INTERIM FINANCIAL REPORT OF THE PIQUADRO GROUP AS AT 31 DECEMBER 2009

Disclaimer

This Interim Financial Report at 31 December 2009 has been translated into English solely for the convenience of the international reader. In the event of conflict or inconsistency between the terms used in the Italian version of the report and the English version, the Italian version shall prevail, as the Italian version constitutes the official document.

Corporate details

Piquadro S.p.A.

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

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

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

Silla di Gaggio Montano, località Sassuriano (BO)	*Headquarters, logistics and Offices*
Guangdong, The People's Republic of China (registered office of Uni Best Leather Goods Zhongshan Co. Ltd)	*Production plant*
1. Milan, Via della Spiga 33 (Piquadro S.p.A.)	*Point of sale*
2. Milan, Linate Airport (Piquadro S.p.A.)	*Point of sale*
3. Milan, Malpensa Airport (Piquadro S.p.A.)	*Point of sale*
4. Barcelona, Paseo de Gracia 11, Planta Baja (Piquadro España)	*Point of sale*
5. Rome, Galleria Colonna (Piquadro S.p.A.)	*Point of sale*
6. Bologna, Piazza Maggiore 4/B (Piquadro S.p.A.)	*Point of sale*
7. Frankfurt, 60313, Goethestrasse 32 (Piquadro Deutschland)	*Point of sale*
8. Barberino del Mugello (FI), c/o 'Factory Outlet Centre' (Piquadro S.p.A.)	*Retail outlet*
9. Fidenza (PR) c/o "Fidenza Village" (Piquadro S.p.A.)	*Retail outlet*
10. Rome – c/o Centro Commerciale Cinecittà (Piquadro S.p.A.)	*Point of sale*
11. Rome – c/o Galleria N. Commerciale di "Porta Roma"(Piquadro S.p.A.)	*Point of sale*
12. Hong Kong, Kowloon Harbour City (Piquadro Hong Kong Ltd)	*Point of sale*
13. Macao, Venetian Mall (Piquadro Macau Limitada)	*Point of sale*
14. Vicolungo (NO) c/o Parco Commerciale (Piquadro S.p.A.)	*Retail outlet*
15. Abu Dhabi, c/o Khalidiyah Mall (Piquadro Middle East Leather Products LLC)	*Point of sale*
16. Hong Kong – Kowloon The Peninsula Hotel (Piquadro Hong Kong Ltd)	*Point of sale*
17. Rome – c/o Euroma 2 (Piquadro S.p.A.)	*Point of sale*
18. Valdichiana (AR), c/o "Valdichiana Outlet Village" (Piquadro S.p.A.)	*Retail outlet*
19. Noventa di Piave (VE), c/o "Factory Outlet Centre" (Piquadro S.p.A.)	*Retail outlet*
20. Dubai, c/o Burjuman Mall (Piquadro Middle East Leather Products LLC)	*Point of sale*
21. Rome, Fiumicino Airport (Piquadro S.p.A.)	*Point of sale*
22. Milan, Via Dante 9 (Piquadro S.p.A.)	*Point of sale*
23. Ingolstadt, c/o "Ingolstadt Village" (Piquadro Deutschland)	*Retail outlet*
24. Bologna, "G. Marconi" Airport (Piquadro S.p.A.)	*Point of sale*
25. Barcelona, c/o "La Roca Village" (Piquadro España)	*Retail outlet*
26. Shanghai – Shanghai International Golden Eagle Square (Piquadro Shenzhen)	*Point of sale*
27. Beijing – Beijing Jinbao Place (Piquadro Shenzhen)	*Point of sale*
28. Taiwan – Taipei Eslite Dun Nan (Piquadro Taiwan)	*Point of sale*
29. Hong Kong – Times Square (Piquadro Hong Kong Ltd)	*Point of sale*
30. Shenzhen – Mix City (Piquadro Shenzhen)	*Point of sale*
31. Hong Kong – Kowloon New Town Plaza (Piquadro Hong Kong Ltd)	*Point of sale*
32. Taiwan – Taipei Xin Yin Shop (Piquadro Taiwan)	*Point of sale*

INTERIM FINANCIAL REPORT

Introduction

The consolidated interim financial report as at 31 December 2009 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 financial report was prepared by the Directors in relation to the attached consolidated interim financial statements of Piquadro S.p.A. (hereinafter also referred to as the "Company") and its subsidiaries ("Piquadro Group") relating to the nine-month period ended 31 December 2009. The financial statements were prepared in accordance with IAS/IFRS (International Accounting Standards and International Financial Reporting Standards) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union. The interim financial report must therefore be read together with the accounting statements and the related Explanatory Notes.

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

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

A) CORPORATE BODIES HOLDING OFFICE AT 31 DECEMBER 2009

- **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 2010)

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 2010)

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 2010)

Regular members

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

Substitute members

Fabio Massimo Micaludi	*Auditor*
Matteo Rossi	*Auditor*

- **INDEPENDENT AUDITORS**

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

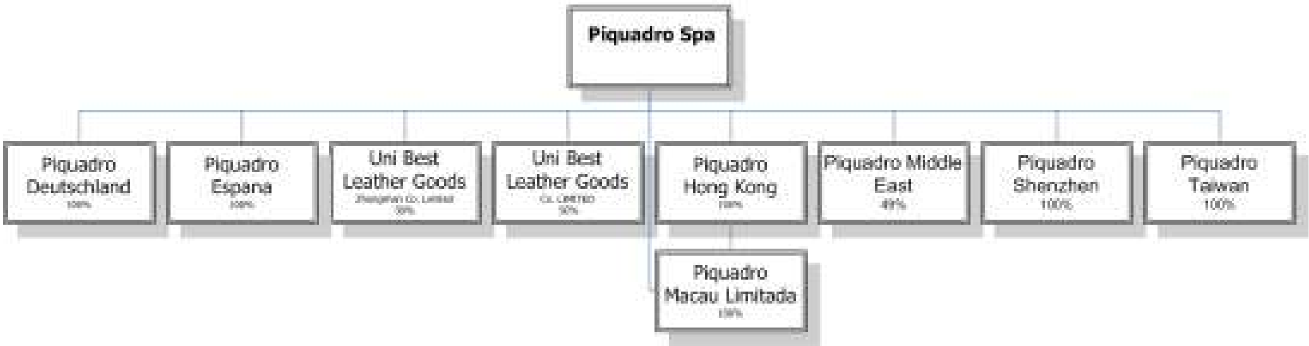
  PricewaterhouseCoopers S.p.A.

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

  Roberto Trotta

B) THE GROUP STRUCTURE

The chart below shows the structure of the Piquadro Group as at 31 December 2009:



C) INFORMATION ON OPERATIONS

Significant events for the nine months ended 31 December 2009

On 18 June 2009 the Board of Directors of Piquadro SpA approved the financial statements ended 31 March 2009 and proposed to distribute a dividend equal to Euro 0.062 per share for a total of Euro 3,100,000. At the same time, the Board of Directors of Piquadro SpA took steps to call the Extraordinary Shareholders' Meeting for the approval of amendments to sections 12, 13, 14, 17, 19, 22, 25, 28 and 29 of the Company's By-Laws in order to bring them in line with the current regulations for listed companies.
The Board of Directors of Piquadro SpA has also approved the appointment of and the assignment given, on 19 May 2009 by the Chairman of the Board of Directors, to Mr. Alberto Oliva as internal audit manager, to replace Mrs. Romboli, who had resigned effective from 31 March 2009.
On 30 June 2009 the Company terminated the lease agreement for the branch of business relating to the DOS located in Busnago (Province of Milan), at the Shopping Centre "Il Globo" and at the same time it executed the related franchise agreement for the same point of sale entrusting it to a retail management company.
Within the development plan for foreign markets, and in particular in the Far East region, on 7 September 2009 the Company established Piquadro Taiwan Co Ltd., 100% owned, for the purpose of managing the two Company-owned shops which had been opened in Taiwan at the date of this report.
On 19 November 2009, the Company's board of directors resolved the review of the organisational, management and control model pursuant to Legislative Decree no. 231/2001 concerning the administrative liability arising from crimes committed by legal entities on the occasion of the setting up of the corporate procedures forming part of the prevention system under Legislative Decree no. 231/2001. This measure was taken in order to make the model more suitable and appropriate to the organisation of Piquadro S.p.A. and in order to take account of the corporate operations without however reducing in any way the effectiveness of the model itself in preventing the commission of crimes that might determine the administrative and criminal liability of the Company.

The Group's business

Operations

In the first nine months of the 2009/2010 financial year ended 31 December 2009, the Group reported, at the revenue level, a performance slightly higher than the same period in the 2008/2009 financial year.

In the first nine months of the financial year ended 31 December 2009, the Piquadro Group reported net sales revenues equal to Euro 36,938 thousand, showing an increase equal to about 0.1% compared to the same period in the 2008/2009 financial year (net sales revenues equal to Euro 36,904 thousand). In the first nine months ended 31 December 2009, sales volumes, in terms of quantities sold in the relevant period, showed an increase of about 0.2% compared to the same period in the 2008/2009 financial year. The product families that recorded the most significant increase in terms of sales revenues were those of women's bags (about +35%), accessories (about +138%) and travel articles (about +9%), while the product families of small leather goods (about -5%) and organisers/notepad holders (about -24%) showed a reduction.

