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

Disclaimer

This Report at 30 September 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*
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*
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*
Milan – Corso Buenos Aires 10 (Piquadro S.p.A.)	*Point of sale*
Hong Kong – Queen’s Road (Piquadro Hong Kong Ltd)	*Point of sale*
Shanghai (China) – Jiu Guang Dep. Store (Piquadro Shenzhen)	*Point of sale*
Suzhou (China) – Jiu Guang Dep. Store (Piquadro Shenzhen)	*Point of sale*

INTERIM MANAGEMENT REPORT
AS AT 30 SEPTEMBER 2011

Introduction

The consolidated interim financial report as at 30 September 2011 (the “Report”) was prepared in compliance with Article 154-*ter* of Legislative Decree no. 58/1998, as amended, as well as with the Issuers’ Regulation issued by Consob (*Commissione Nazionale per le Società e la Borsa,* Italian Securities and Exchange Commission).
This Interim management report was prepared by the Directors in relation to the attached consolidated condensed interim financial statements of Piquadro S.p.A. (hereinafter also referred to as the “Company” or the “Parent Company”) and its subsidiaries (hereinafter collectively referred to as the “Piquadro Group”) relating to the half-year ended 30 September 2011. The financial statements were prepared in compliance with IAS/IFRS (International Accounting Standards and International Financial Reporting Standards) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union, and were prepared according to the provisions under IAS 34 – Interim financial reporting. The Interim management report must therefore be read together with the accounting statements and the related Explanatory Notes.

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

CORPORATE BODIES HOLDING OFFICE AT 30 SEPTEMBER 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**

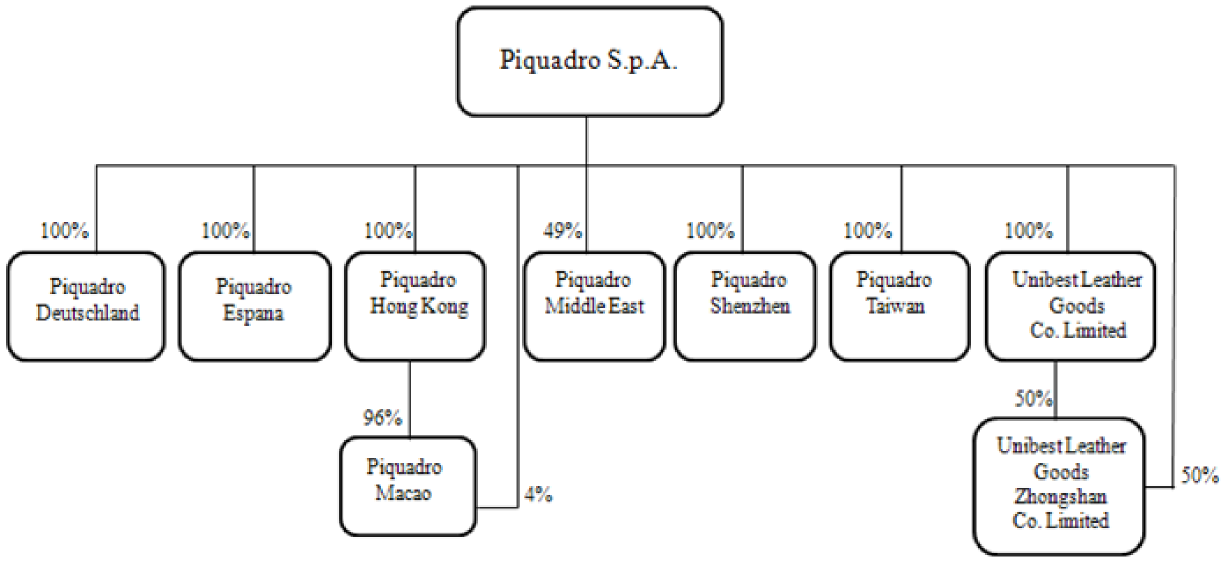
Roberto Trotta

- **SUPERVISORY BOARD**

Mario Panzeri

THE GROUP STRUCTURE

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



INFORMATION ON OPERATIONS

Significant events for the half-year

On 21 July 2011 the Ordinary Shareholders' Meeting approved the financial statements ended 31 March 2011 and, on the proposal of the Board of Directors, resolved to distribute a dividend of Euro 0.10 per share for a total of Euro 5 million. The dividend was paid starting from 28 July 2011, with the detachment of the coupon on 25 July 2011. Furthermore, amendments to some articles of the company's by-laws were approved by the Board of Directors on 13 June 2011 and by the extraordinary shareholders' meeting on 21 July 2011, in order to bring them into line with the regulations governing listed companies.

The Group's business

Operations

In the first six months of the 2011/2012 financial year, the Group, even if within a macro-economic context which was still dominated by the uncertainty of the growth dynamics, reported performances decidedly better than the same period in the 2010/2011 financial year.

In the half-year ended 30 September 2011, the Piquadro Group reported net sales revenues equal to Euro 30,133 thousand, showing an increase equal to about 11.1% compared to the same period in the 2010/2011 financial year (net sales revenues equal to Euro 27,117 thousand). In the half-year ended 30 September 2011 sales volumes, in terms of quantities sold in the relevant period, showed an increase of about 7.9% 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 +49.8%), organisers and notepads (about +60.7%) and small leather goods (about +7.3%), while the product family of women's bags and travel articles reported a decrease (about -18%).

In the half-year ended 30 September 2011, the Piquadro Group reported average selling prices showing an increase of about 3.8% compared to the half-year ended 30 September 2010, mainly attributable to the growth in sales in the DOS channel over the total Group sales, and, in any case, in line with the management's expectations.

In the half-year ended 30 September 2011 the Piquadro Group reported, in terms of profitability, EBITDA[1] equal to Euro 7.26 million (equal to 24.1% of net sales revenues), up by 1% compared to the value recorded in the first half of the 2010/2011 financial year (Euro 7.19 million, equal to 26.5% of net sales revenues).
In consideration of the fact that in the half-year of the previous financial year the Group's performance (at EBITDA level) was positively affected by the non-recurring income 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 half-year ended 30 September 2011, compared to that of the first half-year 2010/2011, net of this revenue, was equal to an increase of about 5.4% (Euro 7.3 million at 30 September 2011against Euro 6.9 million at 30 September 2010).

The Group's EBIT[2] came to about Euro 6.2 million (20.6% of net sales revenues), down by about 1% compared to the half-year ended 30 September 2010 (Euro 6.3 million, equal to 23.2% of net sales revenues).
In consideration of the fact that in the half-year of the previous financial year the Group's performance (at EBIT level) was positively affected by the non-recurring income illustrated above, the growth in EBIT in the half-year ended 30 September 2011, compared to that of the first half-year 2010/2011, net of this revenue, was equal to an increase of about 3.5% (Euro 6.2 million at 30 September 2011against Euro 6.0 million at 30 September 2010).

As at 30 September 2011 the Group net profit was equal to Euro 3.9 million, up by 1% compared to the value posted at 30 September 2011 (net profit equal to Euro 3.9 million).
In consideration of the fact that in the half-year of the previous financial year the performance (at net profit level) was positively affected by the non-recurring income illustrated above, the growth in the net profit in the half-year ended 30 September 2011, compared to that of the first half-year 2010/2011, net of this revenue, was equal to an increase of about 9.0% (Euro 3.9 million at 30 September 2011against Euro 3.6 million at 30 September 2010).

Net sales revenues

As at 30 September 2011 the Piquadro Group recorded net sales revenues equal to about Euro 30,133 thousand, up by about 11.1% compared to 30 September 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 September 2011, included 51 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 and distributors who then resell the articles in specialist multi-brand shops.

