*
Rome - Fiumicino Airport - Terminal 3 (Piquadro S.p.A.)	*Point of sale*
Beijing (China) - IFC Mall (Piquadro Shenzhen)	*Point of sale*
Taipei (Taiwan) - Sogo DunHua Shop (Piquadro Taiwan)	*Point of sale*
Shenyang - MOI Dept. Store (Piquadro Shenzhen)	*Point of sale*

Beijing - Surprise Outlet (Piquadro Shenzhen)	*Retail outlet*
Beijing - Season Place (Piquadro Shenzhen)	*Point of sale*
Rimini - Shopping Centre "Le Befane" (Piquadro S.p.A.)	*Point of sale*
Madrid - Calle Goya (Piquadro España)	*Point of sale*
Barcelona - Shopping Centre "Las Arenas" (Piquadro España)	*Point of sale*
San Sebastian (Spain) - Outlet Center (Piquadro España)	*Retail outlet*
Madrid – Tres Aguas (Piquadro España)	*Point of sale*
Tianjin (China) - Florentia Village (Piquadro Shenzhen)	*Point of sale*
Hong Kong – Elements Shopping mall (Piquadro Hong Kong Ltd)	*Point of sale*
Mestre (VE) – Auchan Shopping mall (Piquadro SpA)	*Point of sale*
Hong Kong - Times Square (Piquadro Hong Kong Ltd)	*Point of sale*

REPORT ON OPERATIONS
AS AT 30 JUNE 2011

Introduction

The quarterly report as at 30 June 2011 (Consolidated interim quarterly financial statements pursuant to article 154-*ter* of Legislative Decree no. 58/1998) was prepared in compliance with the mentioned Legislative Decree, as amended, as well as with the Issuers' Regulation issued by Consob.
This Report on Operations (or the "Report") relates to the consolidated and separate financial statements of Piquadro S.p.A. (hereinafter also referred to as the "Company" or the "Parent Company") and its subsidiaries ("Piquadro Group" or the "Group") as at 30 June 2011, as prepared in accordance 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. The Report must be read together with the Financial Statements and the related Notes, which make up the consolidated interim quarterly financial statements relating to the period 1 April 2011 – 30 June 2011.

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.

CORPORATE BODIES HOLDING OFFICE AT 30 JUNE 2011

- **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	
Vittorio Melchionda	

Substitute members
Matteo Rossi
Giacomo Passaniti

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

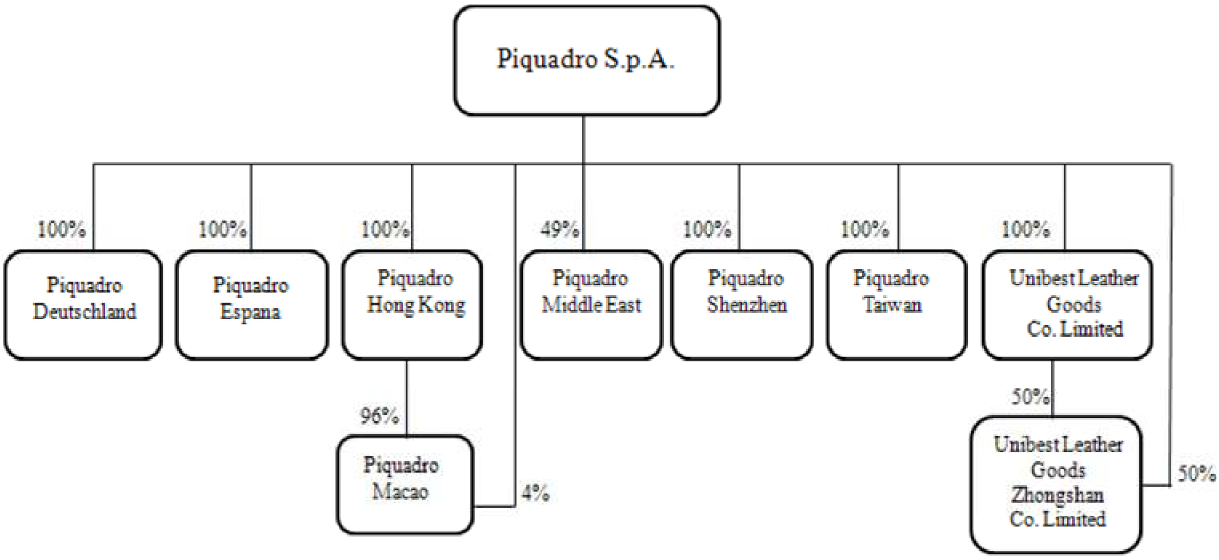
  PricewaterhouseCoopers S.p.A.

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

- **SUPERVISORY BOARD**
  Mario Panzeri

THE GROUP STRUCTURE

The chart below shows the structure of the Piquadro Group as at 30 June 2011:



INFORMATION ON OPERATIONS

Significant events for the three months ended 30 June 2011

On 13 June 2011 the Board of Directors of Piquadro SpA approved the financial statements as at 31 March 2011 and proposed to distribute a dividend of Euro 0.10 per share, for a total amount of Euro 5 million. On the same date, an extraordinary meeting of the Board of Directors of Piquadro SpA, which was called in accordance with section 22 of the By-Laws, also approved some amendments to the by-laws in order to bring them into line with mandatory provisions.

The Group's business

Operations

In the first three months of the 2011/2012 financial year ended 30 June 2011, the Group reported sharp growth in its performance compared to the same period in the 2010/2011 financial year.
The Piquadro Group reported net sales revenues equal to Euro 12,395 thousand (+14.0%) compared to Euro 10,875 thousand reported in the corresponding period in the 2010/2011 financial year. In the first three months of the 2011/2012 financial year, sales volumes, in terms of quantities sold in the relevant period, showed an increase of about 2% compared to the same period in the 2010/2011 financial year. The product families that recorded the most significant increase in terms of sales revenues were those of briefcases (about +41%), organisers and notepads (about +44%) and women's bags (about +13%), while the product family of small leather goods reported a substantial stability (about +0.4%).
As at 30 June 2011, the Piquadro Group reported, in terms of profitability, EBITDA1 equal to Euro 2,486 thousand (with the net sales revenues accounting for 20.1%), up by about 2% compared to the value recorded in the same period of the 2010/2011 financial year (Euro 2,440 thousand, equal to 22.4% of net sales revenues).

[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

In consideration of the fact that in the quarter of the previous financial year the performance (at EBITDA level) was positively affected by the sum of Euro 300 thousand obtained as goodwill for the assignment of the lease agreement relating to the Frankfurt shop, the growth in EBITDA in the quarter ended 30 June 2011, net of this effect, was equal to an increase of about 16.2% (Euro 2.49 million at 30 June 2011against Euro 2.14 million at 30 June 2010).
The Group's EBIT2 came to about Euro 2,005 thousand (16.2% of net sales revenues), up by about 2.1% compared to 30 June 2010 (Euro 1,962 thousand, equal to 18.0% of net sales revenues).
In consideration of the fact that in the quarter of the previous financial year the performance (at EBIT level) was positively affected by the sum of Euro 300 thousand obtained as goodwill for the assignment of the lease agreement relating to the Frankfurt shop, the growth in EBIT in the quarter ended 30 June 2011, net of this effect, was equal to an increase of about 20.6% (Euro 2,005 million at 30 June 2011 against Euro 1,662 million at 30 June 2010).
As at 30 June 2011 the Group net profit was equal to Euro 1,194 thousand, down by about 5.9% compared to 30 June 2010 (net profit equal to Euro 1,270 thousand). In consideration of the fact that in the quarter of the previous financial year the performance (at net profit level) was positively affected by the sum of Euro 300 thousand obtained as goodwill for the assignment of the lease agreement relating to the Frankfurt shop, the growth in net profit in the quarter ended 30 June 2011, net of this effect, was equal to an increase of about 23.1% (Euro 1,194 million at 30 June 2011 against Euro 970 thousand at 30 June 2010).

Net sales revenues

As at 30 June 2011 the Piquadro Group recorded net sales revenues equal to about Euro 12,395 thousand, up by 14% compared to 30 June 2010. 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 June 2011, included 49 directly operated single-brand stores (the so-called "Directly Operated Stores" or "DOS");

(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 (57 shops as at 30 June 2011) and by 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 June 2011**	**%**	**Net revenues as at 30 June 2010**	**%**	**% change 2011/2010**
DOS	3,317	26.8%	2,454	22.6%	35.2%
Wholesale	9,078	73.2%	8,421	77.4%	7.8%
Total	**12,395**	**100.0%**	**10,875**	**100.0%**	**14.0%**

The revenues reported by the DOS channel showed an increase of about 35.2% compared to the same period in the 2010/2011 financial year; this increase was determined by both the increase in the quantities sold in the already existing shops, where this occurred, also in the first three months ended 30 June 2010 ("comparable shops") and the contribution given by the opening of 18 new shops that were not present as at 30 June 2010, and that are listed below (note, on the other hand, that 3 shops were closed in Frankfurt, Hong Kong-Seibu and Beijing-Jinbao Place, respectively):

Month of opening	**Location**

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.