In the first nine months of the financial year ended 31 December 2009, the Piquadro Group reported average selling prices showing an increase of about 3% compared to the same period in the year 2008/2009, mainly attributable to the growth in sales in the DOS channel over the total Group sales, and, in any case, in line with the management's expectations.

In the first nine months of the financial year ended 31 December 2009, the Piquadro Group reported, in terms of profitability, EBITDA[1] equal to Euro 9.72 million (equal to 26.33% of net sales revenues), down by about 6.88% compared to the value recorded in the same period of the 2008/2009 financial year (Euro 10.44 million, equal to 28.31% of net sales revenues).

The Group's EBIT[2] came to about Euro 8.24 million (22.31% of net sales revenues), down by about 9.88% compared to the first nine months of the financial year ended 31 December 2008 (Euro 9.14 million, equal to 24.78% of net sales revenues).

As at 31 December 2009 the Group net profit was equal to Euro 4,885 thousand, down by about 9.71% compared to the same period ended 31 December 2008 (net profit of Euro 5,411 thousand).

Net sales revenues

As at 31 December 2009 the Piquadro Group recorded net sales revenues equal to about Euro 36,938 thousand, up by about 0.09% compared to 31 December 2008. 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 31 December 2009, included 32 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.

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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.

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

Sales channel *(in thousands of Euro)*	**Net revenues as at 31 December 2009**	**%**	**Net revenues as at 31 December 2008**	**%**	**% change 2010/2009**
DOS	8,250	22.3%	5,902	16.0%	39.8%
Wholesale	28,688	77.7%	31,002	84.0%	(7.5%)
Total	**36,938**	**100.0%**	**36,904**	**100.0%**	**0.09%**

The revenues reported by the DOS channel showed an increase of about 39.8% compared to the same period in the 2008/2009 financial year; this increase was determined by both the marginal increase in the quantities sold in the already existing shops, where this occurred, also in the first nine months ended 31 December 2009 ("*comparable shops*") and the contribution given by the opening of 9 new shops that were not present as at 31 December 2008, and that are listed below:

Month of opening	**Location**	**Channel**
February 2009	Barcelona (Spain), "La Roca Village"	DOS
March 2009	Bologna, "G. Marconi" Airport	DOS
April 2009	Taiwan – Taipei Eslite Dun Nan	DOS
May 2009	Shanghai (China)– Shanghai International Golden Eagle Square	DOS
May 2009	Hong Kong – Times Square	DOS
June 2009	Beijing (China) – Beijing Jinbao Place	DOS
October 2009	Shenzhen (China)– Mix City	DOS
October 2009	Hong Kong – Kowloon New Town Plaza	DOS
October 2009	Taiwan – Taipei Xin Yin Shop	DOS

The Same Store Sales Growth (SSSG), which is calculated as a world average of growth rates of the revenues recorded by the DOSs existing at 1 April 2008, was positive and equal to 2.2% at current rates of exchange (0.1% assuming an equal number of days of opening and constant rates of exchange).

Sales reported by the Wholesale channel*,* which as at 31 December 2009 represented 77.7% of the Group's total turnover, showed a 7.5% decrease notwithstanding the fact that they had benefited, compared to the same period in the 2008/2009 financial year, from the opening of 19 additional franchise shops*,* of which 12 in Italy and 7 abroad, as listed below (as at 31 December 2009 there were 43 franchise shops, of which 29 in Italy and 14 worldwide):

Month of opening	**Location**	**Channel**
January 2009	Jeddah (Saudi Arabia), "Red Sea Mall"	Franchising (Wholesale)
February 2009	Moscow (Russia), TC Atrium, Zemlianoi Val 33	Franchising (Wholesale)
February 2009	Moscow (Russia), TC Metropolis, Leningradski Avenue 16	Franchising (Wholesale)
March 2009	Belgrade (Serbia), USCE Center Bulevar Mihajla Pupina 4	Franchising (Wholesale)
March 2009	Rome, Viale Europa 1	Franchising (Wholesale)
March 2009	Treviso, Viale Martiri della Libertà 66	Franchising (Wholesale)
April 2009	Rome, Viale Marconi 6	Franchising (Wholesale)
April 2009	Sarajevo (Bosnia), BBI Center	Franchising (Wholesale)
June 2009	Barcelona (Spain), Airport	Franchising (Wholesale)
July 2009	Busnago (Mi), Centro Commerciale "Il Globo"	Franchising (Wholesale)
July 2009	Modena, Centro Commerciale "GrandEmilia"	Franchising (Wholesale)
September 2009	Bergamo, Via Sant'Alessandro 4/A	Franchising (Wholesale)
September 2009	Naples, Via Carducci 32	Franchising (Wholesale)

October 2009	Trieste, Via Mazzini 40	Franchising (Wholesale)
October 2009	Ravenna, Via Cavour 95	Franchising (Wholesale)
October 2009	Barcelona (Spain), Calle Rosselò 218	Franchising (Wholesale)
November 2009	Turin, Centro Commerciale Le Gru	Franchising (Wholesale)
November 2009	Bari, Via Sparano 23	Franchising (Wholesale)
December 2009	Brescia, Centro Commerciale Freccia Rossa	Franchising (Wholesale)

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 31 December 2009**	**%**	**Net revenues as at 31 December 2008**	**%**	**% change 2010/2009**
Italy	29,444	79.7%	28,403	77.0%	3.7%
Europe	5,268	14.3%	7,072	19.2%	(25.5%)
Rest of the world	2,226	6.0%	1,429	3.8%	55.8%
Total	**36,938**	**100.00**	**36,904**	**100.0%**	**0.09%**

As at 31 December 2009, 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 79.7%), up by about 3.7% compared to the same period in the 2008/2009 financial year, also benefiting from the opening of 1 new DOS (Bologna Marconi Airport) and 12 franchise shops (Viale Marconi and Viale Europa - Rome, Treviso, Turin, Busnago (MI), Modena, Bergamo, Naples, Trieste, Ravenna, Bari and Brescia).

The Group operates through the two DOS and Wholesale sales channels in 30 European Countries. Within the European market, the Group achieved a turnover equal to Euro 5,268 thousand, equal to about 14.3% of consolidated sales (-25.5% compared to Euro 7,072 thousand for the first nine months of the 2008/2009 financial year). The most significant reductions in the turnover were recorded in countries such as Russia (-67%), France (-19%) and Germany (-33%). In the European region, the Group has opened 6 new franchise shops (Belgrade in March 2009, Sarajevo in April 2009, Barcelona in June 2009 and October 2009, Moscow TC ATRIUM in February 2009 and Moscow TC METROPOLIS in February 2009).

In the non-European geographical area (named "Rest of the world"), where the Group sells in 20 Countries, turnover rose by about 55.8%. The higher rises were recorded in Hong Kong (+48%), which also benefited from the opening of 2 new DOSs counterbalanced by the closing of the IFC shop.

Against substantial stability in sales revenues, the first nine months ended 31 December 2009 saw a slightly lower performance of the Group's profitability compared to the same period in the previous year, with an operating result down by 9.88% compared to the same period in 2008 (from Euro 9.1 million - equal to 24.78% of total sales revenues - in the first nine months ended 31 December 2008 to Euro 8.2 million - equal to about 22.31% of total sales revenues - in the first nine months ended 31 December 2009).
In the opinion of the management, the reduction in the operating result for the first nine months ended 31 December 2009 was mainly attributable to the following factors:

- a greater impact of revenues from the DOS segment over the total revenues which corresponded to a profitability that was lower than that recorded by the wholesale channel and that was also affected by the opening of new shops whose profitability trends are not yet aligned with the Group's average performance;
- a reduction in revenues from the wholesale channel that have then generated, thanks to the substantial margins they have brought, an operational deleverage in a situation in which overheads substantially remained the same.

Summary economic-financial data

Below are reported the Group's main economic-financial indicators as at 31 December 2009 and 31 December 2008 (financial indicators are also compared to the similar values inferred from the consolidated financial statements ended 31 March 2009):

Economic and financial indicators *(in thousands of Euro)*	**31 December 2009**	**31 December 2008**
Revenues from sales	36,938	36,904
EBITDA	9,727	10,446
EBIT	8,242	9,146
Pre-tax result	7,691	8,479
Group's profit for the period	4,885	5,411
Amortisation and depreciation of fixed assets and write-downs	1,535	1,463
Financial absorption (Group net profit, amortisation and depreciation, write-downs)	6,420	6,874

Financial indicators *(in thousands of Euro)*	**As at 31 December 2009**	**As at 31 March 2009**
Net Financial Position[3]	(11,272)	(10,468)
Shareholders' equity	(18,688)	(16,926)

EBITDA for the period came to Euro 9.7 million, against Euro 10.4 million recorded in the same period ended 31 December 2008 and as at 31 December 2009 it represented 26.33% of consolidated revenues (against 28.31% recorded in the first nine months ended 31 December 2008). The reasons for the relative decrease in EBITDA lie in both the absence of the benefit of operational leverage owing to the negative performance of the turnover from the wholesale business segment and the greater impact of the turnover from the DOS segment, whose margins, at EBITDA level, were lower than those in the wholesale segment.