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

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

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

Sales channel *(in thousands of Euro)*	**Net revenues as at 30 September 2011**	**%**	**Net revenues as at 30 September 2010**	**%**	**% change 2011/2010**
DOS	7,714	25.6%	5,999	22.1%	28.6%
Wholesale	22,419	74.4%	21,118	77.9%	6.2%
Total	**30,133**	**100.0%**	**27,117**	**100.0%**	**11.1%**

The revenues reported by the DOS channel showed an increase of about 28.6% 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 also in the first six months of the 2010/2011 financial year ("comparable shops") and the contribution given by the opening of 19 new shops that were not present as at 30 September 2010, and that are listed below:

Month of opening	**Location**	**Channel**
October 2010	Beijing (China) Beijing IFC Mall	DOS
November 2010	Agira (EN) - Sicilia Fashion Outlet	DOS Outlet Store
November 2010	Taipei (Taiwan) Sogo Dun Hua Shop	DOS
December 2010	Rome – Fiumicino Airport Terminal 3	DOS
December 2010	Shenyang (China) - MOI Dept. Store	DOS
February 2011	Beijing (China) - Surprise Outlet	DOS Outlet Store
February 2011	Beijing (China) - Season Place	DOS
February 2011	Rimini - Shopping Centre "Le Befane"	DOS
March 2011	Madrid (Spain) - Calle Goya	DOS
March 2011	Barcelona (Spain) - Shopping Centre "Las Arenas"	DOS
April 2011	San Sebastian (Spain)- Outlet Center	DOS Outlet Store
June 2011	Tianjin (China) - Florentia Village	DOS Outlet Store
June 2011	Hong Kong – Elements Shopping mall	DOS
June 2011	Mestre (VE) – Auchan Shopping mall	DOS
June 2011	Hong Kong - Times Square	DOS
September 2011	Milan – Corso Buenos Aires 10	DOS
September 2011	Hong Kong – Queen's Road	DOS
September 2011	Shanghai (China) – Jiu Guang Dep. Store	DOS
September 2011	Suzhou (China) – Jiu Guang Dep. Store	DOS

The Same Store Sales Growth (SSSG), which is calculated as a world average of growth rates of the revenues recorded by the DOS existing at 1 April 2010, was positive and equal, in the six-month period, to a 9.7% growth at current rates of exchange (assuming an equal number of days of opening and constant rates of exchange, was equal to a 13.0% growth).

Sales reported by the Wholesale channel, which as at 30 September 2011 represented 74.4% of the Group's total turnover, showed a 6.2% increase, as they also benefitted, compared to the same period in the 2010/2011 financial year, from the opening of 10 additional franchise shops, of which 5 in Italy, 3 in Europe, 1 in Middle East and 1 in Canada, as listed below (as at 30 September 2011 there were 57 franchise shops, of which 35 in Italy, 20 in Europe and 2 in the Rest of the World):

Month of opening	Location	Channel
October 2010	Astana (Kazakhstan) – “Keruen” TRK, Dostyk 9	Franchising (Wholesale)
November 2010	Beirut (Lebanon) – Ayyas Sector	Franchising (Wholesale)
November 2010	Limbiate (MI) – Carrefour Shopping Mall	Franchising (Wholesale)
November 2010	Lecce – Via Trinchese 69	Franchising (Wholesale)
December 2010	Palermo – Viale Strasburgo 108	Franchising (Wholesale)
January 2011	Toronto (Ontario, Canada) - Bay Street 1286	Franchising(Wholesale)
March 2011	Moscow (Russia) – TC AFIMall	Franchising (Wholesale)
March 2011	Moscow (Russia) – TC Kapitoly	Franchising (Wholesale)
June 2011	Orio al Serio (Bergamo) – “Orio Center” Shopping Mall	Franchising (Wholesale)
July 2011	Stezzano (Bergamo) – “Le due torri” Shopping Mall	Franchising (Wholesale)

Breakdown of revenues by geographical area

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

Geographical area *(in thousands of Euro)*	**Net revenues as at 30 September 2011**	**%**	**Net revenues as at 30 September 2010**	**%**	**% change 2011/2010**
Italy	23,699	78.6%	20,904	77.1%	13.4%
Europe	4,109	13.6%	4,201	15.5%	-2.2%
Rest of the world	2,325	7.7%	2,012	7.4%	15.6%
Total	**30,133**	**100.0%**	**27,117**	**100.0%**	**11.1%**

As at 30 September 2011, the Group’s revenues showed that the Italian market accounts for a percentage of the Group’s total turnover which is still very high (equal to about 78.6%), up by about 13.4% compared to the same period in the 2010/2011 financial year, also benefiting from the opening of 5 new DOS : Agira (Enna); Rome – Fiumicino T3; Rimini; Mestre; Milan – Corso Buenos Aires and 5 franchise shops: Limbiate (MI), Lecce, Palermo, Orio al Serio (BG) and Stezzano (BG).
The Group operates through the two DOS and Wholesale sales channels in 29 European Countries. Within the European market, the Group achieved a turnover equal to Euro 4,109 thousand, equal to about 13.6% of consolidated sales (-2.2% compared to Euro 4,201 thousand for the half-year ended 30 September 2010). The most significant trends in the turnover were recorded in countries such as Germany (+21.8%), The Netherlands (+26.3%), Spain (-25.5%) and France (-27.3%). In the European region the Group has opened 3 new franchise shops: Astana (Kazakhstan) and Moscow (2 openings).
In the non-European geographical area (named “Rest of the world”), where the Group sells in 16 Countries, turnover rose by about 15.6%. The higher rises were recorded in Hong Kong (+20.1%), which also benefited from the opening of 2 new DOS and in China (+21.1%), which also benefited from the opening of 7 new DOS.

At the same time as the increase in sales revenues, the first six months of the 2011/2012 financial year recorded EBITDA, up by about 1% compared to the same figure as at 30 September 2010.
As previously commented on, this growth, if compared to the value posted at 30 September 2010, net of the sum of Euro 300 thousand by way of goodwill for the assignment of the lease agreement of the Frankfurt shop, was equal to about 5.4% (Euro 7.3 million as at 30 September 2011 against Euro 6.9 million as at 30 September 2010).

In the opinion of the management, the growth in EBITDA in the first six months of the 2011/2012 financial year ended 30 September 2011, was attributable to the following factors:

- as regards the DOS segment, the positive performance of the SSSG value was offset by the lower operational performance of the new openings of points of sale concentrated in Europe and Asia;
- as regards the wholesale channel, the increase in revenues equal to about 6.2% was offset by an increase in general expenses and, specifically, in personnel costs, to better meet the growing requirements of the developing markets and of the more structured organization of the Group.

The EBIT achieved by the Group in the half-year 2011/2012 was affected by the performances commented on above, to which must be added higher amortization and depreciation of Euro 985 thousand, relating to sharp increase in the Group's investments and write-downs equal to Euro 77 thousand linked to the early closure of some shops as the related performances were not in line with the management's expectations.

Summary economic-financial data

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

Economic and financial indicators *(in thousands of Euro)*	**30 September 2011**	**30 September 2010**
Revenues from sales	30,133	27,117
EBITDA	7,265	7,193
EBIT	6,202	6,295
Pre-tax result	6,213	6,102
Group's profit for the period	3,908	3,884
Amortisation and depreciation of fixed assets and write-downs	1,113	898
Financial absorption (Group net profit, amortisation and depreciation, write-downs)	5,021	4,782

Financial indicators *(in thousands of Euro)*	**30 September 2011**	**31 March 2011**
Net Financial Position [3]	(8,559)	(3,678)
Shareholders' equity	24,922	25,903

EBITDA for the period came to Euro 7.3 million, against Euro 7.2 million recorded in the same period ended 30 September 2010 and as at 30 September 2011 it represented 24.1% of consolidated revenues (against 26.5% recorded in the half-year ended 30 September 2010).

In the half-year ended 30 September 2011, the Group's amortisation and depreciation were equal to Euro 985 thousand and were broken down as follows: Euro 802 thousand relating to property, plant and equipment (mainly connected to the depreciation of the building where the Company operates for Euro 98 thousand; of business equipment, including automated warehouse and fittings for shops, for Euro 567 thousand; of general systems for Euro 131 thousand and other assets for Euro 6 thousand), and Euro 183 thousand relating to intangible assets (of which Euro 118 thousand for software and patent rights, Euro 39 thousand for key money of some shops and Euro 26 thousand for development costs).

As at 30 September 2011 EBIT came to Euro 6.2 million, equal to about 21.0% of net sales revenues, showing a slight fall compared to the value recorded in the half-year ended 30 September 2010 (equal to about 23.2%), also as a result of higher amortisation and depreciation in the period, due to the significant investments made by the Group during the half-year and of the write-downs connected to early closures of some shops whose performances were not in line with the initial expectations.

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

The result from financial operations as at 30 September 2011, which was positive for a value equal to about Euro 11 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 in the half-year ended 30 September 2011 came to about Euro 6.2 million (up by about 2.0% against the value of Euro 6.1 million recorded in the half-year ended 30 September 2010) and was affected by income taxes, including the effects of deferred taxation, equal to Euro 2.3 million.

Investments

Investments in intangible assets, property, plant and equipment and financial assets in the half-years ended 30 September 2011 and 30 September 2010 were equal to Euro 1.932 thousand and Euro 537 thousand, respectively, as reported below:

(in thousands of Euro)	**30 September 2011**	**30 September 2010**
Investments		
Intangible assets	1,013	184
Property, plant and equipment	919	353
Financial fixed assets	-	-
Total	**1,932**	**537**

Increases in intangible assets, equal to Euro 1,013 thousand in the half-year ended 30 September 2011 mainly related to industrial patent rights for Euro 3 thousand, to investments in software and IT products for Euro 100 thousand, to the registration of trademarks for Euro 67 thousand, to the Key money paid by Piquadro S.p.A. for the opening of the new point of sale in Milan in C.so Buenos Aires for Euro 843 thousand.