July 2010	Hong Kong - Citygate Outlet Store	DOS Outlet Store
July 2010	Taipei (Taiwan) – Taipei The Mall	DOS
September 2010	Hong Kong - Sogo Causeway Bay	DOS
September 2010	Beijing (China) - IFC Mall	DOS
November 2010	Taipei (Taiwan) – Sogo Dun Hua	DOS
December 2010	Shenyang (China) – MOI Dept. Store	DOS
December 2010	Agira c/o "Sicilia Fashion Outlet"	DOS Outlet Store
December 2010	Rome, Fiumicino Airport, Terminal 3	DOS
January 2011	Beijing (China) – Season Place	DOS
January 2011	Beijing (China) – Surprise Outlet	DOS Outlet Store
February 2011	Rimini, "Le Befane"	DOS
March 2011	Madrid (Spain), Calle Goya	DOS
March 2011	Barcelona (Spain), "Las Arenas"	DOS
April 2011	San Sebastian (Spain)- Outlet Center	DOS Outlet Store
April 2011	Madrid – Tres Aguas	DOS
June 2011	Hong Kong – Elements Shopping mall	DOS
June 2011	Mestre (VE) – Auchan Shopping mall	DOS
June 2011	Tianjin (China) - Florentia Village	DOS Outlet Store

Assuming that the perimeter remained unchanged and then deducted the sales recorded by the shops which were not yet opened as at 1 April 2010, the performance of sales revenues reported by the DOS channel was equal to about 15%.
The Same Store Sales Growth (SSSG) (assuming an equal number of days of opening and constant rates of exchange) reported a change equal to 17.8% in the three months under consideration.
Sales reported by the Wholesale channel, which as at 30 June 2011 represented 73.2% of the Group's total turnover, showed a 7.8% increase, as they benefitted, compared to the same period in the 2010/2011 financial year, from the opening of 10 additional franchise shops, of which 4 in Italy, 5 in Europe and 1 in Canada, as listed below:

Month of opening	**Location**	**Channel**
September 2010	Kiev (Ukraine), Shopping Mall "Ukraina"	Franchising (Wholesale)
October 2010	Astana (Kazakhstan), Keruen Trade Center	Franchising (Wholesale)
November 2010	Beirut (Lebanon), Ayyas Sector - Beirut Souks	Franchising (Wholesale)
November 2010	Limbiate, Centro Commerciale "Carrefour"	Franchising (Wholesale)
November 2010	Lecce, Via Trinchese 69	Franchising (Wholesale)
December 2010	Palermo, Viale Strasburgo 108	Franchising (Wholesale)
January 2011	Toronto (Canada), Bay Street	Franchising (Wholesale)
March 2011	Moscow (Russia), The Mall Presneskaia nab.	Franchising (Wholesale)
March 2011	Moscow (Russia), TC "Kapitoly"	Franchising (Wholesale)
June 2011	Orio al Serio (BG), Shopping Mall "Orio Center"	

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 June 2011	%	Net revenues as at 30 June 2010	%	% change 2011/2010
Italy	9,443	76.2%	8,232	75.7%	14.7%
Europe	1,925	15.5%	1,880	17.3%	2.4%
Rest of the world	1,027	8.3%	763	7.0%	34.6%
Total	**12,395**	**100.0%**	**10,875**	**100.0%**	**14.0%**

As at 30 June 2011, the Group's revenues showed that the Italian market accounts for a percentage of the Group's total turnover which is high (equal to about 76.2%), up by about 14.7% compared to the same period in the 2010/2011 financial year, also benefiting from the opening, compared to the same period in 2010, of 3 new DOS (Agira, Rome – Fiumicino Airport and Mestre – Auchan Shopping mall) and 4 franchise shops (Limbiate (MB) - Centro Commerciale "Carrefour", Lecce - Via Trinchese 69, Palermo - Viale Strasburgo 108, Orio al Serio (BG) - Shopping Mall "Orio Center").

The Group operates through the two DOS and Wholesale sales channels in 24 European Countries. Within the European market, the Group achieved a turnover equal to Euro 1,925 thousand, equal to about 15.5% of consolidated sales, up by 2.4% compared to the same period in the year 2010/2011. In the European region, the Group has been able to benefit from the opening of 4 new DOS (Calle Goya and Tres Aguas in Madrid, and Las Arenas and San Sebastian in Barcelona) and 5 new franchise shops (2 shops in Moscow, 1 shop in Ukraine, 1 shop in Kazakistan and 1 shop in Lebanon). In particular, the countries which reported the better performance were Russia (about +37.3%) and Spain (about +5.1%).

In the non-European geographical area (named "Rest of the world"), where the Group sells in 12 Countries, turnover rose by about 34.5%, also benefitting from the opening of 10 new DOS (3 shops in Hong Kong, 2 shops in Taiwan and 5 shops in China). The revenues generated in this geographical area, in absolute terms, are not yet able to significantly affect the total turnover.

At the same time as the increase in sales revenues, the first three months of the financial year ended 30 June 2011 reported an increase in EBITDA, net of non-recurring revenues and relating to the sale of the Frankfurt shop that occurred in the quarter of the previous financial year, up by about 16.2% compared to the same figure posted as at 30 June 2010 and an increase in the operating result by 20.6% compared to the same period in 2010 (from Euro 1,662 thousand - equal to about 15.28% of total sales revenues - in the first three months of the financial year ended 30 June 2010, net of non-recurring revenues, to Euro 2,004 thousand in the first three months of the financial year ended 30 June 2011 – equal to about 16.2% of total sales revenues).

In the opinion of the management, the increase in the operating result, net of non-recurring revenues, that was recorded in the quarter of the previous financial year, for the first three months of the financial year ended 30 June 2011, was also attributable to the following factors:

- positive performances in the DOS segment, in terms of SSSG, 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 they have brought, an operational leverage in a situation in which overheads substantially remained the same.

Summary economic-financial data

Below are reported the Group's main economic-financial indicators as at 30 June 2011 and 30 June 2010 (financial indicators are also compared to the similar values inferred from the consolidated financial statements ended 31 March 2011):

(In thousands of Euro)	**Quarter ended 30 June 2011**	**Quarter ended 30 June 2010**
Revenues from sales	12,395	10,875
EBITDA *(a)*	2,486	2,440
EBIT *(b)*	2,005	1,962
Pre-tax result	1,920	1,849
Net Financial Position *(c)*	4,147	3,305
Group's profit for the period	1,194	1,270
Amortisation and depreciation of fixed assets and write-down of receivables	531	478
Financial absorption (Group net profit, amortisation and depreciation, write-downs)	1,725	1,748

a) EBITDA (which is the acronym of 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.

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

c) 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.

EBITDA for the period came to Euro 2.49 million, against Euro 2.44 million recorded in the same period ended 30 June 2010 and as at 30 June 2011 it accounted for 20.1% of consolidated revenues (against 22.4% recorded as at 30 June 2010). As previously commented, EBITDA at 30 June 2010 was positively affected by the sum of Euro 300 thousand obtained as goodwill for the assignment of the lease agreement relating to the Frankfurt shop: for this reason, the growth in EBITDA in the quarter ended 30 June 2011, net of this effect, was equal to an increase of about 16.2% (Euro 2.49 million at 30 June 2011 against Euro 2.14 million at 30 June 2010).

As at 30 June 2011, the Group's amortisation and depreciation were equal to Euro 479 thousand and related to property, plant and equipment for Euro 393 thousand (depreciation of the building where the Company operates for Euro 49 thousand; depreciation of business equipment, including automated warehouse and fittings for shops, for Euro 321 thousand; depreciation of general systems for Euro 23 thousand), intangible assets for Euro 86 thousand (of which Euro 42 thousand for software, Euro 16 thousand for key money, Euro 13 thousand for development costs and Euro 1 thousand for rights and patents).

As at 30 June 2011 EBIT came to Euro 2,005 million, equal to about 16.2% of net sales revenues, up by about 2.1% compared to the value recorded as at 30 June 2010 (for a percentage equal to 18.0%). As previously commented, EBIT at 30 June 2010 was positively affected by the sum of Euro 300 thousand obtained as goodwill for the assignment of the lease agreement relating to the Frankfurt shop: for this reason, the growth in EBITDA in the quarter ended 30 June 2011, net of this effect, was equal to an increase of about 20.6% (Euro 2,004 million at 30 June 2011 against Euro 1,662 million at 30 June 2010).

The result from financial operations as at 30 June 2011, which was negative for a value equal to about Euro 85 thousand, was attributable to the net financial debt dynamics, in addition to the differential between foreign exchange gains and losses.

The pre-tax result recorded by the Group as at 30 June 2011 came to about Euro 1,920 thousand and was affected by income taxes, including the effects of deferred taxation, equal to Euro 726 thousand.

Investments

Investments in intangible assets, property, plant and equipment and financial assets in the three months ended 30 June 2011 were equal to Euro 770 thousand (Euro 305 thousand as at 30 June 2010), as reported below:

(in thousands of Euro)	**Quarter ended 30 June 2011**	**Quarter ended 30 June 2010**
Investments		
Intangible assets	133	94
Property, plant and equipment	637	211
Financial fixed assets	-	-
Total	**770**	**305**

Increases in intangible assets, equal to Euro 133 thousand in the quarter ended 30 June 2011, related to trademarks for Euro 17 thousand, patent rights for Euro 2 thousand, investments in software for Euro 30 thousand and fixed assets under development for Euro 84 thousand relating to the advance paid for the key money of the new shop located in Milan, at C.so Buenos Aires which is being opened in September 2011.