As at 31 December 2009, the Group's amortisation and depreciation were equal to Euro 1,485 thousand and were broken down as follows: Euro 987 thousand relating to property, plant and equipment (mainly connected to the depreciation of the building where the Company operates for Euro 139 thousand; of business equipment, including automated warehouse and fittings for shops, for Euro 607 thousand; of general systems for Euro 218 thousand and other assets for Euro 23 thousand), and Euro 438 thousand relating to intangible assets (of which Euro 173 thousand for software and patent rights, Euro 190 thousand for key money of shops and Euro 75 thousand for development costs). Write-downs, equal to Euro 60 thousand, were related to the Key money for the shops run by the subsidiary Piquadro Middle East.

As at 31 December 2009 EBIT came to Euro 8,242 million, equal to about 22.31% of net sales revenues, down by about 988 basis points compared to the value recorded as at 31 December 2008 (for a percentage equal to 24.78%).

[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 31 December 2009, which was negative for a value equal to about Euro 551 million, was attributable to the net financial debt dynamics, in addition to the differential between foreign exchange gains and losses.

The pre-tax result recorded by the Group as at 31 December 2009 came to about Euro 7.7 million (down by 9.29% against the value of Euro 8.5 million recorded in the nine months ended 31 December 2008) and was affected by income taxes, including the effects of deferred taxation, equal to Euro 2.8 million.

Investments

Investments in intangible assets, property, plant and equipment and financial assets in the nine months ended 31 December 2009 and 31 December 2008 were equal to Euro 1,080 thousand and Euro 2,288 thousand, respectively, as reported below:

(in thousands of Euro)	**31 December 2009**	**31 December 2008**
Investments		
Intangible assets	84	639
Property, plant and equipment	996	1,649
Financial fixed assets	-	-
Total	**1,080**	**2,288**

As at 31 December 2009, increases in intangible assets mainly related to trademarks for Euro 6 thousand, software investments for Euro 54 thousand and a fixed asset under development relating to the SAP BO PPC licence for Euro 24 thousand.

On the contrary, increases in property, plant and equipment mainly related to fittings purchased for new DOSs opened in the period under consideration and to the refurbishment of some existing shops for Euro 849 thousand and to the purchases of moulds relating to new products for Euro 69 thousand.

CONSOLIDATED BALANCE SHEET

Below is summarised the Group's consolidated equity and financial structure as at 31 December 2009 (compared to the corresponding structure as at 31 March 2009 and 31 December 2008):

(in thousands of Euro)	**31 December 2009**	**31 March 2009**	**31 December 2008**
Trade receivables	23,109	19,477	21,787
Inventories	9,163	7,824	10,366
(Trade payables)	(12,297)	(11,296)	(12,301)
Total net current trade assets	*19,975*	*16,005*	19,852
Other current assets	1,075	1,154	1,304
(Other current liabilities)	(1,681)	(2,461)	(1,731)
(Current income tax liabilities)	(1,752)	(124)	(1,895)
A) Working capital	***17,617***	***14,574***	***17,530***
Intangible assets	699	1,195	1,384
Property, plant and equipment	11,522	11,513	10,996
Receivables from others beyond 12 months	512	435	353
Deferred tax assets	997	862	676
B) Fixed assets	***13,730***	***14,005***	***13,409***
C) Non-current provisions and non-financial liabilities	***(1,387)***	***(1,185)***	***(1,140)***
Net invested capital (A+B+C)	**29,960**	**27,394**	**29,799**
FINANCED BY:			
D) Net financial debt	*(11,272)*	*(10,468)*	*(14,965)*
E) Equity attributable to Minority interests	*(162)*	*(205)*	*(195)*
F) Equity attributable to the Group	*(18,526)*	*(16,721)*	*(14,639)*
Total borrowings and Shareholders' Equity (D+E+F)	**(29,960)**	**(27,394)**	**(29,799)**

CONSOLIDATED NET FINANCIAL POSITION

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

(Values expressed in thousands of Euro)	**31 December 2009**	**31 March 2009**	**31 December 2008**
Cash	426	26	53
Other cash and cash equivalents (available current bank accounts)	6,801	6,871	3,563
Liquidity	**7,227**	**6,897**	**3,616**
Derivative financial assets	72	-	61
Current financial receivables	**72**	**-**	**61**
Finance leases	(948)	(948)	(960)
Current bank debt	(2,852)	-	(4,561)
Current portion of non-current debt	(2,157)	(1,820)	(1,880)
Derivative financial liabilities	(17)	(75)	(13)
Current financial debt	**(5,974)**	**(2,843)**	**(7,414)**
Short-term net financial position	**1,325**	**4,054**	**(3,737)**
Non-current bank debt	(7,120)	(8,355)	(4,864)
Finance leases	(5,477)	(6,167)	(6,364)
Non-current financial debt	**(12,597)**	**(14,522)**	**(11,228)**
Net Financial Debt	**(11,272)**	**(10,468)**	**(14,965)**

As at 31 December 2009 the Net Financial Position was negative for about Euro 11.2 million. The negative change compared to 31 March 2009 was due to the seasonality trends of the net current assets, as well as to the investments made by the Group and to the payment of the dividend of Euro 3,100 thousand relating to the financial year ended 31 March 2009, which was distributed at the end of July 2009. Net financial debt as at 31 December 2009, compared to that recorded as at 31 December 2008, showed a positive improvement equal to about Euro 3.69 million, after paying dividends of about Euro 3.1 million, and showed the Company's very strong capacity to generate cash by means of solid profits hand in hand with careful management of working capital and of the Group's investment policy.

Human Resources

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

As at 31 December 2009 the Group had 545 members of staff compared to 636 units as at 31 December 2008. Below is reported the breakdown of staff by country:

Country	31 December 2009	31 December 2008
Italy	145	136
China	350	474
Hong Kong	26	12
Macau	5	4
Germany	5	4
Spain	4	2
UAE	5	4
Taiwan	5	-
Total	**545**	**636**

With reference to the Group's organisational structure, as at 31 December 2009 48.8% of staff operated in the production area, 21.5% in the retail area, 17.8% in the support functions (Administration, IT Systems, Purchasing, Quality, Human Resources, etc), 9.0% in the Research and Development area and 2.9% in the sales area.

OTHER INFORMATION

D) RESEARCH AND DEVELOPMENT ACTIVITY

The Piquadro Group's Research and Development activity is carried out by the Parent Company in house through a dedicated team that currently consists of 13 persons mainly engaged in the product research and development department and the style office. Products are conceived within the Group and occasionally in collaboration with outside industrial designers, taking account of the information regarding market trends supplied by the Group's internal departments (Product Management and sales departments). In this manner, the Group develops its collections trying to meet the needs of end customers that are not yet satisfied by the market. The internal unit dedicated to the design of products manages operating activities and also coordinates the external consultants of which the Company makes use. In some cases, in fact, the Group only uses external designers for the product design phase, while the research and development phase is in any case carried out in house. As required by IFRS (IAS 38), the Piquadro Group has capitalised, over the years, the development costs 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 31 December 2009, the residual net value of capitalised development costs relating to the new continuous product lines are equal to Euro 155 thousand.

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

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

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

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

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

G) SIGNIFICANT EVENTS AFTER THE QUARTER

Within the framework of its development and distribution mix plan mainly in the Far East region, the Group opened, subsequent to 31 December 2009, 2 new DOSs (Hong Kong – I Square and Hong Kong – Pacific Place Seibu) in October and 1 new franchise shop in Moscow.
On 12 January 2010 the Company announced the agreement with Studio Osti for the production of the new line of technical-city clothing – for the 2010 Autumn/Winter collection – presented on the occasion of the 77th edition of Pitti Immagine Uomo. The agreement with Studio Osti, which was founded in Bologna in the '70s by the fashion designer Massimo Osti, i.e. the designer who has invented the 'casual high tech' clothing and has created the brands C.P. Company and Stone Island, and the presentation of the new collection represent a new important step in the corporate strategy for the gradual differentiation of the product on the part of Piquadro, which have also been followed by the presentation of the first collection of Piquadro-branded watches.

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

H) OUTLOOK

The results achieved in the first nine months of the financial year ended 31 December 2009 have confirmed the management's expectations in a scenario that has now been affected for more than one year by a widespread financial crisis which is still making its effect felt. The situation of uncertainty that has now lasted for more than a year does not allow one to fully assess the possibilities of recovery and growth, which the Group has continued to pursue, in particular as regards the DOS channel, focusing its own efforts and investments above all in some strategic areas such as the Far East region. The expectations for the entire financial year which will end on 31 March 2010 are however connected to whether the present economic and financial crisis ceases, or at least becomes less severe in the short-term period. However, the management expects, by the end of March 2010, a rise in the turnover generated by the DOS channel mainly as a result of the new outlets opened (including those opened during the previous financial year). As already recorded in the first nine months of the financial year, this should be counter-balanced by a downsizing of the wholesale channel, mainly in some countries in which the Group does not hold a leading position. In this scenario, the management is constantly focused on monitoring recovery trends (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), 11 February 2010

FOR THE BOARD OF DIRECTORS
THE CHAIRMAN
(Marco Palmieri)

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2009

CONSOLIDATED BALANCE SHEET

(in thousands of Euro)	**Notes**	**31 December 2009**	**31 March 2009**
ASSETS			
Non-current assets			
Intangible assets	(1)	699	1,195
Property, plant and equipment	(2)	11,522	11,513
Receivables from others	(3)	512	435
Deferred tax assets	(4)	997	862
Total non-current assets		**13,730**	**14,005**
Current assets			
Inventories	(5)	9,163	7,824
Trade receivables	(6)	23,109	19,477
Other current assets	(7)	1,075	1,154
Derivative financial assets	(8)	72	-
Cash and cash equivalents	(9)	7,227	6,897
Total current assets		**40,646**	**35,352**
TOTAL ASSETS		**54,376**	**49,357**

* The effects of relations with related parties are reported in Note 35 Relations with related parties.