On the contrary, increases in property, plant and equipment, equal to Euro 919 thousand in the half-year ended 30 September 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 746 thousand, to electric and electronic office machines for Euro 114 thousand, to the purchases of moulds relating to new products for Euro 28 thousand and to the purchase of equipment for Euro 31 thousand.

CONSOLIDATED BALANCE SHEET

Below is summarised the Group's consolidated equity and financial structure as at 30 September 2011 (compared to the corresponding structure as at 31 March 2011 and 30 September 2010):

(in thousands of Euro)	**30 September 2011**	**31 March 2011**	**30 September 2010**
Trade receivables	25,341	21,418	22,031
Inventories	14,327	10,104	11,909
(Trade payables)	(18,123)	(13,301)	(15,134)
Total net current trade assets	*21,545*	*18,221*	*18,806*
Other current assets	3,332	2,526	1,944
(Other current liabilities)	(3,393)	(3,925)	(2,921)
(Tax payables)	(2,579)	(736)	(1,905)
A) Working capital	***18,905***	***16,086***	***15,924***
Intangible assets	1,610	790	699
Property, plant and equipment	12,050	12,064	11,104
Receivables from others beyond 12 months	1,066	872	517
Deferred tax assets	1,394	1,349	1,170
B) Fixed assets	***16,120***	***15,075***	***13,490***
C) Non-current provisions and non-financial liabilities	***(1,544)***	***(1,580)***	***(1,487)***
Net invested capital (A+B+C)	**33,481**	**29,581**	**27,927**
FINANCED BY:			
D) Net financial position	*8,559*	*3,678*	*7,348*
E) Equity attributable to Minority interests	**-**	**-**	**-**
F) Equity attributable to the Group	*24,922*	*25,903*	*20,579*
Total borrowings and Shareholders' Equity (D+E+F)	**33,481**	**29,581**	**27,927**

CONSOLIDATED NET FINANCIAL POSITION

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

(Values expressed in thousands of Euro)	**30 September 2011**	**31 March 2011**	**30 September 2010**
(A) Cash	170	110	92
(B) Other cash and cash equivalents (available current bank accounts)	10,241	10,617	8,550
(C) Liquidity (A) + (B)	**10,411**	**10,727**	**8,642**
(D) Finance leases	(797)	(865)	(920)
(E) Current bank debt	(6,855)	-	(2,712)
(F) Current portion of non-current debt	(3,738)	(3,805)	(2,893)
(G) Current financial debt (D) + (E) + (F)	**(11,390)**	**(4,670)**	**(6,525)**
(H) Short-term net financial position (C) + (G)	**(979)**	**6,057**	**2,117**
(I) Non-current bank debt	(3,547)	(5,266)	(4,647)
(L) Finance leases	(4,033)	(4,469)	(4,818)
(M) Non-current financial debt (I) + (L)	**(7,580)**	**(9,735)**	**(9,465)**
(N) Net financial position (H) + (M)	**(8,559)**	**(3,678)**	**(7,348)**

As at 30 September 2011 the consolidated net financial position was negative for about Euro 8.6 million.
The change was negative by Euro 4.9 million compared to 31 March 2011, as a result of both the different seasonality trends and the dividend of Euro 5 million paid in July 2011.

The negative change of Euro 1.2 million compared to 30 September 2010 was mainly attributable to the following factors:

- higher dividends paid compared to the previous period (a dividend of Euro 4 million paid in 2010 compared to the dividend of Euro 5 million paid in 2011);
- trends in the net working capital as a result of the increase in stocks and 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 September 2011 the Group had 797 members of staff compared to 557 units as at 30 September 2010. Below is reported the breakdown of staff by country:

Country	30 September 2011	30 September 2010
Italy	193	166
China	514	322
Hong Kong	45	38
Macau	6	5
Germany	3	5
Spain	17	6
UAE	5	4
Taiwan	14	11
Total	**797**	**557**

With reference to the Group's organisational structure, as at 30 September 2011 49.1% of staff operated in the production area, 24.5% in the retail area, 17.9% in the support functions (Administration, IT Systems, Purchasing, Quality, Human Resources, etc.), 6.4% in the Research and Development area and 2.1% 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 15 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 36 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 September 2011, the net value of the assets relating to the new continuous product lines were equal to Euro 26 thousand.

Information required by articles 36 and 39 of the Markets' Regulation

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

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

Direction and Coordination activities (pursuant to article 37, paragraph 2, of the Markets' Regulation)

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

Significant events after the half-year end

No significant events are reported which occurred at Group level From 1 October 2011 to the date of this Report.

Outlook

The results achieved in the first six months of the 2011/2012 financial year, while confirming the management's expectations in terms of turnover growth, have however felt the effects caused by the transformation in the domestic and international situation and by the new crisis which struck as early as August 2011. The new wave of the financial crisis, above all in the domestic markets and the European markets in general, has created a situation of widespread instability and, as well as influencing the dynamics of consumption growth, seems to have also profoundly affected the possibility of accessing credit for small and medium-sized companies which, particularly in Italy, form the majority of Piquadro's multi-brand customers. This has obviously affected the results of the first half-year and by and large it seems that it can curb the Group's growth expectations in some of the countries most affected by the new financial crisis. In spite of this the October SSSG data for Italy still had a plus sign even if performance was lower than in the first six months of the year. The Group continues to pursue the development of the brand internationally, paying particular attention to the strategic areas of the Far East and through the development of the network of single-brand, DOS and Franchise shops. Because of both the different economic and financial conditions and the poor visibility unleashed by this new wave of crisis, the expectations for the whole financial year, which will end on 31 March 2012, are linked to dynamics of recovery (if any) and at the same time to the ability of the Group to play on the leadership that it has attained in a number of markets. The management is expecting growth in the turnover generated by the DOS channel by the end of March 2012 mainly as a result of new store openings (including those opened in the course of the previous financial year); in the wholesale channel, in a context in which visibility has become substantially lower, the Group will be committed to seizing all the opportunities arising from the domestic and international markets. In this context, the management is constantly committed to monitoring recovery dynamics (if any) and maintaining above-average profit margins that can allow it to undertake greater commitments in research and development activities and at the same time commitments to marketing which are able to further develop awareness of the Piquadro brand all over the world.

Silla di Gaggio Montano (BO), 17 November 2011

FOR THE BOARD OF DIRECTORS
THE CHAIRMAN
(Marco Palmieri)

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2011

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of Euro)	**Notes**	**30 September 2011**	**31 March 2011**
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	(1)	1,610	790
Property, plant and equipment	(2)	12,050	12,064
Receivables from others	(3)	1,066	872
Deferred tax assets	(4)	1,394	1,349
TOTAL NON-CURRENT ASSETS		**16,120**	**15,075**
CURRENT ASSETS			
Inventories	(5)	14,327	10,104
Trade receivables	(6)	25,341	21,418
Other current assets	(7)	3,177	2,526
Derivative assets	(8)	155	-
Cash and cash equivalents	(9)	10,411	10,727
TOTAL CURRENT ASSETS		**53,411**	**44,775**
TOTAL ASSETS		**69,531**	**59,850**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of Euro)	**Notes**	**30 September 2011**	**31 March 2011**
LIABILITIES			
EQUITY			
Share capital		1,000	1,000
Share premium reserve		1,000	1,000
Other reserves		515	404
Retained earnings		18,499	14,402
Group profit for the period		3,908	9,097
TOTAL EQUITY ATTRIBUTABLE TO THE GROUP		**24,922**	**25,903**
Capital and reserves attributable to minority interests		-	-
Profit/(loss) for the period attributable to minority interests		-	-
TOTAL EQUITY ATTRIBUTABLE TO MINORITY INTERESTS		-	-
TOTAL EQUITY	(10)	**24,922**	**25,903**
NON-CURRENT LIABILITIES			
Borrowings	(11)	3,547	5,266
Payables to other lenders for lease agreements	(12)	4,033	4,469
Provision for employee benefits	(13)	231	258
Provisions for risks and charges	(14)	834	852
Deferred tax liabilities	(15)	479	470
TOTAL NON-CURRENT LIABILITIES		**9,124**	**11,315**
CURRENT LIABILITIES			
Borrowings	(16)	10,593	3,805
Payables to other lenders for lease agreements	(17)	797	865
Derivative liabilities	(18)	4	38
Trade payables	(19)	18,123	13,301
Other current liabilities	(20)	3,389	3,887
Current income tax liabilities	(21)	2,579	736
TOTAL CURRENT LIABILITIES		**35,485**	**22,632**
TOTAL LIABILITIES		**44,609**	**33,947**
TOTAL EQUITY AND LIABILITIES		**69,531**	**59,850**