On the contrary, increases in property, plant and equipment, equal to Euro 637 thousand in the quarter ended 30 June 2011 were mainly attributable to fittings purchased for new DOS opened in the period under consideration and to the refurbishment of some existing shops for Euro 595 thousand, to the purchases of moulds relating to new products for Euro 10 thousand and to the purchase of equipment for Euro 32 thousand**.**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Below is summarised the Group's consolidated statement of financial position as at 30 June 2011 (compared to the corresponding statement as at 31 March 2011 and 30 June 2010):

(in thousands of Euro)	**30 June 2011**	**31 March 2011**	**30 June 2010**
Trade receivables	20,743	21,418	18,000
Inventories	13,414	10,104	10,472
(Trade payables)	(13,826)	(13,301)	(14,223)
Total net current trade assets	*20,331*	*18,221*	*14,249*
Other current assets	2,576	2,526	1,629
(Other current liabilities)	(3,770)	(3,925)	(2,235)
(Tax payables)	(1,488)	(736)	(529)
A) Working capital	***17,649***	***16,086***	***13,114***
Intangible assets	809	790	674
Property, plant and equipment	12,308	12,064	11,323
Receivables from others beyond 12 months	792	872	513
Deferred tax assets	1,313	1,349	1,112
B) Fixed assets	***15,222***	***15,075***	***13,622***
C) Non-current provisions and non-financial liabilities	***(1,596)***	***(1,580)***	***(1,474)***
Net invested capital (A+B+C)	**31,275**	**29,581**	**25,262**
FINANCED BY:			
D) Net financial debt	*4,147*	*3,678*	*3,305*
E) Equity attributable to Minority interests	-	-	-
F) Equity attributable to the Group	*27,128*	*25,903*	*21,957*
Total borrowings and Shareholders' Equity (D+E+F)	**31,275**	**29,581**	**25,262**

CONSOLIDATED NET FINANCIAL POSITION

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

(in thousands of Euro)	**30 June 2011**	**31 March 2011**	**30 June 2010**
(A)Cash	441	110	74
(B) Other cash and cash equivalents (available current bank accounts)	9,067	10,617	10,969
(C) Liquidity (A) + (B)	**9,508**	**10,727**	**11,043**
(D) Finance leases	(831)	(865)	(948)
(E) Current bank debt	-	-	-
(F) Current portion of non-current debt	(3,804)	(3,805)	(2,656)
(G) Current financial debt (D) + (E) + (F)	**(4,635)**	**(4,670)**	**(3,604)**
(H) Short-term net financial position (C) + (G)	**4,873**	**6,057**	**7,439**
(I) Non-current bank debt	(4,806)	(5,266)	(5,722)
(L) Finance leases	(4,214)	(4,469)	(5,022)
(M) Non-current financial debt (I) + (L)	**(9,020)**	**(9,735)**	**(10,744)**
(N) Net Financial Debt (H) + (M)	**(4,147)**	**(3,678)**	**(3,305)**

As at 30 June 2011 the net financial position posted a negative value of Euro 4,147 thousand. The change was slightly negative by Euro 469 thousand compared to 31 March 2011 and by Euro 842 thousand compared to 30 June 2010, mainly due to the trends in the growth of stock and partly of trade receivables.

OTHER INFORMATION

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 June 2011 the Group had 772 members of staff compared to 493 units as at 30 June 2010. Below is reported the breakdown of staff by country:

Country	**30 June 2011**	**30 June 2010**
Italy	196	141
China	489	291
Hong Kong	40	32
Macau	6	6
Germany	4	6
Spain	18	6
UAE	5	5
Taiwan	14	6
Total	**772**	**493**

With reference to the Group's organisational structure, as at 30 June 2011 49.1% of staff operated in the production area, 27.2% in the retail area, 14.4% in the support functions (Administration, IT Systems, Purchasing, Human Resources, etc.), 7.1% in the Research and Development area and 2.2% in the sales area.

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 14 persons mainly engaged in the product research and development department and the style office at the head office of the Company. Furthermore, the plants of the Chinese subsidiary employ a team of 31 people dedicated to prototyping and the implementation of new models according to the instructions defined by the central organisation. 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 development and implementation phase is in any case carried out in house. The Piquadro Group, for the projects which meet the requirements required by IAS 38, has capitalised, over the years, the development costs of 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 June 2011, the net value of the assets relating to the new continuous product lines were equal to Euro 39 thousand.

Relations with related parties

The "Regulation bearing provisions governing transactions with related parties" was adopted by CONSOB resolution no. 17221 of 12 March 2010, as amended by CONSOB resolution no. 17389 of 23 June 2010. On 18 November 2010 the Board of Directors of Piquadro SpA adopted the procedure concerning related parties which was also drawn up by taking account of the instructions subsequently provided by CONSOB for the application of the new regulations by DEM/10078683 notice of 24 September 2010.
The said procedure, which is published on the website of Piquadro (www.piquadro.com), has the purpose to determine the criteria to be complied with for the approval of the transactions with related parties to be effected by Piquadro or its subsidiaries, in order to ensure transparency, as well as the material and procedural correctness of the transactions themselves. The identification of transactions with related parties is made as required by the CONSOB regulation referred to.
As to relations with related parties, these are commented on in the consolidated interim quarterly financial statements and in the Notes to the Financial Statements.

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 instructions to their subsidiary; 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.

Significant events after the quarter

On 21 July 2011, the ordinary and extraordinary Shareholders' Meetings of Piquadro S.p.A. approved the Financial Statements for the financial year ended 31 March 2011 and the distribution of a unit dividend of Euro 0.10 to the Shareholders, for a total amount of Euro 5 million. The dividend was paid starting from 28 July 2011, with the detachment of the coupon no. 4 on 25 July 2011. The Shareholders' Meeting also resolved, in accepting the proposal submitted by the Board of Statutory Auditors, to adjust the fees due to the Independent Auditors. This adjustment was made necessary as a result of the increasing disclosure obligations imposed by the law and by the supervisory bodies, as well as of the growing complexity of the Piquadro Group following its expansion at national and international level.
The extraordinary Shareholders' Meeting also approved the amendment to some sections of the Company's by-laws in order to bring them into line with the regulations governing listed companies.

In addition to the above, no significant events are reported which occurred at Group level from 1 July 2011 to the date of this Report.

Outlook

The results achieved in the first three months of the financial year ended 30 June 2011 have confirmed the management’s expectations in terms of turnover growth. The excellent performance of the sales by the directly-operated stores in the first three months of the 2011/2012 financial year, confirm and support the management’s estimated growth expectations. In any case the management expects that a double-digit growth in turnover may be achieved by the end of March 2012, which will be close to the value recorded in the first quarter of the financial year. In this context, the management is engaged in maintaining above-average profit margins and substantially in line with those recorded in the 2010/2011 financial year that can allow, as demonstrated so far, greater commitments in research and development and marketing activities such as to ensure an additional constant development of the awareness of the Piquadro brand all over the world.

Silla di Gaggio Montano (BO), 4 August 2011

FOR THE BOARD OF DIRECTORS
THE CHAIRMAN
(Marco Palmieri)

CONSOLIDATED CONDENSED QUARTERLY FINANCIAL STATEMENTS AS AT 30 JUNE 2011

PIQUADRO

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of Euro)	**Notes**	**30 June 2011**	**31 March 2011**
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	(1)	809	790
Property, plant and equipment	(2)	12,308	12,064
Receivables from others	(3)	792	872
Deferred tax assets	(4)	1,313	1,349
TOTAL NON-CURRENT ASSETS		**15,222**	**15,075**
CURRENT ASSETS			
Inventories	(5)	13,414	10,104
Trade receivables	(6)	20,743	21,418
Other current assets	(7)	2,426	2,526
Derivative assets	(8)	150	-
Cash and cash equivalents	(9)	9,508	10,727
TOTAL CURRENT ASSETS		**46,241**	**44,775**
TOTAL ASSETS		**61,463**	**59,850**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of Euro)	**Notes**	**30 June 2011**	**31 March 2011**
LIABILITIES			
EQUITY			
Share capital		1,000	1,000
Share premium reserve		1,000	1,000
Other reserves		435	404
Retained earnings		23,499	14,402
Group profit for the period		1,194	9,097
TOTAL EQUITY ATTRIBUTABLE TO THE GROUP		**27,128**	**25,903**
Capital and Reserves attributable to minority interests		-	-
Profit/(loss) for the period attributable to minority interests		-	-
TOTAL EQUITY ATTRIBUTABLE TO MINORITY INTERESTS		**-**	**-**
EQUITY	(10)	**27,128**	**25,903**
NON-CURRENT LIABILITIES			
Borrowings	(11)	4,806	5,266
Payables to other lenders for lease agreements	(12)	4,214	4,469
Provision for employee benefits	(13)	245	258
Provisions for risks and charges	(14)	877	852
Deferred tax liabilities	(15)	474	470
TOTAL NON-CURRENT LIABILITIES		**10,616**	**11,315**
CURRENT LIABILITIES			
Borrowings	(16)	3,804	3,805
Payables to other lenders for lease agreements	(17)	831	865
Derivative liabilities	(18)	6	38
Trade payables	(19)	13,826	13,301
Other current liabilities	(20)	3,764	3,887
Current income tax liabilities	(21)	1,488	736
TOTAL CURRENT LIABILITIES		**23,719**	**22,632**
TOTAL LIABILITIES		**34,335**	**33,947**
TOTAL EQUITY AND LIABILITIES		**61,463**	**59,850**

CONSOLIDATED INCOME STATEMENT

(in thousands of Euro)	Notes	30 June 2011	30 June 2010
REVENUES			
Revenues from sales	(22)	12,395	10,875
Other income	(23)	66	489
- *of which impact of non-recurring items*		-	*300*
TOTAL REVENUES (A)		**12,461**	**11,364**
OPERATING COSTS			
Change in inventories	(24)	(3,114)	(2,657)
Costs for purchases	(25)	3,861	3,581
Costs for services and leases and rentals	(26)	6,495	5,904
Personnel costs	(27)	2,662	2,070
Amortisation, depreciation and write-downs	(28)	531	478
Other operating costs		21	26
TOTAL OPERATING COSTS (B)		**10,456**	**9,402**
OPERATING PROFIT (A-B)		**2,005**	**1,962**
- *of which impact of non-recurring items*		**-**	*300*
Financial income	(29)	263	462
Financial charges	(30)	(348)	(575)
TOTAL FINANCIAL INCOME AND CHARGES		**(85)**	**(113)**
PRE-TAX RESULT		**1,920**	**1,849**
Income tax expenses	(31)	(726)	(579)
PROFIT FOR THE PERIOD		**1,194**	**1,270**
attributable to:			
EQUITY HOLDERS OF THE COMPANY		1,194	1,270
MINORITY INTERESTS		-	-
(Basic) Earnings per share in Euro	(32)	0.024	0.025
(Diluted) Earnings per share in Euro		0.023	0.024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	30 June 2011	30 June 2010
Profit (Loss) for the period (A)	**1,194**	**1,270**
Profit/(Losses) arising from the translation of financial statements of foreign companies	188	4
Profit/(Losses) on hedging instruments of cash flows (cash flow hedge)	15	(20)
Total Profits/(Losses) recognised in equity (B)	**203**	**(16)**
Total comprehensive Income/(Losses) for the period (A) + (B)	**1,397**	**1,254**
Attributable to		
- the Group	1,397	1,254
- Minority interests		