TOTAL EQUITY AND LIABILITIES			
(in thousands of Euro)	**Notes**	**31 December 2009**	**31 March 2009**
EQUITY			
Share capital		1,000	1,000
Share premium reserve		1,000	1,000
Other reserves		4,915	462
Retained earnings		6,726	6,726
Group profit for the period		4,885	7,533
Total equity attributable to the Group		**18,526**	**16,721**
Capital and reserves attributable to minority interests		193	224
Profit/(loss) for the period attributable to minority interests		(31)	(19)
Total equity attributable to minority interests		**162**	**205**
TOTAL EQUITY	(10)	**18,688**	**16,926**
NON-CURRENT LIABILITIES			
Borrowings	(11)	7,120	8,355
Payables to other lenders for lease agreements	(12)	5,477	6,167
Provision for employee benefits	(13)	287	291
Provisions for risks and charges	(14)	697	548
Deferred tax liabilities	(15)	403	346
TOTAL NON-CURRENT LIABILITIES		**13,984**	**15,707**
CURRENT LIABILITIES			
Borrowings	(16)	5,009	1,820
Payables to other lenders for lease agreements	(17)	948	948
Derivative financial liabilities	(18)	17	75
Trade payables	(19)	12,297	11,296
Other current liabilities	(20)	1,681	2,461
Current income tax liabilities	(21)	1,752	124
TOTAL CURRENT LIABILITIES		**21,704**	**16,724**
TOTAL LIABILITIES		**35,688**	**32,341**
TOTAL EQUITY AND LIABILITIES		**54,376**	**49,357**

* The effects of relations with related parties are reported in Note 35 Relations with related parties.

CONSOLIDATED INCOME STATEMENT

(in thousands of Euro)	**Notes**	**31 December 2009**	**31 December 2008**
REVENUES			
Revenues from sales	(22)	36,938	36,904
Other income	(23)	549	724
TOTAL REVENUES (A)		**37,487**	**37,628**
OPERATING COSTS			
Change in inventories	(24)	(1,435)	(1,872)
Costs for purchases	(25)	7,022	8,403
Costs for services and leases and rentals	(26)	16,221	15,306
Personnel costs	(27)	5,616	5,102
Amortisation, depreciation and write-downs	(28)	1,535	1,463
Other operating costs		286	80
TOTAL OPERATING COSTS (B)		**29,245**	**28,482**
OPERATING PROFIT (A-B)		**8,242**	**9,146**
FINANCIAL INCOME AND CHARGES			
Financial income	(29)	305	583
Financial charges	(30)	(856)	(1,250)
TOTAL FINANCIAL INCOME AND CHARGES		**(551)**	**(667)**
PRE-TAX RESULT		**7,691**	**8,479**
Income tax expenses	(31)	2,837	(3,087)
PROFIT FOR THE PERIOD		**4,854**	**5,392**
attributable to:			
EQUITY HOLDERS OF THE COMPANY		4,885	5,411
MINORITY INTERESTS		(31)	(19)
(Basic) Earnings per share in Euro		0.0977	0.10822
(Diluted) Earnings per share in Euro	(32)	0.0947	0.10486

* The effects of relations with related parties are reported in Note 35 Relations with related parties.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	31-Dec-09	31-Dec-08
Group profit and loss for the period (A)	**4,845**	**5,392**
Profits/(losses) arising from the translation of financial statements of foreign companies	(85)	50
Effect of IAS 39 fair value of derivative contracts	60	137
Other changes	-	-
Total other profits/(losses) not recognised through P&L (B)	**(25)**	**187**
Total comprehensive income/(losses) (A) + (B)	**4,820**	**5,579**
Attributable to:		
- the Group	4,851	5,598
- Minority interests	(31)	(19)

Statements of changes in consolidated equity

(in thousands of Euro)

Description	Share capital	Share premium reserve	Other reserves: Translation reserve	Other reserves: Fair value reserve	Other reserves: Other reserves	Other reserves: Total Other reserves	Retained earnings	Group profit	Equity attributable to the Group	Capital and reserves attributable to minority interests	Profit/(Loss) attributable to minority interests	Total Equity
Balances as at 31.03.2008	**1,000**	**1,000**	**(53)**	**(101)**	**466**	**312**	**3,380**	**6,446**	**12,138**	**194**	**39**	**12,371**
Allocation of the result for the period as at 31 March 2008									0			0
- to dividends						0		(3,100)	(3,100)			(3,100)
- to reserves						0	3,346	(3,346)	0	39	(39)	0
Fair value of the Stock Option Plan					31	31			31			31
Change in consolidation scope						0			0			0
Fair value of financial instruments				137		137			137			137
Currency translation differences			22			22			22	28		50
Effects on minority interests following the purchase of Piquadro Hong Kong quotas						0			0	(47)		(47)
Other changes						0			0			0
Profit for the period						0		5,411	5,411		(19)	5,392
Balances as at 31.12.2008	**1,000**	**1,000**	**(31)**	**36**	**497**	**502**	**6,726**	**5,411**	**14,639**	**214**	**(19)**	**14,834**

Description	Share capital	Share premium reserve	Other reserves: Translation reserve	Other reserves: Fair value reserve	Other reserves: Other reserves	Other reserves: Total Other reserves	Retained earnings	Group profit	Equity attributable to the Group	Capital and reserves attributable to minority interests	Profit/(Loss) attributable to minority interests	Total Equity
Balances as at 31.03.2009	**1,000**	**1,000**	**(12)**	**(34)**	**508**	**462**	**6,726**	**7,533**	**16,721**	**224**	**(19)**	**16,926**
Allocation of the result for the period as at 31 March 2009												
- to dividends						0		(3,100)	(3,100)			(3,100)
- to reserves					4,433	4,433		(4,433)	0	(19)	19	0
Fair value of the Stock Option Plan					31	31			31			31
Change in consolidation scope						0			0	2		2
Fair value of financial instruments				60		60			60			60
Currency translation differences			(71)			(71)			(71)	(14)		(85)
Other changes						0			0			0
Profit for the period						0		4,885	4,885		(31)	4,854
Balances as at 31.12.2009	**1,000**	**1,000**	**(83)**	**26**	**4,972**	**4,915**	**6,726**	**4,885**	**18,526**	**193**	**(31)**	**18,688**

CONSOLIDATED CASH FLOW STATEMENT

(*in thousands of Euro*)	31 December 2009	31 December 2008
Pre-tax profit	**7,691**	**8,479**
Adjustments for:		
Depreciation of property, plant and equipment/Amortisation of intangible assets	1,485	1,300
Provision for bad debts	50	163
Adjustment to the provision for employee benefits	7	6
Net financial charges/(income), including exchange rate differences	551	667
Cash flow from operating activities before changes in working capital	**9,784**	**10,615**
Change in trade receivables (net of the provision)	(3,632)	(4,196)
Change in inventories	(1,339)	(2,076)
Change in other current assets	79	(389)
Change in trade payables	1,001	1,330
Change in provisions for risks and charges	149	108
Change in other current liabilities	(780)	(442)
Cash flow from operating activities after changes in working capital	**5,262**	**4,951**
Payment of taxes	(1,194)	(1,577)
Interest paid	(681)	(834)
Cash flow generated from operating activities (A)	**3,388**	**2,540**
Investments in intangible assets	(60)	(639)
Investments in property, plant and equipment	(843)	(1,649)
Changes generated from investing activities (B)	**(903)**	**(2,288)**
Financing activities		
Change in long-term financial receivables		
Registering/(Repayment) of borrowings	1,954	5,515
Changes in derivative financial instruments	(130)	(190)
Lease instalments paid	(879)	(1,112)
Payment of dividends	(3,100)	(3,100)
Cash flow generated from/(absorbed by) financing activities (C)	**(2,155)**	**1,113**
Net increase (decrease) in cash and cash equivalents (A+B+C)	330	1,364
Cash and cash equivalents at the beginning of the period	**6,897**	**2,251**
Cash and cash equivalents at the end of the period	**7,227**	**3,616**

* The effects of relations with related parties are reported in Note 35 Relations with related parties.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. GENERAL INFORMATION

1.1 The Company and the Group

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

As of today's date, the Company is owned by Marco Palmieri through Piqubo SpA, which is 100% owned. Piqubo SpA, in fact, holds 93.34% of the share capital of Piquadro Holding SpA, which in its turn holds, as at 31 December 2009, 67.6% of the share capital of Piquadro S.p.A., a company which is listed on the Milan Stock Exchange since 25 October 2007 and is currently included in the MTA Standard segment class I.