CONSOLIDATED INCOME STATEMENT

(in thousands of Euro)	Notes	30 September 2011	30 September 2010
REVENUES			
Revenues from sales	(22)	30,133	27,117
Other income	(23)	304	664
- *of which: impact of non-recurring items*		-	*300*
TOTAL REVENUES (A)		**30,437**	**27,781**
OPERATING COSTS			
Change in inventories	(24)	(3,978)	(4,164)
Costs for purchases	(25)	6,835	6,513
Costs for services and leases and rentals	(26)	14,954	14,065
Personnel costs	(27)	5,270	4,113
Amortisation, depreciation and write-downs	(28)	1,113	898
Other operating costs		41	61
TOTAL OPERATING COSTS (B)		**24,235**	**21,486**
OPERATING PROFIT (A-B)		**6,202**	**6,295**
- *of which: impact of non-recurring items*		-	*300*
Financial income	(29)	786	604
Financial charges	(30)	(775)	(797)
TOTAL FINANCIAL INCOME AND CHARGES		**11**	**(193)**
PRE-TAX RESULT		**6,213**	**6,102**
Income tax expenses	(31)	(2,305)	(2,218)
PROFIT FOR THE PERIOD		**3,908**	**3,884**
attributable to:			
EQUITY HOLDERS OF THE COMPANY		3,908	3,884
MINORITY INTERESTS		-	-
(Basic) Earnings per share in Euro	(32)	0.07816	0.07768
(Diluted) Earnings per share in Euro	(32)	0.07574	0.07527

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	30 September 2011	30 September 2010
Profit and loss for the period (A)	**3,908**	**3,884**
Profits (losses) arising from the translation of financial statements of foreign companies	12	37
Effect of IAS 39 fair value of derivative contracts	79	(67)
Profits/(losses) not recognised through P&L (B)	**91**	**(30)**
Total comprehensive income/(losses) (A) + (B)	**3,999**	**3,854**
Attributable to		
- the Group	3,999	3,854
- 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	Undivided profit	Group profit	Equity attributable to the Group	Capital and reserves attributable to minority interests	Profit/(Loss) attributable to minority interests	Equity attributable to the Group and to minority interests
Balances as at 31.03.2010	**1.000**	**1.000**	**(77)**	**12**	**549**	**484**	**11.159**	**7.243**	**20.886**	**201**	**(120)**	**20.967**
Profit for the period						**0**		3.884	**3.884**			**3.884**
Other components of the comprehensive income as at 30 September 2010:												
Foreign exchange differences from translation			37			**37**			**37**			**37**
Fair value of financial instruments				(67)		**(67)**			**(67)**			**(67)**
Total comprehensive income for the period			**37**	**(67)**	**0**	**(30)**	**0**	**3.884**	**3.854**	**0**	**0**	**3.854**
Allocation of the result for the period as at 31 March 2010:												
- to dividends						**0**		(4,000)	**(4,000)**			**(4,000)**
- to reserves						**0**	3.243	(3,243)	**0**	(120)	120	**0**
Acquisition of Unibest Leather Goods Hong Kong					(182)	**(182)**			**(182)**	(81)		**(263)**
Fair Value of the Stock Option Plan					21	**21**			**21**			**21**
Balances as at 30.09.2010	**1.000**	**1.000**	**(40)**	**(55)**	**388**	**293**	**14.402**	**3.884**	**20.579**	**0**	**0**	**20.579**

Description	Share capital	Share premium reserve	Other reserves: Translation reserve	Other reserves: Fair value reserve	Other reserves: Other reserves	Other reserves: Total Other reserves	Undivided profit	Group profit	Equity attributable to the Group	Capital and reserves attributable to minority interests	Profit/(Loss) attributable to minority interests	Equity attributable to the Group and to minority interests
Balances as at 31.03.2011	**1,000**	**1,000**	**12**	**(16)**	**408**	**404**	**14,402**	**9,097**	**25,903**	**0**	**0**	**25,903**
Profit for the period								3,908	**3,908**			**3,908**
Other components of the comprehensive income as at 30 September 2011:												
Foreign exchange differences from translation			12			**12**			**12**			**12**
Fair value of financial instruments				79		**79**			**79**			**79**
Total comprehensive income for the period			**12**	**79**	**0**	**91**		**3,908**	**3,999**			**3,999**
Allocation of the result for the period as at 31 March 2011:												
- to dividends								(5,000)	**(5,000)**			**(5,000)**
- to reserves							4,097	(4,097)	**0**			**0**
Fair Value of the Stock Option Plan					20	**20**			**20**			**20**
Balances as at 30.09.2011	**1,000**	**1,000**	**24**	**63**	**428**	**515**	**18,499**	**3,908**	**24,922**	**0**	**0**	**24,922**

CONSOLIDATED STATEMENT OF CASH FLOWS

(*in thousands of Euro*)	**30 September 2011**	**30 September 2010**
Pre-tax profit	**6,213**	**6,102**
Adjustments for:		
Depreciation of property, plant and equipment/Amortisation of intangible assets	1,062	898
Provision for bad debts	50	-
Adjustment to the provision for employee benefits	(30)	(3)
Net financial charges/(income), including exchange rate differences	(11)	193
Cash flow from operating activities before changes in working capital	**7,284**	**7,190**
Change in trade receivables (net of the provision)	(3,923)	(1,776)
Change in inventories	(4,223)	(4,291)
Change in other current assets	(890)	(431)
Change in trade payables	4,822	2,285
Change in provisions for risks and charges	(9)	51
Change in other current liabilities	1,345	(20)
Cash flow from operating activities after changes in working capital	**4,406**	**3,008**
Payment of taxes	(469)	(273)
Interest paid	(275)	(253)
Cash flow generated from operating activities (A)	**3,662**	**2,482**
Investments in intangible assets	(1,013)	(184)
Investments in property, plant and equipment	(919)	(299)
Investments in fixed financial assets	-	(132)
Changes generated from investing activities (B)	**(1,932)**	**(615)**
Financing activities		
Repayment of short- and medium/long-term borrowings	(1,663)	1,797
Registering of short- and medium/long-term borrowings	5,000	
Changes in financial instruments	121	330
Lease instalments paid	(504)	(668)
Payment of dividends	(5,000)	(4,000)
Cash flow generated from/(absorbed by) financing activities (C)	**(2,046)**	**(2,541)**
Net increase (decrease) in cash and cash equivalents (A+B+C)	(316)	(675)
Cash and cash equivalents at the beginning of the period	**10,727**	**9,317**
Cash and cash equivalents at the end of the period	**10,411**	**8,642**

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2011

GENERAL INFORMATION

1.1 The Company and the Group

Piquadro SpA (hereinafter also referred to as "Piquadro", "the Company" or "the Parent Company") and its subsidiaries ("the Piquadro Group" or "the Group") design, produce and market leather goods - bags, suitcases and accessories - characterised by attention to design and functional and technical innovation.
As of today's date, the Company is owned by Marco Palmieri through Piqubo SpA, which is 100% owned. Piqubo SpA, in fact, holds 93.34% of the share capital of Piquadro Holding SpA, which in its turn holds, as at 30 September 2011, 68.37% of the share capital of Piquadro S.p.A., a company which is listed on the Milan Stock Exchange since 25 October 2007.
These consolidated condensed interim financial statements were approved by the Board of Directors on 17 November 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 half of the financial year (i.e. from April to September) are less than those realised in the subsequent half-year, with a consequent impact on margins. Also as a result of the above, revenues for the half-year ended 30 September 2010 (equal to Euro 27,117 thousand) represented a share of about 43.87% of the consolidated revenues for the financial year ended 31 March 2011 (equal to Euro 61,814 thousand).
Accordingly, it should be noted that, even if expressing the Group's economic and financial performance, the result as at 30 September 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 CONDENSED INTERIM FINANCIAL STATEMENTS, THE GROUP STRUCTURE AND THE SCOPE OF CONSOLIDATION

2.1 Accounting standards and policies

These consolidated condensed interim financial statements as at 30 September 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 consolidated condensed 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 financial position, income statement, statement of comprehensive income, statement of 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.