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	Retained earnings	Group profit	Equity attributable to the Group	Capital and Reserves attributable to minority interests	Profit/ (Loss) attributable to minority interests	Total Equity attributable to the Group and 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**		1,270	**1,270**			**1,270**
Other components of the comprehensive result as at 30 June 2010												
Exchange differences from translation of financial statements in foreign currency			6			**6**			**6**			**6**
Fair value of financial instruments				(20)		**(20)**			**(20)**			**(20)**
Total Comprehensive Income for the period			**6**	**(20)**	**0**	**(14)**	**0**	**1,270**	**1,256**	**0**	**0**	**1,256**
Allocation of the result for the period as at 31 March 2010												
-to dividends						**0**		(4,000)	**(4,000)**			**(4,000)**
-to reserves						**0**	7,243	(3,243)	**4,000**	(120)	120	**4,000**
Acquisition of Unibest Leather Goods Hong Kong					(120)	**(120)**			**(120)**	(81)		**(201)**
reversal of goodwill from acquisition of Unibest Leather Goods Hong Kong					(75)	**(75)**			**(75)**			**(75)**
Fair value of Stock Option Plans					10	**10**			**10**			**10**
Balances as at 31.06.2010	**1,000**	**1,000**	**(71)**	**(8)**	**364**	**285**	**18,402**	**1,270**	**21,957**	**0**	**0**	**21,957**

Description	Share capital	Share premium reserve	Other reserves: Translation reserve	Other reserves: Fair value reserve	Other reserves: Other reserves	Other reserves: Total Other Reserves	Retained earnings	Group profit	Equity attributable to the Group	Capital and Reserves attributable to minority interests	Profit/ (Loss) attributable to minority interests	Total Equity attributable to the Group and minority interests
Balances as at 31.03.2011	**1,000**	**1,000**	**12**	**(16)**	**408**	**404**	**14,402**	**9,097**	**25,903**	**0**	**0**	**25,903**
Profit for the period						**0**		1,194	**1,194**			**1,194**
Other components of the comprehensive result as at 30 June 2011												
Exchange differences from translation of financial statements in foreign currency			188			**188**			**188**			**188**
Fair value of financial instruments				15		**15**			**15**			**15**
Total Comprehensive Income for the period			**188**	**15**	**0**	**203**	**0**	**1,194**	**1,397**	**0**	**0**	**1,397**
Allocation of the result for the period as at 31 March 2011												
-to dividends						**0**		(5,000)	**(5,000)**			**(5,000)**
-to reserves						**0**	9,097	(4,097)	**5,000**			**5,000**
Acquisition of Unibest Leather Goods Hong King					(182)	**(182)**			**(182)**			**(182)**
Fair value of Stock Option Plans					10	**10**			**10**			**10**
Balances as at 30.06.2011	**1,000**	**1,000**	**200**	**(1)**	**236**	**435**	**23,499**	**1,194**	**27,128**	**0**	**0**	**27,128**

CONSOLIDATED STATEMENT OF CASH FLOWS

(*in thousands of Euro*)	**30 June 2011**	**30 June 2010**
Pre-tax profit	**1,920**	**1,849**
Adjustments for:		
Depreciation of property, plant and equipment/Amortisation of intangible assets	480	417
Provision for bad debts	50	-
Adjustment to the provision for employee benefits	10	8
Net financial charges/(income), including exchange rate differences	85	113
Cash flow from operating activities before changes in working capital	**2,545**	**2,387**
Change in trade receivables (net of the provision)	675	2,255
Change in inventories	(3,310)	(2,854)
Change in other current assets	99	(132)
Change in trade payables	526	1,374
Change in provisions for risks and charges	24	40
Change in other current liabilities	(123)	(428)
Cash flow from operating activities after changes in working capital	**436**	**2,642**
Payment of taxes	-	-
Interest paid	(48)	(139)
Cash flow generated from operating activities (A)	**484**	**2,503**
Investments in intangible assets	(133)	(94)
Investments in property, plant and equipment	(637)	(205)
Investments in fixed financial assets	-	(132)
Changes generated from investing activities (B)	**(770)**	**(431)**
Financing activities		
Change in long-term financial receivables	-	-
Repayment of short- and medium/long-term borrowings	(461)	(77)
Registering of short- and medium/long-term borrowings	-	-
Changes in financial instruments	(183)	68
Lease instalments paid	(289)	(337)
Payment of dividends	-	-
Cash flow generated from/(absorbed by) financing activities (C)	**(933)**	**(346)**
Net increase (decrease) in cash and cash equivalents (A+B+C)	(1,219)	1,726
Cash and cash equivalents at the beginning of the period	**10,727**	**9,317**
Cash and cash equivalents at the end of the period	**9,508**	**11,043**

Note to the statement of cash flows:
As required by IAS 7, paragraph 44 (a), the items “investments in property, plant and equipment” and “registering of borrowings” do not include the effects of financial changes relating to the recognition of finance leases according to IAS 17 as they are non-monetary items (the disbursements relating to the payment of lease rentals, including the related financial charges, have also been considered).

NOTES TO THE CONSOLIDATED CONDENSED QUARTERLY FINANCIAL STATEMENTS AS AT 30 JUNE 2011

GENERAL INFORMATION

1.1 The Group's business

Piquadro S.p.A. (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.
The Company was established on 26 April 2005. The share capital has been subscribed through the contribution of the branch of business relating to operating activities on the part of the former Piquadro S.p.A (now Piqubo S.p.A., the ultimate company controlling the Company), which became effective for legal, accounting and tax purposes on 2 May 2005.
Effective from 14 June 2007, the registered office of Piquadro S.p.A. was moved from Riola di Vergato (Bologna), via Canova no. 123/O-P-Q-R to Località Sassuriano 246, Silla di Gaggio Montano (Bologna).
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 68.307% of the share capital of Piquadro S.p.A., a company which is listed on the Milan Stock Exchange since 25 October 2007.
Furthermore, it should be noted that for a better understanding of the economic performance of the company, reference is made to the extensive information reported in the Report on Operations prepared by the Directors.

These consolidated condensed quarterly financial statements relating to the first three months of the financial year were prepared by the Board of Directors on 4 August 2011.

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 three months of the financial year (i.e. from April to June) account for about 17.6% of the consolidated turnover of the financial year (a percentage calculated on the basis of consolidated revenues as at 30 June 2010 compared to consolidated revenues as at 31 March 2011), with a consequent impact on margins. Accordingly, it should be noted that, even if expressing the Group's economic and financial performance, the result as at 30 June 2011 does not fully represent the result that the Group expects to achieve in the financial year that will end on 31 March 2012.

CRITERIA FOR THE PREPARATION OF CONSOLIDATED INTERIM FINANCIAL STATEMENTS, THE GROUP STRUCTURE AND THE SCOPE OF CONSOLIDATION

2.1 Accounting standards and policies

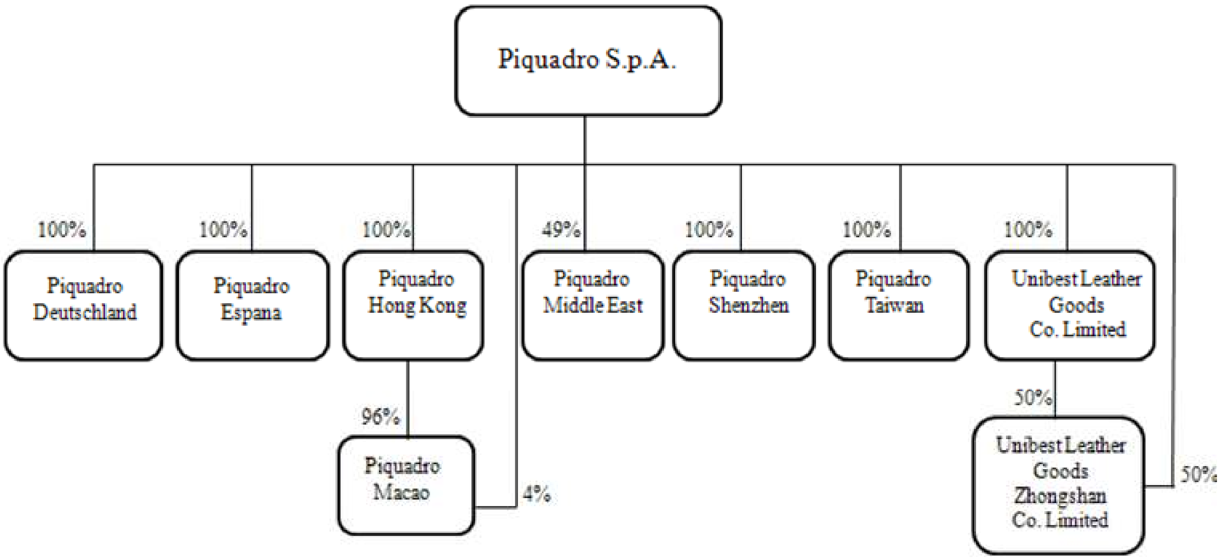
These consolidated condensed quarterly financial statements as at 30 June 2011 were prepared pursuant to Article 154-*ter* of Legislative Decree no. 58/98 and in accordance with International Accounting Standards (IAS/IFRS) adopted by the European Union and in particular with the accounting standard 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 interim 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 2011 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 of income statement, balance sheet, changes in equity and statement of cash flows are prepared in an extended form and are the same as those adopted for the consolidated financial statements ended 31 March 2011.