The condensed consolidated financial statements as at 31 December 2009 apply a different classification of financial income and charges compared to the same period in the previous financial year; for the purposes of a better comparability, balances as at 31 December 2008 were also reclassified.

These condensed consolidated interim financial statements were approved by the Board of Directors on 11 February 2010.

1.2 Seasonality

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

Historically, the Group's sales revenues achieved in the first nine months of the financial year (i.e. from April to December) represent about 71.37% (a percentage calculated on the basis of consolidated revenues of Euro 36,904 thousand as at 31 December 2008 compared to revenues of Euro 51,701 thousand as at 31 March 2009), with a consequent impact on margins.

Accordingly, it should be noted that, even if expressing the Group's economic and financial performance, the result as at 31 December 2009 does not fully represent the result that the Group expects to achieve in the financial year that will end on 31 March 2010.

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

2.1 Accounting standards and policies

These condensed consolidated interim financial statements as at 31 December 2009 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 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 2009 prepared in accordance with IFRS adopted by the European Union, to which reference is made for a better understanding of the Group's business and structure and of the accounting standards and criteria adopted.

The preparation of interim financial statements in accordance with IAS 34 – Interim Financial Reporting requires judgments, estimates and assumptions that impact on assets, liabilities, costs and revenues. It should be noted that the final results may prove different from those obtained as a result of these estimates.
The Accounting statements of income statement, balance sheet, changes in equity and cash flow statement are prepared in an extended form and are the same as those adopted for the consolidated financial statements ended 31 March 2009.

The accounting standards and policies adopted in preparing the condensed consolidated interim financial statements are the same as those used in preparing the consolidated financial statements of Piquadro S.p.A. ended 31 March 2009, to which reference is made for a description of the same.

These condensed consolidated interim financial statements are made up of the Balance Sheet, the Income Statement, the Statement of Comprehensive Income, the Cash Flow Statement, the Statements of Changes in Equity and these Explanatory Notes. Economic data, changes in equity and cash flows for the first nine months of the financial year ended 31 December 2009 are compared with the first nine months ended 31 December 2008. Financial data as at 31 December 2009 are compared with the corresponding values as at 31 March 2009 (relating to the last consolidated annual accounts).

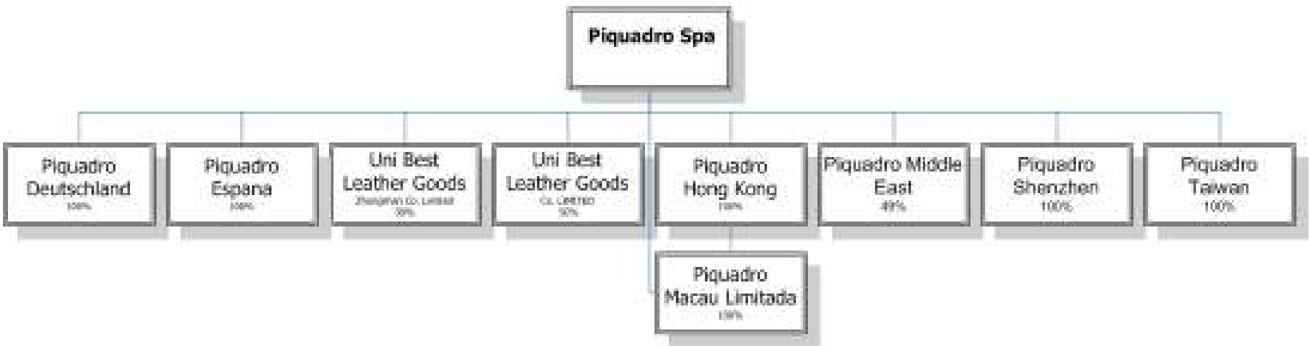
For a better description, accounting data are reported in thousands of Euro in both the accounting statements and these Notes.

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

The management believes that no other significant non-recurring events or transactions occurred either in the quarter (nine months) ended 31 December 2009 or in the quarter ended 31 December 2008 (nine months), 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 31 December 2009:



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 31 December 2009 and 31 December 2008 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 2009, the nine months ended 31 December 2009 saw the consolidation of Piquadro Taiwan Co. Ltd..

Piquadro Taiwan Co. Ltd has its registered office in Taiwan 8F, 563, Chung Hsiao E. Rd Sec. 4, Taipei. This company was established on 7 September 2009, with a share capital of NTD 5,000,000 (corresponding to about Euro 110 thousand). The share capital is fully paid up and is 100% held by the Parent Company Piquadro SpA. The company owns and runs a shop (DOS) at the shopping centre "Eslite Dun Nan" in Taipei.

Compared to the quarter ended 31 December 2008, the scope of consolidation as at 31 December 2009 saw the entry of the abovementioned Piquadro Taiwan Co. Ltd, and the stake in Piquadro Macau Limitada passed from 96% to 100%.

The complete list of the companies included in the scope of consolidation as at 31 December 2009 and 31 December 2008, with the related shareholders' equity and share capital recognised according to Italian or foreign accounting standards (as the Group companies have prepared their interim financial statements according to the Italian or foreign regulations and accounting standards, and have only prepared the consolidation file according to IFRS functionally to the consolidation into Piquadro) are reported in the tables below:

Scope of consolidation as at 31 December 2009

Name	**HQ**	**Country**	**Currency**	**Share Capital (local currency /000)**	**Shareholders' equity (Euro/000)**	**Control %**
Piquadro SpA	Gaggio Montano (BO)	Italy	Euro	1,000	20,063	Parent Company
Uni Best Leather Goods Co. Limited	Kowloon	Hong Kong	HKD	1	188	50%
Piquadro España Slu	Barcelona	Spain	Euro	198	(45)	100%
Piquadro Deutschland Gmbh	Munich	Germany	Euro	25	(246)	100%

Uni Best Leather Goods Zhongshan Co Limited	Guangdong	People's Republic of China	RMB	1,542	137	50%
Piquadro Hong Kong Limited	Hong Kong	Hong Kong	HKD	2,000	88	100%
Piquadro Macau Limitada	Macau	Macau	HKD	25	(89)	100%
Piquadro Trading (Shenzhen) Co. Ltd.	Shenzhen	People's Republic of China	RMB	4,031	247	100%
Piquadro Taiwan Co. Ltd.	Taipei	Taiwan	NTD	5,000	74	100%
Piquadro Middle East Leather Products LLC [a]	Abu Dhabi	United Arab Emirates	AED	150	(391)	49%

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

Scope of consolidation as at 31 December 2008

Name	HQ	Country	Currency	Share Capital (local currency /000)	Shareholders' equity (Euro/000)	Control %
Piquadro SpA	Gaggio Montano (BO)	Italy	Euro	1,000	15,466	Parent Company
Uni Best Leather Goods Co. Limited	Kowloon	Hong Kong	HKD	1	210	50%
Piquadro España Slu	Barcelona	Spain	Euro	198	(101)	100%
Piquadro Deutschland Gmbh	Munich	Germany	Euro	25	(154)	100%
Uni Best Leather Goods Zhongshan Co Limited	Guangdong	People's Republic of China	RMB	1,542	186	50%
Piquadro Hong Kong Limited	Hong Kong	Hong Kong	HKD	2,000	194	100%
Piquadro Macau Limitada	Macau	Macau	HKD	25	(75)	96%
Piquadro Trading (Shenzhen) Co. Ltd.	Shenzhen	People's Republic of China	RMB	1,650	128	100%
Piquadro Middle East Leather Products LLC [a]	Abu Dhabi	United Arab Emirates	AED	150	(101)	49%

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

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

The financial statements expressed in a foreign currency other than the Euro are translated into Euro by applying the exchange rates applied below for the nine months ended 31 December 2009 and 31 December 2008 (foreign currency corresponding to Euro 1):

Foreign currency	Average		Closing	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
Hong Kong Dollar (HKD)	11.0334	11.3737	11.1709	10.7858

Renminbi (Yuan)	9.7219	10.0542	9.8350	9.4956
Arab Emirates Dirham (AED)	5.2285	5.3658	5.2914	5.1118
Taiwan Dollar (NTD)	46.5621	-	46.1304	-

2.5 Accounting standards, amendments and interpretations

The accounting standards adopted in preparing these condensed consolidated interim financial statements are the same as those adopted in preparing the Group's consolidated annual accounts for the financial year ended 31 March 2009, except for those amendments required by IAS 1 and reported below.

In addition to introducing some new names for accounting statements, IAS 1, as revised in 2007, has also introduced the obligation to present the profit/(loss) components for the period and the income and charges recognised directly in equity for transactions other than those effected by the shareholders in a single statement (named statement of comprehensive income) or in two separate statements (separate income statement and statement of comprehensive income). Transactions with shareholders, together with the result of the statement of comprehensive income, are instead presented in the statement of changes in equity. Piquadro SpA has opted to present two separate statements named "consolidated income statement" and "consolidated statement of comprehensive income".