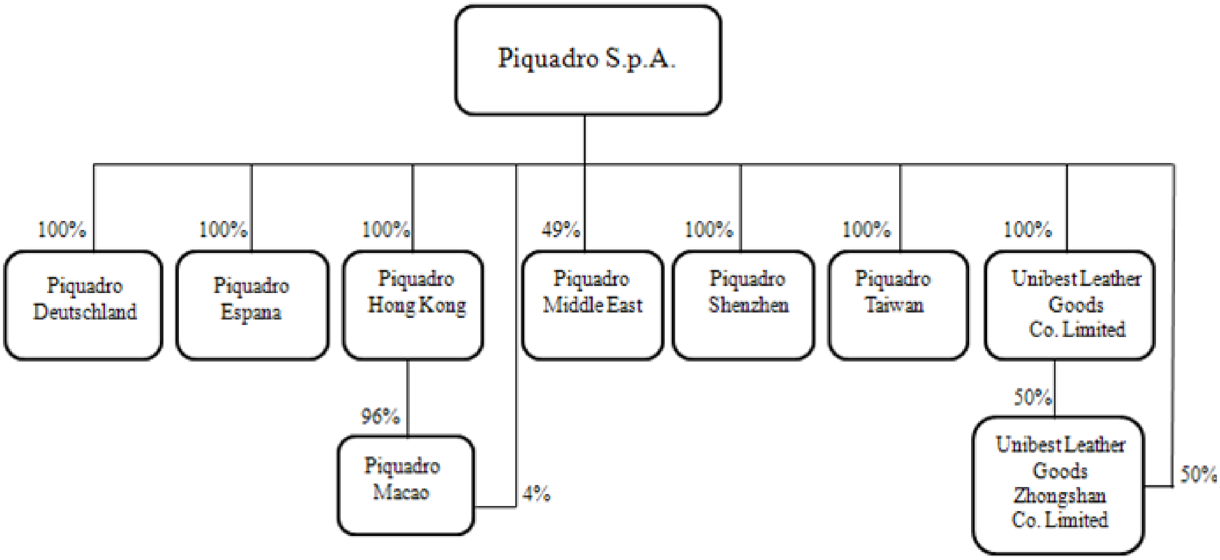
The accounting standards and policies adopted in preparing the consolidated condensed interim financial statements are the same as those used in preparing the consolidated financial statements of Piquadro S.p.A. ended 31 March 2011, to which reference is made for a description of the same.
These consolidated condensed interim financial statements are made up of the Statement of Financial Position, the Income Statement, the Statement of Comprehensive Income, the Statement of Cash Flows, the Statement of Changes in Equity and these Explanatory Notes. Economic data, changes in equity and cash flows for the half-year ended 30 September 2011 are compared with the half-year ended 30 September 2010. Financial data as at 30

September 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.

Except as previously illustrated in the interim management report and in the subsequent explanatory notes, the management believes that no other significant non-recurring events or transactions occurred either in the half-year ended 30 September 2011 or in the half-year ended 30 September 2010, nor did any atypical or unusual transactions significantly affect the operating result.

2.2 The Group structure

For the purpose of provide a clear representation, below is reported the chart of the Group structure as at 30 September 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 September 2011 and 30 September 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 and to the half-year ended 30 September 2010, no new company was included in the scope of consolidation as at 30 September 2011.

The complete list of the companies included in the scope of consolidation as at 30 September 2011 and 30 September 2010, with the related shareholders' equity and share capital recognised according to local accounting standards (as the Group companies have prepared their interim financial statements according to the local regulations and accounting standards, and have only prepared the consolidation file according to IFRS functionally to the consolidation into Piquadro) are reported in the tables below:

Scope of consolidation as at 30 September 2011

Name	HQ	Country	Currency	Share Capital (local currency /000)	Shareholder's equity (Euro/000)	% Control
Piquadro SpA	Gaggio Montano (BO)	Italy	Euro	1,000	26,852	Parent Company
Uni Best Leather Goods Co. Limited	Kowloon	Hong Kong	HKD	1	10	100%
Piquadro España Slu	Barcelona	Spain	Euro	198	(268)	100%
Piquadro Deutschland Gmbh	Munich	Germany	Euro	25	(88)	100%
Uni Best Leather Goods Zhongshan Co Limited	Guangdong	People's Republic of China	RMB	3,576	(206)	100%
Piquadro Hong Kong Limited	Hong Kong	Hong Kong	HKD	2,000	(353)	100%
Piquadro Macau Limitada	Macau	Macau	HKD	25	41	100%
Piquadro Trading (Shenzhen) Co. Ltd.	Shenzhen	People's Republic of China	RMB	13,798	780	100%
Piquadro Taiwan Co. Ltd.	Taipei	Taiwan	NTD	5,000	(69)	100%
Piquadro Middle East Leather Products LLC*	Abu Dhabi	United Arab Emirates	AED	150	(629)	49%

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

Scope of consolidation as at 30 September 2010

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

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

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

The financial statements expressed in a foreign currency other than the Euro are translated into Euro by applying the exchange rates applied below for the half-years ended 30 September 2011 and 30 September 2010 (foreign currency corresponding to Euro 1):

Foreign currency	Average		Closing	
	30 September 2011	30 September 2010	30 September 2011	30 September 2010
Hong Kong Dollar (HKD)	11.1021	9.9662	10.5213	10.5918
Renminbi (Yuan)	9.2101	8.7118	8.6207	9.1321
Arab Emirates Dirham (AED)	5.2374	4.7082	4.9597	5.0129
Taiwan Dollar (NTD)	41.3567	40.8341	41.1808	42.6062

2.5 Amendments to the accounting standards

Accounting standards, amendments and interpretations

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

- 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.

In the course of the first half-year of the 2011/2012 financial year, no accounting standards or interpretations were endorsed which were issued by the IASB or the IFRIC, and the application of which is mandatory for the preparation of the financial statements of the financial years that will start after 1 April 2012.

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*”.

- IAS 27 – “Separate Financial Statements”.

- IAS 28 revised – “Investments in associates and joint ventures”.

- IAS 1 (amended) – “Presentation of Financial Statements”; the amendment concerns the presentation of the data contained in the Statement of Comprehensive Income.

- IAS 19 (amended) – “Employee Benefits”.

- IFRS 1 (amended) – “First-time Adoption of International Financial Reporting Standards”.

- IFRIC 20 - “Stripping costs in the Production Phase of a Surface Mine”.

COMMENT ON THE MAIN ITEMS IN THE STATEMENT OF FINANCIAL POSITION

ASSETS

NON-CURRENT ASSETS

Note 1 – Intangible assets

As at 30 September 2011 the value of Intangible assets was equal to Euro 1,610 thousand (Euro 790 thousand as at 31 March 2011).
Below is reported the statement of changes of this item:

(in thousands of Euro)	**30 September 2011**
Balance as at 31 March 2011	790
Investments	1,013
Sales and disposals	(10)
Other changes	-
Amortisation	(183)
Write-downs	-
Total	**1,610**

Increases in intangible assets, equal to Euro 1,013 thousand in the half-year ended 30 September 2011 refer to the Key money paid by Piquadro S.p.A. for Euro 843 thousand for the opening of the new point of sale in Milan in C.so Buenos Aires, to investments in software and IT products for Euro 100 thousand and to the registration of trademarks for Euro 67 thousand..

Note 2 – Property, plant and equipment

As at 30 September 2011, the value of Property, plant and equipment was equal to Euro 12,050 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 September 2011**
Balance as at 31 March 2011	12,064
Investments in assets entered into operation	919
Other changes	(131)
Depreciation and write-downs	(802)
Total	**12,050**

On the contrary, increases in property, plant and equipment, equal to Euro 919 thousand in the half-year ended 30 September 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 746 thousand, to electric and electronic office machines for Euro 114 thousand, to the purchases of moulds relating to new products for Euro 28 thousand and to the purchase of equipment for Euro 31 thousand.
As at 30 September 2011 some categories of furniture and fittings were written down (Euro 77 thousand) as a result of the early closure of some shops whose related performances are not in line with the management’s expectations.

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

(in thousands of Euro)	**30 September 2011**
Land	878
Buildings	5,252
Plant and equipment	45
Industrial and business equipment	585
Total	**6,760**

Note 3 – Receivables from others

Receivables from others, equal to Euro 1,066 thousand as at 30 September 2011 (compared to Euro 872 thousand as at 31 March 2011) relate to both guarantee deposits paid for various utilities, including those relating to the operation of Company-owned shops, and deposits relating to the lease of Company-owned shops that are not yet operating.

Note 4 – Deferred tax assets

As at 30 September 2011, deferred tax assets amounted to Euro 1,394 thousand (Euro 1,349 thousand as at 31 March 2011). The balance is mainly made up of temporary fiscal differences relating to Piquadro S.p.A. for Euro 816 thousand (Euro 1,247 thousand as at 31 March 2011) referred to the IRES (*Imposta sul Reddito delle Società*, Corporate Income Tax) and IRAP (*Imposta Regionale sulle Attività Produttive*, Local Tax on Production Activities) tax effect on taxed funds, in addition to adjustments made at the time of the preparation of the consolidated financial statements (including the reversal of the intercompany profit with an anticipated tax effect equal to Euro 414 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 September 2011**	**Provision for write-down**	**Net value as at 30 September 2011**	**Net value as at 31 March 2011**
Raw Materials	2,551	(151)	2,400	1,330
Semi-finished products	577	-	577	358
Finished products	11,709	(359)	11,350	5,930
Inventories	**14,837**	**(510)**	**14,327**	**7,618**

(in thousands of Euro)	**Provision as at 31 March 2011**	**Use**	**Allocation**	**Provision as at 30 September 2011**
Provision for write-down of raw materials	151	-	-	151
Provision for write-down of finished products	337	-	22	359
Total provision for write-down of inventories	**488**	-	**22**	**510**

As at 30 September 2011, inventories showed an increase compared to the corresponding values as at 31 March 2011. This increase is mainly attributable to seasonal trends, in addition to the increases in the quantities stored to meet the needs deriving from the growth in turnover and in the orders under development and to the new openings of directly-operated stores (DOS channel) that took place in the first half-year of the 2011/2012 financial year.