The accounting standards and policies adopted in preparing consolidated interim financial statements are the same as those used in preparing the consolidated financial statements of Piquadro S.p.A. ended 31 March 2011, to which reference is made for a description of the same.

The consolidated interim financial statements are made up of the Balance Sheet, the Income Statement, the Statement of Cash Flows, the Statements of Changes in Equity and these Explanatory Notes. Economic data, changes in equity and cash flows for the quarter ended 30 June 2011 are compared with the quarter ended 30 June 2010. Financial data as at 30 June 2011 are compared with the corresponding values as at 31 March 2011 (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.

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 June 2011:



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 interim financial statements ended 30 June 2011 and 30 June 2010 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 2011, no new company was included in the scope of consolidation during the quarter ended 30 June 2011.

The complete list of the companies included in the scope of consolidation as at 30 June 2011 and 30 June 2010, 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 June 2011

Name	HQ	Country	Currency	Share Capital (local currency /000)	Shareholders' equity (Euro/000)	Control %
Piquadro SpA	Gaggio Montano (BO)	Italy	Euro	1,000	28,512	Parent Company
Uni Best Leather Goods Co. Limited	Kowloon	Hong Kong	HKD	1	10	100%
Piquadro España Slu	Barcelona	Spain	Euro	198	(151)	100%
Piquadro Deutschland Gmbh	Munich	Germany	Euro	25	(89)	100%
Uni Best Leather Goods Zhongshan Co Limited	Guangdong	People's Republic of China	RMB	3,576	(150)	100%
Piquadro Hong Kong Limited	Hong Kong	Hong Kong	HKD	2,000	(218)	100%
Piquadro Macau Limitada	Macau	Macau	HKD	25	20	100%
Piquadro Trading (Shenzhen) Co. Ltd.	Shenzhen	People's Republic of China	RMB	13,799	844	100%
Piquadro Taiwan Co. Ltd.	Taipei	Taiwan	NTD	5,000	(51)	100%
Piquadro Middle East Leather Products LLC *	Abu Dhabi	United Arab Emirates	AED	150	(754)	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 June 2010

Name	HQ	Country	Currency	Share Capital (local currency /000)	Shareholders' equity (Euro/000)	Control %
Piquadro SpA	Gaggio Montano (BO)	Italy	Euro	1,000		Parent Company
Uni Best Leather Goods Co. Limited	Kowloon	Hong Kong	HKD	1	209	100%
Piquadro España Slu	Barcelona	Spain	Euro	198	(51)	100%
Piquadro Deutschland Gmbh	Munich	Germany	Euro	25	(2)	100%
Uni Best Leather Goods Zhongshan Co Limited	Guangdong	People's Republic of China	RMB	1,542	(93)	100%
Piquadro Hong Kong Limited	Hong Kong	Hong Kong	HKD	2,000	(31)	100%
Piquadro Macau Limitada	Macau	Macau	HKD	25	(17)	100%
Piquadro Trading (Shenzhen) Co. Ltd.	Shenzhen	People's Republic of China	RMB	7,403	644	100%
Piquadro Taiwan Co. Ltd.	Taipei	Taiwan	NTD	5,000	38	100%
Piquadro Middle East Leather Products LLC *	Abu Dhabi	United Arab Emirates	AED	150	(511)	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 quarters ended 30 June 2011 and 30 June 2010 (foreign currency corresponding to Euro 1):

Foreign currency	Average		Closing	
	30 June 2011	30 June 2010	30 June 2011	30 June 2010
Hong Kong Dollar (HKD)	11.1947	9.899	11.2475	9.554
Renminbi (Yuan)	9.3544	8.685	9.3416	8.321
Arab Emirates Dirham (AED)	5.2865	4.674	5.3085	4.507
Taiwan Dollar	41.5165	40.485	41.5482	39.486

2.5 Amendments to accounting standards

Accounting standards, amendments and interpretations

The accounting standards applied in these consolidated interim financial statements as at 30 June 2011 and as at 30 June 2010 comply with those adopted in the previous consolidated financial statements as at 31 March 2011, except for those amendments required by:

- 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 3 (revised) – Business combinations: the amended standards 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 standards also introduces the obligation to recognise all the costs connected to the business combination in the income statement, as well as the obligation to consider the fees subject to condition in the acquisition price.

- IFRIC 9 and IAS 39 (amended) – Reassessment of embedded derivatives and Financial Instruments: Recognition and Measurement. The amendments regulate specific relevant dates for the measurement and the criterion for the measurement itself as to embedded derivatives.

- IFRIC 12 – Service concession arrangements. The standard illustrates the procedure to recognise the infrastructure subject to service public and private 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 and 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 15 – Agreements for the construction of real estate: the interpretation provides clarifications and guidelines as to the time of the recognition of revenues from the construction of real estate if an agreement for the construction falls within the scope of application of IAS 11 in the long term or of IAS 18 “Revenues”.

- 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.

- 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. This amendment standard has not entailed effects on the Group.

In April 2009 the International Account Standard Board (IASB) published the "Improvements to IFRS"s. These improvements include amendments to the existing accounting standards.

- IFRS 2 (improved): – "*Share-based payments*": the improvement provides for the standard in question not to be applied to the transactions in which the entity acquires assets following a business combination or within a combination/establishment of a joint venture.

- IFRS 5 (improved): – "*Non-current assets held for sale and Discontinued Operations*": the amendment specifies the information to be provided within non-current assets (or groups of assets) classified as available for sale or as discontinued operations.

- IFRS 8 (improved): – "*Operating Segments*": according to the amendment the entities are required to provide the value of the total assets for each reporting segment if this amount is provided periodically at the highest operational making-decision level.

- IAS 1 (improved) – "*Presentation of financial statements*": according to the update an entity is required to classify a liability as a "*current*" liability when a) it is expected that it will be discharged during its normal operating cycle; b) it is mainly held for trading purposes; c) it must be discharged within twelve months of the closing date of the financial year; d) it has no unconditional right to defer the settlement of the liability for at least twelve months of the closing date of the financial year. Any other liabilities which do not fulfil these conditions must be classified as "*non-current*" liabilities.

- IAS 7 (improved) – "*Statement of cash flows*": according to the improvement any cash flows associated with expenses which result in the recognition of an asset in the statement of financial position may only be classified as arising from an investing activity in the statement of cash flows.

- IAS 17 (improved) – "*Leases"*: the amendment specifies that, in the case that the lease includes both land and buildings, the entity must measure the classification of each element as a financial or operating lease separately. In determining if the land is under an operating or financial lease, an important consideration concerns the fact that the land has normally an indefinite economic life.

- IAS 36 (improved) – *"Impairment of assets"*: the update provides that each operating unit (or group of units) being the object of the allocation of the goodwill for the purposes of the impairment test must not be greater than an operating segment, as defined in paragraph 5 of IFRS 8 before the combination.

- IAS 38 (improved) – "*Intangible assets*": the update of this standard became necessary following the adoption of IFRS 3 revised, which states that it is possible to measure the fair value of an intangible asset acquired during a combination. Furthermore, the update clarifies the valuation techniques to determine the fair value of intangible assets for which there are no active markets.

- IAS 39 (improved) – "*Financial instruments: recognition and measurement*": the improvement restricts the non-applicability exception to forward contracts between a purchaser and a selling shareholder for the purpose of selling a company ceded in a business combination at a future purchase date if the completion of the business combination does not depend on further actions from one of the two parties, but only on the lapse of an adequate period of time. The improvement furthermore sets forth that the implicit penalties for the early redemption of loans must be considered strictly related to the loan contract that imposes them and therefore shall not be recorded separately. Finally, it was set forth that profits or losses on a hedged financial instrument must be reclassified from net shareholders' equity to the income statement in the period in which the expected hedged cash flow affects the income statement.

The accounting standards already in force and not amended, which were adopted in the financial year ended 31 March 2011, remained unchanged compared to the previous financial year ended 31 March 2010.

Accounting standards, amendments and interpretations endorsed by the European Union but which are still not applicable and which were not adopted by the Piquadro Group in advance

Starting from 1 April 2011, the following accounting standards and interpretations shall be applied obligatorily, as the EU endorsement process has been completed

- IAS 32 (amended) - "*Financial instruments: disclosure and presentation*" - Presentation of financial statements: the standard has been amended in order to allow, under certain conditions, financial instruments puttable at fair value to be classified under equity items, rather than under financial liabilities.

- IFRS 1 (amended): exemption limited by the comparative information required by IFRS 7 for the new users.

- IAS 24 (amended): "*Related Party Disclosures*": the amendments simplify the definition of "*related party*" and at the same time eliminate some inconsistencies and exempt public bodies from some disclosure requirements relating to transactions with related parties.

- IFRIC 14 (amended) – "*The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interact project"*: the objective of the amendments is to eliminate an undesired consequence of IFRIC 14 in the cases when an entity, which is subject to a provision for minimum funding requirements, makes an advance payment of contributions for which in certain circumstances the entity which makes this payment would be required to account for an expense. In the case that a defined-benefit plan is subject to a provision for minimum funding requirements, the amendment to IFRIC 14 imposes to treat this advance payment as an assets in the same way as any other advance payment.

- IFRIC 19 (amended) – "*Extinguishing Financial Liabilities with Equity Instruments*": the purpose of the interpretation is to provide guidelines on accounting by the debtor of equity instruments issued to fully or partially extinguish a financial liability following the renegotiation of the related conditions.

On 6 May 2010 the International Account Standard Board (IASB) published additional "Improvements to IFRSs". These improvements mainly include amendments to the following existing accounting standards:

- IFRS 3 (improved) – "*Business combinations*": This amendment clarifies that third party equity interests which do not give the holders the right to receive a proportional share of the subsidiary's shareholders' equity must be measured at fair value or as required by the applicable accounting standards. The issue of share based payments which are replaced as part of a business combination is also further clarified, with a specific guide for their accounting treatment.