As to the other standards, either recently-issued or revised, applicable from 1 April 2009, it is notified that:

a) The adoption of IFRS 8 – Operating Segment has not entailed a review of the reporting, nor the identification of new operating segments, or a different aggregation of these segments for the purposes of segment reporting.

b) IAS 27 – Consolidated and Separate Financial Statements. Upon FTA, it allows the book-value of the equity investments to be considered as a cost substitute. Dividends from equity investments in subsidiary, associated companies and joint ventures are entered, in the separate financial statements, as income in the Income Statement. The amendment to the standard has had no effects on the Group.

c) IAS 32 – Financial Instruments: Disclosure and Presentation provides that, if the contractual clauses allow the repayment to be connected with the issuer's economic results, the instruments that may be repaid at any time or upon payment may be classified as *equity instruments.* The amendment to the standard has had no effects on the Group.

d) Amendments to IFRS 2 - Share-based payments: vesting conditions and cancellations. The standard has been amended in order to clarify the definition of vesting conditions and to prescribe the accounting treatment in the case of a plan effectively cancelled following the non-fulfilment of a non-vesting condition. This standard has had no effects on the Group.

e) IAS 23 – Borrowing costs, as revised in 2007, has eliminated the option that allowed financial charges to be recognised as a cost in the income statement, even if referred to the acquisition, construction or production of "qualifying" assets, i.e. assets that would have allowed these costs to be capitalised. The amendment to the standard has had no effects on the Group.

f) IFRS 7 – Financial Instruments: Disclosures: its amendment provides for the financial instruments measured at fair value to be classified into three categories. At the time of closing the financial statements as at 31 March 2010, the Company will change the analysis as required by the standard.

g) IFRS 9 – Financial Instruments: Classification and Measurement: starting from 210, it will replace IAS 39. It provides for three categories of financial instruments:
- instruments at fair value through profit or loss (FVTPL)
- instruments at amortised cost
- instruments at fair value through other comprehensive income (FVTOCI).

The classification into three categories depends on whether two tests are passed in relation to the business model used by the company for managing financial operations and the contractual features of the cash flows from financing activities. The Company is currently assessing the impacts of this standard.

h) IFRIC 13 – Customer loyalty programmes: this interpretation clarifies that the goods or services that are free of charge or discounted within a customer loyalty programme must be recognised as a separate component of the related sale transaction in which points or premiums have been assigned. Part of the fair value of the consideration arising from the sale must therefore be allocated to the bonus points and deferred. This component will be subsequently recognised as a revenue in the period of time in which points are redeemed. The adoption of this amendment is not applicable to the Group.

i) IFRIC 14 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction limits the recognition of an assets deriving from a pension scheme. The adoption of this amendment is not applicable to the Group.

j) IFRIC 15 – Agreements for the Construction of Real Estate identifies cases when revenues from the construction of real estate are to be considered a sale of goods (IAS 18) or as construction services (IAS 11). The adoption of this amendment is not applicable to the Group.

k) Amendments to IAS 32 – Financial instruments: disclosure and presentation and IAS 1 – Presentation of financial statements: Puttable financial instruments and obligations arising on liquidation: the standards have been amended in order to allow, under certain conditions, financial instruments puttable at fair value to be classified under equity items, rather than under financial liabilities. The adoption of this amendment is not applicable to the Group.

3. COMMENT ON THE MAIN BALANCE SHEET ITEMS

ASSETS

Non-current assets

Note 1 – Intangible assets

As at 31 December 2009 the value of Intangible assets was equal to Euro 699 thousand (Euro 1,195 thousand as at 31 March 2009).

Below is reported the statement of changes of this item:

(in thousands of Euro)	**31 December 2009**
Balance as at 31 March 2009	1,195
Investments	84
Sales and disposals	(66)
Other changes	(16)
Amortisation	(438)
Write-downs	(60)
Total	**699**

As at 31 December 2009, increases in intangible assets mainly related to trademarks for Euro 6 thousand, software investments for Euro 54 thousand and a fixed asset under development relating to the SAP BO PPC licence for Euro 24 thousand. Decreases of Euro 66 thousand related to the sale of the retail outlet in Busnago (Milan) transferred to QUANTUM RETAIL S.R.L. which is running it under franchise from 1 July 2009.

Note 2 – Property, plant and equipment

As at 31 December 2009, the value of Property, plant and equipment was equal to Euro 11,522 thousand (Euro 11,513 thousand as at 31 March 2009).

Below is reported the statement of changes of this item:

(in thousands of Euro)	**31 December 2009**
Balance as at 31 March 2009	11,513
Investments in assets entered into operation	996
Depreciation and write-downs	(987)
Total	**11,522**

On the contrary, increases in property, plant and equipment mainly relate to fittings purchased for the new DOSs opened in the period under consideration and for refurbishments of some existing shops for Euro 849 thousand and to the purchases of moulds relating to new products for Euro 69 thousand.

Below is reported the net book value as at 31 December 2009 of the assets used by the Group by virtue of finance lease agreements:

(in thousands of Euro)	**31 December 2009**
Land	878
Buildings	5,514

Plant and equipment	416
Industrial and business equipment	1,038
Total	**7,846**

Note 3 – Receivables from others

Receivables from others, equal to Euro 512 thousand as at 31 December 2009 (compared to Euro 435 thousand as at 31 March 2009) 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 31 December 2009, deferred tax assets amounted to Euro 997 thousand (Euro 862 thousand as at 31 March 2009); they are mainly made up of deferred tax assets relating to Piquadro S.p.A. for Euro 710 thousand (Euro 669 thousand as at 31 March 2009) 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, on the reversal of the inter-company profit on stock (Euro 261 thousand), in addition to IFRS adjustments made at the time of the preparation of the condensed consolidated interim financial statements. This item also includes deferred tax assets relating to subsidiaries amounting to about Euro 26 thousand (Euro 13 thousand as at 31 March 2009).

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 31 December 2009	Provision for write-down	Net value as at 31 December 2009	Net value as at 31 March 2009
Raw Materials	2,328	(269)	2,059	1,352
Semi-finished products	706	-	706	203
Finished products	6,617	(219)	6,398	6,269
Inventories	**9,651**	**(488)**	**9,163**	**7,824**

(in thousands of Euro)	Provision as at 31 March 2009	Use	Allocation	Provision as at 31 December 2009
Provision for write-down of raw materials	202	-	67	269
Provision for write-down of finished products	246	(47)	20	219
Total provision for write-down of inventories	**448**	**(47)**	**87**	**488**

As at 31 December 2009, inventories showed an increase compared to the corresponding values as at 31 March 2009. This increase is mainly attributable to seasonal trends in sales, associated with the average lead time for the products to arrive from the area in which they are manufactured. Inventories are more than 11.61% lower than at 31 December 2008 as a result of a more efficient management of closing inventories.

Note 6 – Trade receivables

As at 31 December 2009, trade receivables were equal to Euro 23,109 thousand compared to Euro 19,477 thousand as at 31 March 2009. The increase over 31 March 2009 is mainly attributable to seasonal trends in sales and is affected, also owing to the continuing financial crisis, by less predictable operations in the purchasing cycle and a tendency to longer average collection times.
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 period under consideration are showed in the table below:

(in thousands of Euro)	**Provision as at 31 March 2009**	**Use**	**Allocation**	**Provision as at 31 December 2009**
Provision for bad debts	933	-	50	983

Note 7 – Other current assets

Below is reported the breakdown of other current assets:

(in thousands of Euro)	**31 December 2009**	**31 March 2009**
Other assets	727	755
Prepaid expenses	348	399
Other current assets	**1,075**	**1,154**

Other current assets mainly include advances to suppliers by the Company (Euro 432 thousand as at 31 December 2009 compared to Euro 322 thousand as at 31 March 2009); they also include other sundry receivables held by subsidiaries, mainly by Piquadro España Slu (Euro 112 thousand as at 31 December 2009 compared to Euro 70 thousand as at 31 March 2009) and Unibest Leather Goods Co. Zhongshang Ltd. (Euro 110 thousand as at 31 December 2009 compared to Euro 115 thousand as at 31 March 2009).

Note 8 –Derivative Financial Assets

As at 31 December 2009, derivative financial assets were equal to Euro 72 thousand (as at 31 March 2009, this item was negative for Euro 46 thousand) and related to forward purchases of US dollars.

In fact, 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 exchange risks trying to fix the exchange rate at a level that is in line with the budget forecast. As these derivative financial assets meet the conditions laid down for hedge accounting, they have been accounted for at fair value against an entry in the equity reserve for a value equal to Euro 50 thousand.

These derivatives are classified as hedging instruments when the relation between the derivative and the hedged item is formally documented and the hedging, which is tested periodically, is highly effective.

Note 9 - Cash and cash equivalents

Below is reported the breakdown of cash and cash equivalents (mainly relating to Piquadro SpA):

(in thousands of Euro)	31 December 2009	31 March 2009
Available current bank accounts	6,801	6,871
Cash, cash on hand and cheques	426	26
Cash an cash equivalents	**7,227**	**6,897**

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

LIABILITIES

Note 10 – TOTAL EQUITY

Share capital

As at 31 December 2009 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 31 December 2009, no option had been vested out of no. 1,600,000 options assigned.

Share premium reserve

This reserve, which as at 31 December 2009 was equal to Euro 1,000 thousand, has not undergone changes compared to 31 March 2009.