Note 6 – Trade receivables

As at 30 September 2011, trade receivables were equal to Euro 25,341 thousand compared to Euro 21,418 thousand as at 31 March 2011. The increase over 31 March 2011 is attributable to both seasonal trends in sales and the growth dynamics.

The adjustment to the face value of receivables from customers at their presumed realisable value is obtained through a special provision for bad debts, whose changes in the half-year under consideration are showed in the table below:

(in thousands of Euro)	**Provision as at 31 March 2011**	**Use**	**Allocation**	**Provision as at 30 September 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 September 2011**	**31 March 2011**
Other assets	2,191	1,429
Accrued income and prepaid expenses	986	1,097
Other current assets	**3,177**	**2,526**

The increase in other current assets was mainly attributable to the advances to suppliers of the Parent Company equal to Euro 610 thousand (Euro 307 thousand as at 31 March 2011).
Accrued income and prepaid expenses mainly include prepaid expenses on set of samples of the Parent Company, relating to the clothing collection for autumn/winter 2011 and spring/summer 2012 for a total of Euro 102 thousand (Euro 335 thousand as at 31 March 2011).

Note 8 – Derivative assets

As at 30 September 2011 the Group had derivative assets equal to Euro155 thousand.
The Company hedges the exchange risk connected to purchases of raw materials in US dollars and for contract work done in China. In consideration for this risk, the Company makes use of instruments to hedge the risk attached to the related rate, trying to fix and crystallise the exchange rate at a level that is in line with the budget forecast. Only some of the derivative financial instruments have met all the conditions laid down for hedge accounting, accounting for at fair value against an entry in the Statement of Comprehensive Income and classified under an appropriate equity reserve for a value of Euro 63 thousand (net of deferred tax liabilities of Euro 24 thousand), while the residual part has been accounted for directly in the Income Statement.

Note 9 – Cash and cash equivalents

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

(in thousands of Euro)	**30 September 2011**	**31 March 2011**
Available current bank accounts	10,241	10,617
Cash, cash on hand and cheques	170	110
Cash and cash equivalents	**10,411**	**10,727**

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

LIABILITIES

NON-CURRENT LIABILITIES

Note 10 – TOTAL EQUITY

Share capital

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

Share premium reserve

This reserve, which as at 30 September 2011 was equal to Euro 1,000 thousand, has not undergone changes compared to 31 March 2011.

Translation reserve

As at 30 September 2011 the translation reserve was positive for Euro 24 thousand (while was positive for Euro 12 thousand as at 31 March 2011). This item is referred to the exchange rate differences due to the consolidation of the companies with a relevant currency other than the Euro, i.e. Uni Best Hong Kong Ltd, Piquadro Hong Kong and Piquadro Macau (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 Dirham) and Piquadro Taiwan Co. Ltd (the relevant currency being the Taiwan Dollar).

Group net profit

This item relates to the recognition of the Group profit equal to Euro 3,908 thousand in the half-year ended 30 September 2011.

Note 11 – Borrowings

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

(in thousands of Euro)	**30 September 2011**	**31 March 2011**
Borrowings from 1 to 5 years	3,547	5,266
Borrowings beyond 5 years	-	-
Medium/long-term borrowings	**3,547**	**5,266**

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

1. Euro 299 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 299 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;
2. Euro 1,499 thousand 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 1,499 thousand. In relation to this loan, it is specified that, following an amendment to the relevant agreement entered into on 31 May 2010, the Parent Company is no longer required to comply with any covenants;

3. Euro 1,749 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 1,749 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	1,550	-	1,550
Carisbo loan	1 September 2008	1,500	Euro	300	299	599
Carisbo loan	28 February 2009	3,500	Euro	1,000	1,499	2,499
Carisbo loan	22 November 2010	2,700	Euro	540	1,749	2,289
Currency loan - Unicredit	Piquadro Trading Shenzhen	900	CNY	348	-	348
				3,738	**3,547**	**7,285**

Note 12 – Payables to other lenders for lease agreements

Below is reported the following breakdown:

(in thousands of Euro)	**30 September 2011**	**31 March 2011**
Non-current:		
Payables to leasing companies	4,033	4,469
Current:		
Payables to leasing companies	797	865
Payables to other lenders for lease agreements	**4,830**	**5,334**

As at 30 September 2011 payables to other lenders due beyond 12 months were equal to Euro 4,033 thousand and related to payables to leasing companies, and specifically to the residual debt of Euro 3,899 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 134 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 September 2011 the value of the provision was equal to Euro 231 thousand (Euro 258 thousand as at 31 March 2011) as determined by an independent actuary; the actuarial assumptions used for calculating the provision are not changed compared to the information reported in the paragraph *Accounting standards – Provision for employee benefits* in the Notes to the Financial Statements as at 31 March 2011.

Note 14 – Provision for risks and charges

Below are the changes of provisions for risks and charges as at 30 September 2011:

(in thousands of Euro)	**Provision as at 31 March 2011**	Use	Allocation	**Provision as at 30 September 2011**
Provision for supplementary clientele indemnity	625	(46)	65	644
Other provisions for risks	227	(37)	-	190
Total	**852**	**(83)**	**65**	**834**

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

Note 15 – Deferred tax liabilities

As at 30 September 2011, deferred tax liabilities amounted to Euro 479 thousand (Euro 470 thousand as at 31 March 2011), fully referable to the Parent Company.

CURRENT LIABILITIES

Note 16 – Borrowings

As at 30 September 2011 borrowings were equal to Euro 3,738 thousand in relation to the current portion of bank loans and equal to Euro 6,855 thousand relating to bank overdrafts (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 September 2011 they were equal to Euro 797 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 September 2011**	**March 2011**	**30 September 2010**
(A) Cash	170	110	92
(B) Other cash and cash equivalents (available current bank accounts)	10,241	10,617	8,550
(C) Liquidity (A) + (B)	**10,411**	**10,727**	**8,642**
(D) Finance leases	(797)	(865)	(920)
(E) Current bank debt	(6,855)	-	(2,712)
(F) Current portion of non-current debt	(3,738)	(3,805)	(2,893)
(G) Current financial debt (D) + (E) + (F)	**(11,390)**	**(4,670)**	**(6,525)**
(H) Short-term net financial position (C) + (G)	**(979)**	**6,057**	**2,117**
(I) Non-current bank debt	(3,547)	(5,266)	(4,647)
(L) Finance leases	(4,033)	(4,469)	(4,818)
(M) Non-current financial debt (I) + (L)	**(7,580)**	**(9,735)**	**(9,465)**
(N) Net financial position (H) + (M)	**(8,559)**	**(3,678)**	**(7,348)**

As at 30 September 2011 the consolidated net financial position was negative for about Euro 8.6 million.

The change was negative by Euro 4.9 million compared to 31 March 2011, as a result of both the different seasonality trends and the dividend of Euro 5 million paid in July 2011.
The negative change of Euro 1.2 million compared to 30 September 2010 was mainly attributable to the following factors:

- higher dividends paid compared to the previous period (a dividend of Euro 4 million paid in 2010 compared to the dividend of Euro 5 million paid in 2011);
- trends in the net working capital as a result of the increase in stocks and trade receivables.

Note 18 – Derivative liabilities
As at 30 September 2011 liabilities relating to the hedging of derivative financial instruments (IRS) were equal to Euro 4 thousand (as at 31 March 2011 Euro 7 thousand related to the fair value of the derivative financial instruments - IRS and Euro 31 thousand related to the fair value of currency forward purchases).

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

This transaction is accounted for according to the hedge accounting criteria (IAS 39). The valuation of this hedging contract entailed the recognition of a liability of Euro 4 thousand (a financial liability of Euro 7 thousand as at 31 March 2011) which has been accounted for against an entry in the Statement of Comprehensive Income.

Note 19 – Trade payables

Below is the breakdown of current trade liabilities:

(in thousands of Euro)	**30 September 2011**	**31 March 2011**
Payables to suppliers	18,123	13,301

As at 30 September 2011 the increase in payables to suppliers, equal to Euro 4,822 thousand, compared to 31 March 2011, was mainly attributable to the seasonality trends in the Group's business, which are also reflected in the inventory dynamics.