- IFRS 7 (improved) – "*Improved Disclosures about Financial Instruments*": the amendment provides clarifications on the interaction between disclosures of a qualitative and of a quantitative nature in regard to the risks inherent in financial instruments. Furthermore the requirement for disclosure of expired financial assets that have been renegotiated or written-down has been eliminated.

- IAS 1 (improved) – "*Presentation of financial statements*": the amendment provides for the presentation of the reconciliation of any changes in the individual components of equity in the notes to or the formats of financial statements.

- IAS 34 (improved) – "*Interim Financial Reporting*": the amendment concerns clarifications about any additional information required for the purposes of the preparation of interim financial statements.

It is believed that the adoption of these amendments and improvements will not entail significant effects on the financial statements of the Piquadro Group.

Accounting standards being adopted by the European Union

The following updates of the IFRS standards (as already approved by the IASB), as well as the following interpretations and amendments:

- IFRS 1 (amended) – "*First-time Adoption of International Financial Reporting Standards*".
- IFRS 7 (amended) – "*Financial instruments: Disclosures*".
- IFRS 9 "Financial instruments": the standard, which was published by the IASB on 12 November 2009, as amended on 28 October 2010, and which is applicable to the financial statements for the financial years which will start after 1 January 2013, represents the first part of a multi-phase process aimed at replacing IAS 39 and introduces new criteria for the classification of financial assets and liabilities and for the derecognition of financial assets.
- IFRS 10 – "*Consolidated Financial Statements*".
- IFRS 11 – "*Joint arrangements*".
- IFRS 12 – "*Disclosure of Interests in Other Entities*".
- IFRS 13 – "*Fair Value Measurement*".
- IAS 12 (amended) – "*Income taxes – Recovery of Revalued Non-Depreciable Asset*".

COMMENT ON THE MAIN ITEMS IN THE STATEMENT OF FINANCIAL POSITION

ASSETS

NON-CURRENT ASSETS

Note 1 – Intangible assets

As at 30 June 2011 the value of intangible assets was equal to Euro 809 thousand (Euro 790 thousand as at 31 March 2011).

Below is reported the statement of changes of this item:

(in thousands of Euro)	**30 June 2011**
Balance as at 31 March 2011	790
Investments in intangible assets	133
Other changes	(28)
Amortisation and write-downs	(86)
Total	**809**

In the quarter ended 30 June 2011, the increases in intangible assets, equal to Euro 133 thousand related to trademarks for Euro 17 thousand, patent rights for Euro 2 thousand, investments in software for Euro 30 thousand and fixed assets under development for Euro 84 thousand relating to the advance paid for the key money of the new shop located in Milan, at C.so Buenos Aires which is being opened in September 2011.

No intangible assets with an indefinite useful life are reported in the accounts.

In the course of the quarter, no trigger events occurred as to the key money for the shops located in Rome, Milan, Bologna which could indicate potential impairment losses of the same.

Note 2 – Property, plant and equipment

As at 30 June 2011, the value of property, plant and equipment was equal to Euro 12,308 thousand (Euro 12,064 thousand as at 31 March 2011).

Below is reported the statement of changes of this item:

(in thousands of Euro)	**30 June 2011**
Balance as at 31 March 2011	12,064
Investments in assets entered into operation	637
Other Changes	-
Depreciation and write-downs	(393)
Total	**12,308**

On the contrary, increases in property, plant and equipment, equal to Euro 637 thousand in the quarter ended 30 June 2011, are mainly attributable to fittings purchased for the new DOS opened in the period under consideration and for refurbishments of some existing shops for Euro 595 thousand, to the purchases of moulds relating to new products for Euro 10 thousand and to the purchase of equipment for Euro 32 thousand.

Below is reported the net book value as at 30 June 2011 of the assets used by the Group by virtue of finance lease agreements:

(in thousands of Euro)	**30 June 2011**
Land	878
Buildings	5,301

Plant and equipment	98
Industrial and business equipment	626
Total	**6,903**

Note 3 – Receivables from others

Receivables from others, equal to Euro 792 thousand as at 30 June 2011 (against Euro 872 thousand as at 31 March 2011) relate to the 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 June 2011, the amount of deferred tax assets was equal to Euro 1,313 thousand (Euro 1,349 thousand as at 31 March 2011) and was mainly made up of Euro 853 thousand of temporary tax differences relating to Piquadro S.p.A. (Euro 1,247 thousand as at 31 March 2011), relating to the IRES and IRAP 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 advanced tax effect equal to Euro 320 thousand against about Euro 394 thousand as at 31 March 2011).

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 June 2011**	**Provision for write-down**	**Net value as at 30 June 2011**	**Net value as at 31 March 2011**
Raw Materials	3,517	(151)	3,366	1,657
Semi-finished products	491	-	491	459
Finished products	9,894	(337)	9,557	7,988
Inventories	**13,902**	**(488)**	**13,414**	**10,104**

Below is reported the breakdown and the changes in the provision for write-down of inventories:

(in thousands of Euro)	**Provision as at 31 March 2011**	**Use**	**Allocation**	**Provision as at 30 June 2011**
Provision for write-down of raw materials	151	-	-	151
Provision for write-down of finished products	337	-	-	337
Total provision for write-down of inventories	**488**	**-**	**-**	**488**

As at 30 June 2011, inventories showed an increase compared to the corresponding values as at 31 March 2011. This increase is mainly attributable to seasonal trends. On the contrary, the value of inventories as at 30 June 2011 (Euro 13,414 thousand) increased compared to 31 March 2011 (Euro 10,104 thousand) mainly as a result of the expected growth dynamics of the turnover already showed in these interim financial statements.

Note 6 – Trade receivables

As at 30 June 2011, trade receivables were equal to Euro 20,743 thousand compared to Euro 21,418 thousand as at 31 March 2011. The decrease, equal to Euro 675 thousand, is mainly attributable to seasonal trends.

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 quarter under consideration are showed in the table below:

(in thousands of Euro)	**Provision as at 31 March 2011**	**Use**	**Allocation**	**Provision as at 30 June 2011**
Provision for bad debts	1,016	-	50	1,066

Note 7 – Other current assets

Below is reported the breakdown of other current assets:

(in thousands of Euro)	**30 June 2011**	**31 March 2011**
Other assets	1,501	1,429
Accrued income and prepaid expenses	925	1,097
Other current assets	**2,426**	**2,526**

Other current assets mainly include advances to suppliers of the Parent Company (Euro 387 thousand as at 30 June 2011 against Euro 218 thousand as at 31 March 2011), other sundry receivables of Uni Best Leather Goods (Zhongshang) Co. Ltd. (Euro 86 thousand as at 30 June 2011 against Euro 61 thousand as at 31 March 2011).
Accrued income and prepaid expenses mainly include prepaid expenses on set of samples relating to the clothing collection for autumn/winter 2011/2012 and spring/summer 2012 for Euro 365 thousand.

Note 8 – Derivative assets

As at 30 June 2011, the Group reported derivative assets equal to Euro 150 thousand (as at 31 March 2011 the Group had no reported assets for forward exchange contracts).
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.

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 June 2011**	**31 March 2011**
Available current bank accounts	441	10,617
Cash, cash on hand and cheques	9,067	110
Cash and cash equivalents	**9,508**	**10,727**

The balance represents cash and cash equivalents and the existence of cash and cash on hand at the closing dates of the periods. For a better understanding of the dynamics in the Company's liquidity, reference is made to the statement of cash flows and the breakdown of net financial position.

LIABILITIES

NON-CURRENT LIABILITIES

Note 10 – Equity

Share capital

As at 30 June 2011 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 June 2011, no option had been vested out of no. 1,600,000 options assigned.

Share premium reserve

This reserve, which as at 30 June 2011 was equal to Euro 1,000 thousand, has not undergone changes during the financial year ended 31 March 2011.

Translation reserve

As at 30 June 2011 the reserve was positive for Euro 200 thousand (while it reported a positive balance equal to Euro 12 thousand as at 31 March 2011). This item is referred to the exchange rate differences due to the consolidation of companies having a reporting currency other than the Euro, i.e. Uni Best Hong Kong Ltd., Piquadro Hong Kong (the relevant currency being the Hong Kong Dollar), 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 AED) 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, equal to Euro 1,194 thousand, in the first three months ended 30 June 2011.

Equity attributable to minority interests

As reported above, 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, of which Piquadro S.p.A. directly holds the remaining 50% of the share capital.
As a result of this transaction, at 30 June 2011 equity attributable to minority interests was equal to zero (at 31 March 2011 equity attributable to minority interests was equal to zero).
It should be noted that as this transaction was effected towards shareholders, it was accounted for according to IAS 27 revised, which provides that any 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.
It should be noted that, by virtue of specific provisions of the by-laws and separate agreements, the Parent Company is entitled to the totality of corporate quotas and the profits of Piquadro Middle East Leather Products LLC., in addition to retaining full control of the corporate governance.

Note 11 – Borrowings

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

(in thousands of Euro)	**30 June 2011**	**31 March 2011**
Borrowings from 1 to 5 years	4,806	5,266
Borrowings beyond 5 years	-	-
Medium/long-term borrowings	**4,806**	**5,266**

As at 30 June 2011, borrowings mainly related to Piquadro SpA and included:

1. Euro 2,300 thousand for the loan granted on 31 January 2008 by Carisbo SpA (for an initial amount of Euro 5,300 thousand), of which a current portion of Euro 1,500 thousand and a non-current portion of Euro 800 thousand. This loan includes a two-year pre-amortisation;
2. Euro 672 thousand for the 60-month unsecured loan disbursed by Carisbo SpA on 1 September 2008 (for an initial amount of Euro 1,500 thousand), of which a current portion of Euro 300 thousand and a non-current portion of Euro 372 thousand; this loan was disbursed to partly finance the opening of new points of sales in Italy and abroad and to partly meet the Company's financial requirements;
3. Euro 2,750 for the unsecured loan granted by Carisbo SpA on 28 February 2009 (for an initial amount of Euro 3,500 thousand), of which a current portion of Euro 1,000 thousand and a non-current portion of Euro 1,750. 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. Euro 2,424 thousand for the unsecured loan granted by Carisbo SpA in 22 November 2010 (for an initial amount of Euro 2,700 thousand), of which a current portion of Euro 540 thousand and a non-current portion of Euro 1,884 thousand, aimed at financing the Group's investment policy.