Translation reserve

As at 31 December 2009 the translation reserve was negative for Euro 83 thousand (while was negative for Euro 12 thousand as at 31 March 2009). This item is referred to the exchange rate differences due to the consolidation of the companies Uni Best Leather Goods Co. Ltd, Piquadro Hong Kong Ltd. and Piquadro Macau Limitada (the relevant currency being the Hong Kong Dollar), Uni Best Leather Goods Zhongshan Co. Ltd (the relevant currency being the Chinese Renminbi), Piquadro Middle East Leather Products LLc (the relevant currency being the AED) and Piquadro Taiwan Co. Ltd (the relevant currency being the Taiwan Dollar).

Group net profit

This item relates to the recognition of the Group profit recorded for the period, equal to Euro 4,885 thousand in the quarter ended 31 December 2009.

Equity attributable to minority interests

Equity attributable to minority interests, equal to Euro 162 thousand (Euro 205 thousand as at 31 March 2009), includes the portions of equity and of the result for the period attributable to minority shareholders of some subsidiaries. As indicated in the Group's Organisation chart, reference is made to minority shareholders of Uni Best Leather Goods Co. Ltd. and Uni Best Leather Goods Zhongshang Co. Ltd..

Non-current liabilities

Note 11 – Borrowings

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

(in thousands of Euro)	**31 December 2009**	**31 March 2009**
Borrowings from 1 to 5 years	12,129	8,355
Borrowings beyond 5 years	-	-
Medium/long-term borrowings	**12,129**	**8,355**

As at 31 December 2009, non-current borrowings mainly related to Piquadro SpA and included:

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

2. the 60-month unsecured loan disbursed by Carisbo SpA on 1 September 2008 for an amount of Euro 821 thousand (against an initial amount of Euro 1,500 thousand), aimed partly at financing the opening of new points of sale in Italy and abroad and partly at meeting the Company's financial requirements;

3. the unsecured loan granted by Carisbo SpA on 25 February 2009 for an amount of Euro 3,249 thousand, with a 18-month pre-amortisation, providing for the compliance with the financial covenants to be calculated annually on the consolidated financial statements of the Piquadro Group (and that, as at 31 March 2009, i.e. the date of the last annual accounts, had all been complied with).

(in thousands of)	**Company**	**Date of granting of the loan**	**Currency**	**Initial amount** *(in currency/1000)*	**Current borrowings** (Euro/*1000*)	**Non-current borrowings** (Euro/*1000*)	**Total** (Euro/*1000*)
Carisbo Loan	Piquadro SpA	31.01.2008	Euro	5,300	1,500	3,050	4,550
Carisbo Loan	Piquadro SpA	01.09.2008	Euro	1,500	300	821	1,121
Carisbo Loan	Piquadro SpA	28.02.2009	Euro	3,500	250	3,249	3,499

Carisbo loan for advance on invoices	Piquadro Spa	19.10.2009	Euro	2,500	2,500	-	2,500
Import loan by Banca Popolare Emilia Romagna	Piquadro Spa	01.12.2009	Euro	352	352	-	352
Carimini Loan	Piquadro SpA	26.10.2005	Euro	88	16	-	16
Currency loan – Unicredit	Piquadro Trading Shenzhen	04.06.2009	CNY	900	91	-	91
					5,009	**7,120**	**12,129**

Note 12 – Payables to other lenders for lease agreements

Below is reported the following breakdown:

(in thousands of Euro)	**31 December 2009**	**31 March 2009**
Due within 12 months – current	948	948
Due beyond 12 months - non-current	5,477	6,167
Payables to other lenders for lease agreements	**6,424**	**7,115**

As at 31 December 2009 payables to other lenders due beyond 12 months were equal to Euro 5,477 thousand and related to payables to leasing companies, and specifically to the residual debt of Euro 5,240 thousand relating to the lease agreement initially entered into by Piqubo Servizi S.r.l., which was merged by incorporation into Piquadro S.p.A. by deed of 24 October 2008, with Centro Leasing S.p.A. in relation to the plant, land and the automated warehouse located in Sassuriano, Silla di Gaggio Montano (Province of Bologna) (Euro 5,742 thousand as at 31 March 2009). The residual amount of Euro 237 thousand (Euro 425 thousand as at 31 March 2009) 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 31 December 2009 the value of the provision was equal to Euro 287 thousand (Euro 291 thousand as at 31 March 2009) as determined by an independent actuary.
It should be noted that, since 1 January 2007, the Finance Law and related implementing decrees have been introducing substantial amendments to the regulations governing the severance pay (*Trattamento di Fine Rapporto*, hereinafter referred to as TFR, which represents the total Provision for employee benefits), among which one whereby workers can choose where the TFR that they are accruing should be directed. Specifically, workers may either have their TFR flows paid into selected pension schemes or retained with their company (in this case the Company shall pay the TFR contributions into a treasury account held with INPS (*Istituto Nazionale di Previdenza Sociale*, National Social Security Institute)).

Note 14 – Provision for risks and charges

Below are the changes of provisions for risks and charges as at 31 December 2009:

(in thousands of Euro)	Provision as at 31 March 2009	Use	Allocation	Provision as at 31 December 2009
Provision for supplementary clientele indemnity	451	(52)	141	540
Other provisions for risks	97	-	60	157
Total	**548**	**(52)**	**201**	**697**

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 31 December 2009, deferred tax liabilities amounted to Euro 403 thousand (Euro 346 thousand as at 31 March 2009), fully referable to the Parent Company.

Current liabilities

Note 16 – Borrowings

As at 31 December 2009 borrowings were equal to Euro 5,009 thousand compared to Euro 1,820 thousand as at 31 March 2009; for the breakdown, reference is made to Note 10.

Note 17 – Payables to other lenders for lease agreements

As at 31 December 2009 they were equal to Euro 948 thousand (Euro 948 thousand as at 31 March 2009) 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)	31 December 2009	31 March 2009	31 December 2008
Cash	426	26	53
Other cash and cash equivalents (available current bank accounts)	6,801	6,871	3,563
Liquidity	**7,227**	**6,897**	**3,616**
Derivative financial assets	72	-	61
Current financial receivables	**72**	**-**	**61**
Finance leases	(948)	(948)	(960)
Current bank debt	(2,852)	-	(4,561)
Current portion of non-current debt	(2,157)	(1,820)	(1,880)
Derivative financial liabilities	(17)	(75)	(13)
Current financial debt	**(5,974)**	**(2,843)**	**(7,414)**
Short-term net financial position	**1,325**	**4,054**	**(3,737)**

Non-current bank debt	(7,120)	(8,355)	(4,864)
Finance leases	(5,477)	(6,167)	(6,364)
Non-current financial debt	**(12,597)**	**(14,522)**	**(11,228)**
Net financial debt	**(11,272)**	**(10,468)**	**(14,965)**

As at 31 December 2009 the Net Financial Position was negative for about Euro 11.2 million. The negative change compared to 31 March 2009 was due to the seasonality trends of the net current assets, as well as to the investments made by the Group and to the payment of the dividend of Euro 3,100 thousand relating to the financial year ended 31 March 2009, which was distributed at the end of July 2009. Net financial debt as at 31 December 2009, compared to that recorded as at 31 December 2008, showed a positive improvement equal to about Euro 3.69 million, after paying dividends of about Euro 3.1 million, and showed the Company's very strong capacity to generate cash by means of solid profits hand in hand with careful management of working capital and of the Group's investment policy.

Note 18 –Derivative financial liabilities

As at 31 December 2009 liabilities relating to the hedging of derivative financial instruments were equal to Euro 17 thousand compared to liabilities of Euro 75 thousand as at 31 March 2009.

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 17 thousand (Euro 29 thousand as at 31 March 2009) which, in accordance with IFRS, has been accounted for against an entry in equity.

Note 19 – Trade payables

Below is the breakdown of current trade liabilities:

(in thousands of Euro)	**31 December 2009**	**31 March 2009**
Payables to suppliers	12,297	11,296

As at 31 December 2009 the increase in payables to suppliers, equal to Euro 1,001 thousand, compared to 31 March 2009, was mainly attributable to the seasonality trends in the Group's business.

Note 20 – Other current liabilities

Below is the breakdown of other current liabilities:

(in thousands of Euro)	**31 December 2009**	**31 March 2009**
Payables to social security institutions	358	273

Payables to Pension funds	15	9
Other payables	437	372
Payables to employees	281	402
Advances from customers	82	22
Deferred income	30	161
Payables for VAT	225	1,019
IRPEF* tax payables and other current income tax liabilities	253	203
Other current liabilities	**1,681**	**2,461**

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

Payables to social security institutions mainly relate to the Parent Company's payables due to INPS. Payables to employees as at 31 December 2009 mainly included the Company's payables for remunerations to be paid and deferred charges with respect to employees.

Note 21 – Current income tax liabilities

Below is the breakdown of current income tax liabilities:

(in thousands of Euro)	**31 December 2009**	**31 March 2009**
IRES tax (income taxes)	1,465	121
IRAP tax	287	3
Current income tax liabilities	**1,752**	**124**

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

4. COMMENT ON THE MAIN INCOME STATEMENT ITEMS

Note 22 – Revenues from sales

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

The Group's revenues are mainly realised in Euro.