Note 20 – Other current liabilities

Below is the breakdown of other current liabilities:

(in thousands of Euro)	**30 September 2011**	**31 March 2011**
Payables to social security institutions	269	286
Payables to pension funds	27	28
Other payables	457	1,303
Payables to employees	552	423
Advances from customers	77	43
Deferred income	443	439
Payables for VAT	1,279	1,084
IRPEF* tax payables and other tax payables	285	281
Other current liabilities	**3,389**	**3,887**

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

Payables to social security institutions mainly relate to the Parent Company's payables due to INPS (*Istituto Nazionale della Previdenza Sociale*, National Social Security Institute). Payables to employees as at 30 September 2011, equal to Euro 552 thousand (Euro 423 thousand as at 31 March 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 September 2011	31 March 2011
IRES tax (income taxes)	2,169	629
IRAP tax	410	107
Tax payables	**2,579**	**736**

Tax payables for IRES and IRAP tax (reported after tax advances paid in the course of the period under consideration) relate to the obligations with respect to the Tax Office existing at the date of the interim financial statements, and fully refer to the Parent Company.
As at 30 September 2011 the increase in the IRES tax payable (equal to Euro 1,294 thousand) and in the IRAP tax payable (equal to Euro 276 thousand) related to the recognition of the taxes for the period on the basis of the tax rate and to the Parent Company's decision to pay the IRES and IRAP taxes for 2010/2011 in 6 instalments (as at 30 September the instalment 1/6 had been paid for a total amount of Euro 124 thousand).

COMMENT ON THE MAIN INCOME STATEMENT ITEMS

Note 22 – Revenues from sales

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

The Group's revenues are mainly realised in Euro.

Below is the breakdown of revenues by geographical area:

(in thousands of Euro)	30 September 2011	30 September 2010
Italy	23,699	20,904
Europe	4,109	4,201
Rest of the world	2,325	2,012
Revenues from sales	**30,133**	**27,117**

In the half-year ended 30 September 2011, revenues from sales reported an increase equal to Euro 3,016 thousand compared to the corresponding revenues realised in the half-year ended 30 September 2010 (+11.1%).

Note 23 – Other income

In the half-year ended 30 September 2011, other income amounted to Euro 304 thousand (Euro 664 thousand in the half-year ended 30 September 2010). The decrease compared to the same period of the previous year relates to the non-recurring income of Euro 300 thousand obtained as goodwill for the assignment of the lease agreement relating to the Frankfurt shop.
Other income is mainly attributable to the Parent Company and is mainly made up of Euro 61 thousand of revenues for charging back corner shops and of Euro 89 thousand of revenues for charging back customers for transport and collection costs.

Note 24 – Change in inventories

The change in inventories was positive in both the half-year ended 30 September 2011 (Euro 3,978 thousand) and the half-year ended 30 September 2010 (Euro 4,164 thousand); this positive change is mainly attributable to the seasonality of the Group's business which realises more than half of its turnover in the second half of the financial year, and, compared to the half-year ended 30 September 2010, reflects the requirements of increased requests for supply of products deriving from the strong acceleration in growth.

Note 25 – Costs for purchases

This item essentially includes the cost of materials used for the production of the Company's goods and of consumables. In the half-year ended 30 September 2011, costs for purchases were equal to Euro 6,835 thousand (Euro 6,513 thousand in the half-year ended 30 September 2010).

Note 26 – Costs for services and leases and rentals

Below is the breakdown of costs for services:

(in thousands of Euro)	**30 September 2011**	**30 September 2010**
External production	5,720	5,668
Advertising and marketing	1,401	1,463
Transport services	1,824	1,794
Business services	1,645	1,460
Administrative services	588	454
General services	660	607
Services for production	36	35
Others	773	753
Total Costs for services	**12,647**	**12,234**
Costs for leases and rentals	**2,307**	**1,831**
Costs for services and leases and rentals	**14,954**	**14,065**

Costs for leases and rentals mainly relate to lease rentals relating to the Group's shops.
The increase in this cost item is mainly attributable to the increase in the directly-operated stores (DOS channel)).
The increase in administrative services is mainly attributable to the opening of the new Company-owned DOS.

Note 27 – Personnel costs

Below is reported the breakdown of personnel costs:

(in thousands of Euro)	**30 September 2011**	**30 September 2010**
Wages and salaries	4,509	3,488
Social security contributions	629	502
TFR	132	123
Personnel costs	**5,270**	**4,113**

The table below reports the exact number by category of employees as at 30 September 2011 and 30 September 2010:

Category	**30 September 2011**	**30 September 2010***	**31 March 2011***
Executives	7	6	2
Office workers	284	219	255
Manual workers	506	332	428
Total	**797**	**557**	**685**

**The exact number of employees as at 30 September 2010 and 31 March 2011 was adjusted, compared to the data previously published, 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 September 2011 increased by 240 units compared to the number of employees recorded as at 30 September 2010, mainly as a result of the increase in the number of manual and office workers that took place at the company Unibest Leather Goods (Zhongshan) Ltd., as a result of higher production volumes managed by the same in the period under consideration, equal to more than 65%. For this reason, the total increase in personnel costs is attributable to the dynamics of the Chinese subsidiary to an extent exceeding 50%, also by reason of the increase in the minimum salary established by the Chines authorities.
On the contrary, the number of office workers mainly increased as a result of the new openings of shops in Italy and abroad.

In the half-year ended 30 September 2011, personnel costs reported an increase of 28.1%, passing from Euro 4,113 thousand in the half-year ended 30 September 2010 to Euro 5,270 thousand in the half-year ended 30 September 2011. The increase in personnel costs is mainly due to the increase in staff of Piquadro Spa and is attributable to the increased number of employees as a result of the new openings of DOS and of the personnel of the organisation of the Chinese subsidiary.
To supplement the information provided, below is also reported the average number of employees for half-years ended 30 September 2011 and 30 September 2010:

Average unit	**30 September 2011**	**30 September 2010***	**31 March 2011***
Executives	7	5	6
Office workers	275	198	225
Manual workers	471	328	359
Total for the Group	**753**	**531**	**590**

*The exact number of employees as at 30 September 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 half-year ended 30 September 2011, amortisation and depreciation were equal to Euro 985 thousand (Euro 898 thousand in the half-year ended 30 September 2010).
Write-downs, equal to Euro 127 thousand, related to the provision for write-down of receivables from customers (Euro 50 thousand) and to the write-down of some categories of assets (Euro 77 thousand) as a result of the early closure of some shops, whose related performances were not in line with the management’s expectations.

Note 29 – Financial income

In the half-year ended 30 September 2011, financial income was equal to Euro 786 thousand (Euro 604 thousand in the half-year ended 30 September 2010) and related to Euro 60 thousand of interest receivable on current accounts and to Euro 726 thousand of foreign exchange gains either realised or estimated (Euro 529 thousand as at 30 September 2010).

Note 30 – Financial charges

Below is reported the breakdown of financial charges:

(in thousands of Euro)	**30 September 2011**	**30 September 2010**
Interest payables on current accounts	23	21
Interest and expenses subject to final payment	31	61
Financial charges on loans	80	72
Lease charges	75	99
Other charges	66	239
Foreign exchange losses (both realised and estimated)	500	305
Financial charges	**775**	**797**

Note 31 – Income tax expenses

Below is reported the breakdown of income tax expenses:

(in thousands of Euro)	**30 September 2011**	**30 September 2010**
IRES tax	1,925	1,856
IRAP tax	384	395
Total current taxes	**2,309**	**2,251**

(in thousands of Euro)	**30 September 2011**	**30 September 2010**
Deferred tax liabilities	17	271
Deferred tax assets	(21)	(304)
Total deferred tax assets and liabilities	**(4)**	**(33)**

Note 32 - Earnings per share

As at 30 September 2011 diluted earnings per share amounted to Euro 0.07574 Euro (basic earnings per share amounted to Euro 0.07816 as at 30 September 2011); they are calculated on the basis of the consolidated net profit for the period attributable to the Group, equal to Euro 3,908 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.

	30 September 2011	**30 September 2010**
Group net profit (in thousands of Euro)	3,908	3,884
Average number of outstanding ordinary shares (in x\x thousands of shares)	51,600	51,600
Diluted earnings per share (in Euro)	**0.07574**	**0.07527**
Group net profit (in thousands of Euro)	3,908	3,884
Average number of outstanding ordinary shares	50,000	50,000
Basic earnings per share (in Euro)	**0.07816**	**0.07768**

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 September 2011, included 51 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 and distributors who then resell the articles in specialist multi-brand shops.