Below is reported the breakdown of the loans:

(in thousands of Euro)	**Date of granting of the loan**	**Initial amount**	**Currency**	**Current borrowings**	**Non-current borrowings**	**Total**
Carisbo loan	31 January 2008	5,300	Euro	1,500	800	2,300
Carisbo loan	1 September 2008	1,500	Euro	300	372	672
Carisbo loan	28 February 2009	3,500	Euro	1,000	1,750	2,750
Carisbo loan	22 November 2010	2,700	Euro	540	1,884	2,424
Currency loan - Unicredit	Piquadro Trading Shenzhen	900	CNY	464	-	464
				3,804	**4,806**	**8,610**

Note 12 - Payables to other lenders for lease agreements

Below is reported the following breakdown:

(in thousands of Euro)	**30 June 2011**	**31 March 2011**
Non-current portion:		

Payables to leasing companies	4,214	4,469
Current portion:		
Payables to leasing companies	831	865
Payables to other lenders for lease agreements	**5,045**	**5,334**

As at 30 June 2011, payables to other lenders due beyond 12 months were equal to Euro 4,214 thousand and related to payables to leasing companies, and specifically to the residual debt of Euro 4,077 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 4,235 thousand as at 31 March 2011). 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 137 thousand (Euro 234 thousand as at 31 March 2011) 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 June 2011, the value of the provision was equal to Euro 245 thousand (Euro 258 thousand as at 31 March 2011) and has been 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 these Notes to the Financial Statements as at 31 March 2011.

Note 14 – Provisions for risks and charges

Below are the changes in provisions for risks and charges as at 30 June 2011:

(in thousands of Euro)	**Provision as at 31 March 2011**	Use	Allocation	**Provision as at 30 June 2011**
Provision for supplementary clientele indemnity	625	-	20	645
Other provisions for risks	227	-	5	232
Total	**852**	**-**	**25**	**877**

The "provision for supplementary clientele indemnity" represents the potential liability with respect to agents in the event of Group companies' terminating agreements or agents retiring.
Other provisions of Euro 232 thousand mainly relate to other provisions for risks on returns on sales equal to Euro 70 thousand and to other provisions for risks on potential liabilities generated by current operations equal to Euro 162 thousand.

Note 15 – Deferred tax liabilities

As at 30 June 2011 the amount of deferred tax liabilities was equal to Euro 474 thousand (Euro 470 thousand as at 31 March 2011) and was fully referable to the Parent Company.

CURRENT LIABILITIES

Note 16 – Borrowings

As at 30 June 2011 borrowings were equal to Euro 3,804 thousand against Euro 3,805 thousand as at 31 March 2011; for the breakdown, reference is made to Note 11.

Note 17 – Payables to other lenders for lease agreements

As at 30 June 2011 they were equal to Euro 831 thousand (Euro 865 thousand as at 31 March 2011) 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 June 2011**	**31 March 2011**	**30 June 2010**
(A)Cash	441	**110**	**74**
(B) Other cash and cash equivalents (available current bank accounts)	9,067	**10,617**	**10,969**
(C) Liquidity (A) + (B)	**9,508**	**10,727**	**11,043**
(D) Finance leases	(831)	**(865)**	**(948)**
(E) Current bank debt	-	**-**	**-**
(F) Current portion of non-current debt	(3,804)	**(3,805)**	**(2,656)**
(G) Current financial debt (D) + (E) + (F)	**(4,635)**	**(4,670)**	**(3,604)**
(H) Short-term net financial position (C) + (G)	**4,873**	**6,057**	**7,439**
(I) Non-current bank debt	(4,806)	**(5,266)**	**(5,722)**
(L) Finance leases	(4,214)	**(4,469)**	**(5,022)**
(M) Non-current financial debt (I) + (L)	**(9,020)**	**(9,735)**	**(10,744)**
(N) Net Financial Debt (H) + (M)	**(4,147)**	**(3,678)**	**(3,305)**

As at 30 June 2011 the net financial position posted a negative value of Euro 4,147 thousand. The change was slightly negative by Euro 469 thousand compared to 31 March 2011 and by Euro 842 thousand compared to 30 June 2010, mainly due to the trends in the growth of stock and partly of trade receivables.

Note 18 – Derivative liabilities

As at 30 June 2011, liabilities relating to the hedging of derivative financial instruments (IRS) were equal to Euro 6 thousand (Euro 7 thousand as at 31 March 2011).

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 initial 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 6 thousand (Euro 7 thousand of financial liabilities as at 31 March 2011) which has been accounted for against an entry in the statement of comprehensive income.

At 30 June 2011 there were no liabilities relating to currency forward purchases (USD), while at 31 March 2011 there were liabilities of Euro 31 thousand.

Note 19 – Trade payables

Below is the breakdown of current trade liabilities:

(in thousands of Euro)	**30 June 2011**	**31 March 2011**
Payables to suppliers	13,826	13,301

As at 30 June 2011, the increase in payables to suppliers, equal to Euro 525 thousand, compared to 31 March 2011, was mainly attributable to the Group's seasonality dynamics.

Note 20 - Other current liabilities

Below is the breakdown of other current liabilities:

(in thousands of Euro)	**30 June 2011**	**31 March 2011**
Payables to social security institutions	502	286
Payables to Pension funds	26	28
Other payables	907	1,303
Payables to employees	776	423
Advances from customers	77	43
Accrued expenses and deferred income	372	439
Payables for VAT	678	1,084
IRPEF tax payables and other tax payables	426	281
Other current liabilities	**3,764**	**3,887**

Payables to social security institutions mainly relate to the Parent Company's payables due to INPS. Payables to employees as at 30 June 2011 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 June 2011**	**31 March 2011**
IRES tax (income taxes)	1,255	629
IRAP tax	233	107
Tax payables	**1,488**	**736**

Current income tax liabilities 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.

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 the quarter April – June 2011 compared with the data recorded in the same period of 2010:

(in thousands of Euro)	**30 June 2011**	**30 June 2010**
Italy	9,443	8,232
Europe	1,925	1,880
Rest of the world	1,027	763
Revenues from sales	**12,395**	**10,875**

In the quarter ended 30 June 2011, revenues from sales reported an increase by about 14%, equal to Euro 1,520 thousand compared to the corresponding revenues achieved in the quarter ended 30 June 2010. The increase, in absolute terms, is mainly attributable to higher sales made in the geographical areas of the Rest of the World and Italy.

Note 23 – Other income

In the quarter ended 30 June 2011, other income amounted to Euro 66 thousand (Euro 489 thousand in the quarter ended 30 June 2010). Compared to 30 June 2010, the related decrease was mainly due to Euro 300 thousand, an amount that as at 30 June 2010 was attributable to the recognition of non-recurring revenues on the part of Piquadro Deutschland GmbH, arising from the receipt of this amount by way of goodwill for the assignment of the lease agreement relating to the shop located in Frankfurt, 60313, Goethestrasse 32.

Note 24 – Change in inventories

The change in inventories was positive in both the quarter ended 30 June 2011 (Euro 3,114 thousand) and the quarter ended 30 June 2010 (Euro 2,657 thousand); this positive change is due to the higher inventories existing at the closing dates of the various accounting periods in relation to the seasonality of the Group's businesses.

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 quarter ended 30 June 2011, costs for purchases were equal to Euro 3,861 thousand (Euro 3,581 thousand in the quarter ended 30 June 2010).

Note 26 – Costs for services and leases and rentals

Below is the breakdown of costs for services:

(in thousands of Euro)	**30 June 2011**	**30 June 2010**
External production	2,058	1,858
Advertising and marketing	768	755
Transport services	1,020	893
Business services	655	646
Administrative services	289	214

General services	624	553
Others	40	65
Total Costs for services	**5,454**	**4,984**
Costs for leases and rentals	**1,041**	**920**
Costs for services and leases and rentals	**6,495**	**5,904**

Costs for leases and rentals mainly related to lease rentals relating to the shops of the Parent Company and of the Group companies that are responsible for the distribution of products, and significantly increased as a result of the new openings of DOS.

Note 27 - Personnel costs

Below is reported the breakdown of personnel costs:

(in thousands of Euro)	**30 June 2011**	**30 June 2010**
Wages and salaries	2,274	1,742
Social security contributions	318	275
TFR	70	53
Personnel costs	**2,662**	**2,070**

The table below reports the exact number by category of employees as at 30 June 2011, 30 June 2010 and 31 March 2011:

Category	**30 June 2011**	**30 June 2010***	**31 March 2011***
Executives	8	6	7
Office workers	288	203	254
Manual workers	480	288	428
Total	**776**	**497**	**689**

*The exact number of employees, as at 30 June 2010 and 31 March 2011, was adjusted by adding the number of executive directors as personnel costs, as required by IAS, include fees due to directors.

The number of employees as at 30 June 2011 increased by 279 units compared to the number of employees reported as at 30 June 2010 mainly as a result of the increase in the number of office and manual workers relating to Unibest Leather Goods (Zhongshan) Ltd., which is attributable to the higher production volumes managed by it in the period under consideration. On the contrary, the number of employees mainly increased as a result of the new openings of shops in Italy and abroad.

In the quarter ended 30 June 2011, personnel costs reported an increase of about 28.6%, passing from Euro 2,070 thousand in the quarter ended 30 June 2010 to Euro 2,662 thousand in the quarter ended 30 June 2011. The change is mainly due to the increase in staff commented on above as a result of the new openings of DOS in Italy and abroad and to the increase in production staff for the Chinese subsidiary, and was slightly higher than the growth dynamics of the turnover.