As shown below, as at 30 September 2011 approximately 25.6% of the Group's consolidated revenues was realised through the direct channel, while 74.4% 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 six months ended 30 September 2011 and 30 September 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 half-year ended 30 September 2011, compared to the results recorded as at 30 September 2010, shows that margins are lower, the following factors having impacts:

- the assignment, by 30 September 2010, of the lease agreement relating to the Frankfurt shop, an assignment that generated non-recurring income of Euro 300 thousand;
- new shops opened with performance not yet in line with the management's expectations and with the Company's benchmark.

The performance of the wholesale channel in the half-year ended 30 September 2011, compared with the results recorded as at 30 September 2010, shows substantially stable margins in percentage terms.
Segment economic performance is monitored by the Company's Management up to the "Segment result before amortisation and depreciation":

(*in thousands of Euro*)	**30 September 2011**				**30 September 2010**				
	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	**7,714**	**22,419**	**30,133**	**100.0%**	**5,999**	**21,118**	**27,117**	**100.0%**	**11.1%**
Segment result before amortisation and depreciation	506	6,759	7,265	24.1%	766	6,427	7,193	26.5%	1.0%
Amortisation and depreciation			(1,063)	(3.5%)			(898)	(3.3%)	18.3%
Financial income and charges			11	0.04%			(193)	(0.7%)	(105.5%)
Pre-tax result			**6,213**	**20.62%**			**6,102**	**22.50%**	**1.8%**
Income taxes			(2,305)	(7.6%)			2,218	(8.2%)	4.2%
Profit for the half-year			**3,908**	**12.97%**			**3,884**	**14.32%**	**0.5%**
Result attributable to minority interests			0	0.0%			0	0.0%	0.0%
Group net profit			**3,908**	**12.97%**			**3,884**	**14.32%**	**0.5%**

Commitments

As at 30 September 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 Macau Limitada, Piquadro Deutschland GmbH, Piquadro Middle East Leather Products LLC, Piquadro Trading – Shenzhen - Ltd. and Piquadro Taiwan Co. Ltd.), or production (Uni Best Leather Goods Hong Kong Co Ltd. and Uni Best Leather Goods Zhongsanhg Co. Ltd.).
The relations with Group companies are mainly commercial and are regulated at arm's length. There are also financial relations (inter-group loans) between the Parent Company and some subsidiaries, conducted at arm's length.
The Directors report that, in addition to Piquadro Holding SpA, Piqubo SpA and Fondazione Famiglia Palmieri, there are no other related parties (pursuant to IAS 24) of the Piquadro Group.

During the first half of the 2011/2012 financial year, Piqubo S.p.A., the ultimate parent company, charged Piquadro S.p.A. the rent (whose amounts are reported in the table below) relating to the use of the plant located in Riola di Vergato (Province of Bologna) as a warehouse.
The table below reports the breakdown of the economic and financial relations with these related companies in the first half of the 2011/2012 and 2010/2011 financial year:

(in thousands of Euro)	Receivables		Payables	
	30 September 2011	**31 March 2011**	**30 September 2011**	**31 March 2011**
Financial relations with Piqubo SpA	-	-	-	-
Financial relations with Piquadro Holding SpA	-	-	-	
Financial relations with Fondazione Famiglia Palmieri	-	-	-	-
Total Receivables from and Payables to controlling companies	**-**	**-**	**-**	**-**

(in thousands of Euro)	Costs		Revenues	
	30 September 2011	**30 September 2010**	**30 September 2011**	**30 September 2010**
Economic relations with Piqubo SpA (rents)	-	-	15	15
Economic relations with Piquadro Holding SpA	-	-	-	-
Economic relations with Fondazione Famiglia Palmieri	-	-	-	-
Total Receivables from and Payables to controlling companies	**-**	**-**	**15**	**15**

In the 2011/2012 and 2010/2011 half-years, no economic transactions occurred with the majority Shareholder, Piquadro Holding SpA. And with Fondazione Famiglia Palmieri.

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

- during the first 2011/2012 half-year, Piquadro SpA distributed dividends of Euro 3,415,370, relating to the profit for the 2010/2011 financial year, to the majority shareholder Piquadro Holding S.p.A.;
- during the first 2010/2011 half-year, Piquadro SpA distributed dividends of Euro 2,719,196, relating to the profit for the 2009/2010 financial year, to the majority shareholder Piquadro Holding S.p.A.

Fees due to the Board of Directors

The table below reports the fees (including emoluments as Directors and current and deferred remuneration, including in kind, as employees) due to Directors and to the members of the Board of Statutory Auditors of Piquadro S.p.A., in relation to the first half of 2011/2012, for the performance of their duties in the Parent Company and other Group companies, and the fees accrued by any executives with strategic responsibilities (as at 30 September 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	01/04/11-30/09/11	2013	200	4			204
PierpaoloPalmieri	Managing Director	01/04/11-30/09/11	2013	100	2			102
Marcello Piccioli	Managing director	01/04/11-30/09/11	2013	136	2			138
Roberto Trotta	Managing director	01/04/11-30/09/11	2013	-2)	2	-	67 3)	69
Roberto Tunioli	Director	01/04/11-30/09/11	2013	12				12
Gianni Lorenzoni	Director	01/04/11-30/09/11	2013	12				12
Sergio Marchese	Director	01/04/11-30/09/11	2013	4				4
				464	**10**	**-**	**67**	**541**

1) Up to the approval of the financial statements at 31 March.
2) He has waived fees for the period from 01/04/11 to 30/09/11.
3) Fees relating to the remuneration from subordinate – managerial employment.

Note 36 – Events after the period end

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

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

1) The undersigned Marco Palmieri, in his capacity as Chief Executive Officer, and Roberto Trotta, in his capacity as Manager responsible for the preparation of corporate accounting documents of Piquadro S.p.A., certify, also taking account of the provisions under Article 154-bis, paragraphs 3 and 4, of Legislative Decree no. 58 of 24 February 1998:
   • adequacy in relation to the characteristics of the Company and
   • actual application of administrative and accounting procedures for the preparation of the consolidated financial statements in the course of the half-year April 2011-September 2011.

2) The evaluation of the adequacy of administrative and accounting procedures for the preparation of the consolidated condensed interim financial statements as at 30 September 2011 has been based on a process defined by Piquadro S.p.A. consistently with the Internal Control – Integrated Framework model issued by the Committee of Sponsoring Organisations of the Treadway Commission which represents a reference framework generally accepted at international level.

3) It is also certified that:

   3.1 the consolidated condensed interim financial statements as at 30 September 2011:

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

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

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

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

Silla di Gaggio Montano (BO) 17 November 2011

/F/ Marco Palmieri
Chief Executive Officer

Marco Palmieri

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

AUDITORS' REPORT ON THE REVIEW OF CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

To the Shareholders of
Piquadro SpA

1 We have reviewed the consolidated condensed interim financial statements of Piquadro SpA (hereinafter also "Company") and its subsidiaries (hereinafter also "Piquadro Group") as of 30 September 2011 and for the six months period then ended, comprising the balance sheet, the income statement and the statement of comprehensive income, the statements of changes in shareholders' equity, the statement of cash flows and the related selected explanatory notes. Piquadro SpA's directors are responsible for the preparation of the consolidated condensed interim financial statements in accordance with the international accounting standard (IAS 34) applicable to interim financial reporting, as adopted by the European Union. Our responsibility is to issue this report based on our review.

2 Our work was conducted in accordance with the criteria for a review recommended by the National Commission for Companies and the Stock Exchange (CONSOB) with Resolution no. 10867 of 31 July 1997. The review consisted principally of inquiries of Company personnel about the information reported in the consolidated condensed interim financial statements and about the consistency of the accounting principles utilized therein as well as the application of analytical review procedures on the data contained in the above mentioned consolidated condensed interim financial statements. The review excluded certain auditing procedures such as compliance, verification and validation tests of assets and liabilities and was therefore substantially less in scope than an audit performed in accordance with generally accepted auditing standards. Accordingly, unlike an audit on the annual consolidated financial statements, we do not express a professional audit opinion on the consolidated condensed interim financial statements.

Regarding the amounts of the consolidated financial statements of the prior year and the consolidated condensed interim financial statements of the prior year presented for comparative purposes, reference should be made to our reports dated 20 June 2011 and dated 23 November 2010, respectively.

PricewaterhouseCoopers SpA

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3 Based on our review, nothing has come to our attention that causes us to believe that the consolidated condensed interim financial statements of Piquadro Group as at 30 September 2011 and for the six months period then ended have not been prepared, in all material respects, in accordance with the international accounting standard (IAS 34) applicable to interim financial reporting, as adopted by the European Union.

Bologna, 17 November 2011

PricewaterhouseCoopers SpA

Signed by
Roberto Sollevanti
(Partner)

This report has been translated into the English language from the original, which was issued in Italian, solely for the convenience of international readers.