To supplement the information provided, below is also reported the average number of employees for the quarters ended 30 June 2011 and 30 June 2010:

Average unit	**30 June 2011**	**30 June 2010***
Executives	8	6
Office workers	271	202

Manual workers	454	314
Total for the Group	**733**	**522**

*The average number of employees, as at 30 June 2010 and 31 March 2011, was adjusted by adding the number of executive directors as personnel costs, as required by IAS, include fees due to directors.

Note 28 – Amortisation, depreciation and write-downs

In the quarter ended 30 June 2011, amortisation and depreciation were equal to Euro 481 thousand (Euro 417 thousand in the quarter ended 30 June 2010). Write-downs, equal to Euro 50 thousand in the quarter ended 30 June 2011 (Euro 61 thousand in the quarter ended 30 June 2010) relate to the provision for bad debts.

Note 29 – Financial income

The amount of Euro 263 thousand as at 30 June 2011 (Euro 462 thousand as at 30 June 2010) mainly related for Euro 9 thousand to interest receivable on current accounts held by the Parent Company and for Euro 254 thousand of foreign exchange gains either realised or estimated (Euro 425 thousand as at 30 June 2010).

Note 30 – Financial charges

Below is the breakdown of financial charges:

(in thousands of Euro)	**30 June 2011**	**30 June 2010**
Interest payable on current accounts	19	-
Interest and expense subject to final payment	7	6
Financial charges on loans	44	42
Lease charges	41	55
Commissions on credit cards	5	16
Other charges	-	59
Foreign exchange losses (both realised and estimated)	232	397
Financial Charges	**348**	**575**

Financial charges mainly relate to financial charges on loans, in addition to financial charges on lease agreements (mainly relating to the use of the plant in Silla di Gaggio Montano) which include the automated warehouse.

Note 31 – Income tax expenses

Below is reported the breakdown of income tax expenses:

(in thousands of Euro)	**30 June 2011**	**30 June 2010**
IRES tax	526	455
IRAP tax	126	115
Total current taxes	**652**	**570**

Current taxes relate to the tax burden calculated on the Parent Company's taxable income, as the majority of the subsidiaries closed the half-year periods with negative taxable incomes.

(in thousands of Euro)	**30 June 2011**	**30 June 2010**
Deferred tax liabilities	74	267
Deferred tax assets	-	(258)
Total deferred tax assets and liabilities	**74**	**9**

Note 32 - Earnings per share

As at 30 June 2011 diluted earnings per share amounted to Euro 0.0231 (basic earnings per share amounted to Euro 0.0239 as at 30 June 2011 and 0.0254 as at 30 June 2010); they are calculated on the basis of the consolidated net profit for the period attributable to the Group, equal to Euro 1,194 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 June 2010, diluted earnings per share were equal to Euro 0.0246.

(in thousands of Euro)	**30 June 2011**	**30 June 2010**
Group net profit (in thousands of Euro)	1,194	1,270
Average number of outstanding ordinary shares (in thousands of shares)	51,600	51,600
Diluted earnings per share (in Euro)	**0.0231**	**0.0246**

OTHER INFORMATION

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 June 2011, included 47 single-brand stores directly operated by the Group (the so-called "Directly Operated Stores" or "DOS");
- 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 (59 shops as at 30 June 2011) and by distributors who then resell the articles in specialist multi-brand shops.

As shown below, as at 30 June 2011, approximately 26.8% of the Group's consolidated revenues was realised through the direct channel, while 73.2% 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 (DOS and Wholesale), in relation to the three months ended 30 June 2011 and 30 June 2010, 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 quarter ended 30 June 2011, compared to the results recorded as at 30 June 2010, was affected by the following factors:

- *Same Store Sales Growth* (SSSG) reported in the period equal to +17.8% assuming constant rates of exchange and perimeters, with the correlated effect of improvement in the profitability of the shops at EBITDA level (+15% assuming current rates of exchange).

In analysing the DOS channel's performance as at 30 June 2011 compared to 30 June 2010, it should be noted that in the quarter of the previous financial year the DOS channel's performance was positively affected by the sum of Euro 300 thousand obtained as goodwill for the assignment of the lease agreement relating to the Frankfurt shop.
The growth in EBITDA in the DOS channel in the quarter ended 30 June 2011, compared to 30 June 2010 and net of the effect of the extraordinary item, increased by about 179 thousand (Euro 133 thousand at 30 June 2011 against a negative value of Euro 46 thousand at 30 June 2010).

There was a slight percentage increase in margins as regards the performance of the wholesale channel in the quarter ended 30 June 2011, compared with the results recorded as at 30 June 2010, mainly attributable to the lower allocation of costs directly attributable to the wholesale channel.

(*in thousands of Euro*)	**30 June 2011 (three months)**				**30 June 2010 (three months)**				
	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	**3,317**	**9,078**	**12,395**	**100.0%**	**2,454**	**8,421**	**10,875**	**100.0%**	**14.0%**
Segment result before amortisation and depreciation	133	2,353	2,486	20.06%	261	2,179	2,440	22.44%	1.9%
Amortisation, depreciation and write-downs			(481)	(3.88%)			(478)	(4.39%)	0.6%
Financial income and charges			(85)	(0.69%)			(113)	(1.04%)	(24.8%)
Pre-tax result			**1,920**	**15.49%**			**1,849**	**17.01%**	**3.8%**
Income taxes			(726)	(5.86%)			(579)	(5.33%)	25.4%
Profit			**1,194**	**9.63%**			**1,270**	**11.67%**	**(5.9%)**
Result attributable to minority interests				-			-	-	-
Group net profit			**1,194**	**9.63%**			**1,270**	**11.67%**	**(5.9%)**

Commitments

As at 30 June 2011, the Group had not executed contractual commitments that would entail significant investments in property, plant and equipment and intangible assets in the 2011/2012 financial year.

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.
On 18 November 2010 Piquadro S.p.A. adopted, pursuant to and for the purposes of article 2391-*bis* of the Italian Civil Code and of the "Regulation on transactions with related parties" as adopted by Consob resolution, the

procedures on the basis of which Piquadro S.p.A. and its subsidiaries operate to complete transactions with related parties of Piquadro S.p.A. itself.

Below is reported the breakdown of the main economic and financial relations maintained with related companies (thousands of Euro):

(in thousands of Euro)	Receivables		Payables	
	30 June 2011	30 June 2010	30 June 2011	30 June 2010
Financial relations with Piqubo S.p.A.	-	-	-	-
Total Receivables from and Payables to controlling companies	**-**	**-**	**-**	**-**

The Directors report that, in addition to Piquadro Holding SpA and Piqubo SpA and Palmieri Family Foundation, there are no other related parties (pursuant to IAS 24) of the Piquadro Group.

In the first quarter of the 2011/2012 financial year, no transactions were effected with Palmieri Family Foundation which is a non-profit foundation, whose Founder is Marco Palmieri and which has the purpose of promoting activities aimed at the study, research, training, innovation in the field for the creation of jobs and employment opportunities for needy persons.

In the first quarter of the 2011/2012 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.

(in thousands of Euro)	Revenues		Costs	
	30 June 2011	30 June 2010	30 June 2011	30 June 2010
Costs for rents due to Piqubo S.p.A.	-	-	7.5	7.5
Total Revenues and Costs to controlling companies	**-**	**-**	**7.5**	**7.5**

In the first quarter of the 2011/2012 and 2010/2011 financial years, no economic transactions occurred with the majority Shareholder, Piquadro Holding SpA.

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 of Piquadro S.p.A., in relation to the first quarter of the 2011/2012 financial year, 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 June 2011, Directors had not identified executives with strategic responsibilities):

First and last name	Position held	Period in which the position was held	Term of office [1)]	Fees due for the position	Non-monetary benefits	Bonuses and other incentives	Other fees	Total
Marco Palmieri	Chairman and CEO	01/04/11-30/06/11	2013	100	2			102
PierpaoloPalmieri	Managing Director	01/04/11-30/06/11	2013	50	1			51
Marcello Piccioli	Managing Director	01/04/11-30/06/11	2013	68	1			69
Roberto Trotta	Managing Director	01/04/11-30/06/11	2013	-[2)]	1	7	33[3)]	41
Roberto Tunioli	Director	01/04/11-30/06/11	2013	6				6
Gianni Lorenzoni	Director	01/04/11-30/06/11	2013	6				6
Sergio Marchese	Director	01/04/11-30/06/11	2013	2				2
				232	**5**	**7**	**33**	**277**

*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.

Events after the period end

On 21 July 2011, the ordinary and extraordinary Shareholders' Meetings of Piquadro S.p.A. approved the Financial Statements for the financial year ended 31 March 2011 and the distribution of a unit dividend of Euro 0.10 to the Shareholders, for a total amount of Euro 5 million. The dividend was paid starting from 28 July 2011, with the detachment of the coupon no. 4 on 25 July 2011. The Shareholders' Meeting also resolved, in accepting the proposal submitted by the Board of Statutory Auditors, to adjust the fees due to the Independent Auditors. This adjustment was made necessary as a result of the increasing disclosure obligations imposed by the law and by the supervisory bodies, as well as of the growing complexity of the Piquadro Group following its expansion at national and international level.
The extraordinary Shareholders' Meeting also approved the amendment to some sections of the Company's by-laws in order to bring them into line with the regulations governing listed companies.
In addition to the above, no significant events are reported which occurred at Group level from 1 July 2011 to the date of this Report.

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Certification pursuant to article 154-*bis* , paragraph 2, of the TUF

The Manager responsible for the preparation of corporate accounting documents declares, pursuant to article 154-*bis*, paragraph 2, of the Consolidation Act on Finance, that the accounting information contained in this document corresponds to the documentary results, as well as to the results in the accounting books and records.

The Manager responsible for the preparation of
corporate accounting documents
Roberto Trotta