Below is the breakdown of revenues by geographical area:

(in thousands of Euro)	**31 December 2009 (April-December)**	**31 December 2008 (April-December)**
Italy	29,444	28,403

Europe	5,268	7,072
Rest of the world	2,226	1,429
Revenues from sales	**36,938**	**36,904**

In the first nine months ended 31 December 2009, revenues from sales reported an increase equal to Euro 34 thousand compared to the corresponding revenues realised in the nine months ended 31 December 2008 (+0.09%). The increase compared to the period ended 31 December 2008 is mainly attributable to higher sales recorded in Italy and in Rest of the world, due to the introduction of new product lines and as a result of the opening of new shops.

Note 23 – Other income

In the first nine months ended 31 December 2009, other income amounted to Euro 549 thousand (Euro 724 thousand as at 31 December 2008). These revenues, mainly attributable to the Parent Company, are made up of Euro 206 thousand (Euro 523 thousand as at 31 December 2008) of revenues for charging back customers for transport costs, collection and Corners.

Note 24 – Change in inventories

The change in inventories was positive in both the nine months ended 31 December 2009 (Euro 1,435 thousand) and the nine months ended 31 December 2008 (Euro 1,872 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.

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 nine months ended 31 December 2009, costs for purchases were equal to Euro 7,022 thousand (Euro 8,403 thousand as at 31 December 2008).

Note 26 – Costs for services and leases and rentals

Below is the breakdown of costs for services:

(in thousands of Euro)	**31 December 2009**	**31 December 2008**
External production	5,349	4,075
Advertising and marketing	1,888	2,388
Transport services	1,956	2,345
Business services	2,087	2,127
Administrative services	596	766
General services	946	1,015
Services for production	63	124
Others	1,082	808
Total Costs for services	**13,967**	**13,648**
Costs for leases and rentals	**2,254**	**1,658**
Costs for services and leases and rentals	**16,221**	**15,306**

The increase in costs for external production (from Euro 4,075 thousand as at 31 December 2008 to Euro 5,349 thousand as at 31 December 2009) must be read together with the decrease in costs for purchases of raw materials (note 25 of these Notes to the Financial Statements) by reason of the changes in accounting for some product suppliers and whose effect is almost fully offset by the total cost of sales.

Costs for leases and rentals mainly related to lease rentals relating to the shops of the Parent Company and of some Group companies that are active in the retail sector, and increased as a result of the new shops opened during the period.

Note 27 - Personnel costs

Below is reported the breakdown of personnel costs:

(in thousands of Euro)	31 December 2009	31 December 2008
Wages and salaries	4,720	4,333
Social security contributions	727	611
TFR	169	158
Personnel costs	**5,616**	**5,102**

In the first nine months ended 31 December 2009, personnel costs reported an increase of about 10.07%, passing from Euro 5,102 thousand in the nine months ended 31 December 2008 to Euro 5,616 thousand as at 31 December 2009. The increase in personnel costs is mainly due to the increase in staff of Piquadro Spa and of some subsidiaries that run shops and is attributable to the increased number of employees as a result of the new openings of DOSs.

The table below reports the exact number by category of employees as at 31 December 2009 and 31 December 2008:

Category	31 December 2009	31 December 2008	31 March 2009
Executives	1	1	1
Office workers	186	143	130
Manual workers	358	492	558
Total	**545**	**636**	**689**

The reduction in the staff is directly attributable to the China region and more specifically to the subsidiary Uni Best Leather Goods in Zhongshan, which has suffered a downsizing in production volumes in order to obtain greater efficiency.

Note 28 – Amortisation, depreciation and write-downs

In the first nine months of the financial year ended 31 December 2009, amortisation and depreciation were equal to Euro 1,475 thousand (Euro 1,300 thousand in the nine months ended 31 December 2008). Write-downs, equal to Euro 60 thousand as at 31 December 2009 (Euro 163 thousand as at 31 December 2008), related to the partial write-down relating to the key money paid out for the Dubai shop.

Note 29 – Financial income

In the first nine months of the financial year ended 31 December 2009, financial income was equal to Euro 305 thousand (Euro 583 thousand as at 31 December 2008) and mainly related to Euro 83 thousand of interest receivable on current accounts held by the Parent Company and to Euro 175 thousand of foreign exchange gains either realised or estimated (Euro 546 thousand as at 31 December 2008).

Note 30 – Financial charges

In the first nine months ended 31 December 2009, financial charges were equal to Euro 856 thousand (Euro 1,250 thousand as at 31 December 2008); this amount includes charges recognised on lease agreements for an amount of Euro 192 thousand in the first nine months ended 31 December 2009 (Euro 213 thousand as at 31 December 2008) and mainly referred to the charges for the finance lease of the plant located in Silla di Gaggio Montano, in addition to foreign exchange losses either realised or estimated for Euro 325 thousand (Euro 526 thousand as at 31 December 2008).

Note 31 – Income tax expenses

Below is reported the breakdown of income tax expenses:

(in thousands of Euro)	**31 December 2009**	**31 December 2008**
IRES tax	2,483	2,523
IRAP tax	455	536
Total current taxes	**2,938**	**3,059**

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

(in thousands of Euro)	**31 December 2009**	**31 December 2008**
Deferred tax liabilities	192	266
Deferred tax assets	(293)	(238)
Total deferred tax assets and liabilities	**(101)**	**(28)**

Note 32 - Earnings per share

As at 31 December 2009 diluted earnings per share amounted to Euro 0.00947 (basic earnings per share amounted to Euro 0.977 as at 31 December 2009, compared to Euro 0.10822 as at 31 December 2008); they are calculated on the basis of the consolidated net profit for the period attributable to the Group, equal to Euro 4,885 thousand, divided by the weighted average number of ordinary shares outstanding in the quarter, equal to 51,600,000 shares, including potential shares relating to the stock option plan resolved and granted on 31 January 2008. As at 31 December 2008, diluted earnings per share were equal to Euro 0.10486.

	31 December 2009	**31 December 2008**
Group net profit (in thousands of Euro)	4,885	5,411

Average number of outstanding ordinary shares (in x\x thousands of shares)	51,600	51,600
Diluted earnings per share (in Euro)	**0.0947**	**0.10486**

5. OTHER INFORMATION

Note 33 – Segment reporting

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

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

- DOS channel
- Wholesale channel

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

- a direct channel, which as at 31 December 2009, included 32 single-brand stores directly operated by the Group (the so-called "Directly Operated Stores" or "DOSs");
- an indirect channel ("Wholesale"), which is represented by multi-brand shops/department stores, single-brand shops run by third parties linked to the Group by franchise agreements and distributors who then resell the articles in specialist multi-brand shops.

As shown below, as at 31 December 2009, approximately 22.3% of the Group's consolidated revenues was realised through the direct channel, while 77.6% of consolidated revenues was realised through the indirect channel.

The table below illustrates the segment data of the Piquadro Group broken down by sales channel (DOSs and Wholesale), in relation to the nine months ended 31 December 2009 and 31 December 2008, 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 first nine months ended 31 December 2009, compared to the results recorded as at 31 December 2008, shows that margins are slightly lower, as a result of the opening of new shops with performance not yet in line with the management's expectations, even if counterbalanced by a positive Same Store Sales Growth (SSSG) figure reported in the period equal to 2.2%.

There was a slight percentage decrease in margins as regards the performance of the wholesale channel in the first nine months ended 31 December 2009, compared with the results recorded as at 31 December 2008, mainly attributable to the fall in the segment's turnover and the consequent negative operating leverage effect.

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

(*in thousands of Euro*)	**31 December 2009 (April-December)**				**31 December 2008 (April-December)**				
	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	**8,250**	**28,688**	**36,938**	**100%**	**5,902**	**31,002**	**36,904**	**100.00%**	**0.09%**
Segment result before	1,177	8,550	9,727	26.33%	1,000	9,446	10,446	28.31%	(6.88%)

amortisation and depreciation					
Amortisation and depreciation	(1,485)	(4.02%)	(1,300)	(3.53%)	14.23%
Financial income and charges	(551)	(1.49%)	(667)	(1.81%)	(17.39%)
Pre-tax result	**7,691**	**20.82%**	**8,479**	**22.97%**	**(9.29%)**
Income taxes	(2,837)	(7.68%)	(3,087)	(8.36%)	(8.1%)
Profit for the period	**4,854**	**13.14%**	**5,392**	**14.61%**	**(9.98%)**
Result attributable to minority interests	(31)	0.08%	(19)	0.05%	63.16%
Group net profit	**4,885**	**13.22%**	**5,411**	**14.66%**	**(9.72%)**

Note 34 – Commitments

As at 31 December 2009, the Group had not executed contractual commitments that would entail significant investments in property, plant and equipment and intangible assets in the 2009/2010 financial year.

Note 35 – Relations with related parties

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

During the first nine months of the 2009/2010 financial year, Piqubo S.p.A., the ultimate parent company, charged Piquadro the rent (whose amounts are reported in the table below) relating to the use of the plant located in Riola di Vergato (Province of Bologna) as a warehouse.
The table below reports the breakdown of the economic and financial relations with these related companies in the first nine months of the 2009/2010 and 2008/2009 financial year:

	Costs	
(in thousands of Euro)	**31 December 2009**	**31 December 2008**
Costs for rents due to Piqubo S.p.A.	23	18
Total costs towards controlling companies	**23**	**18**

In the early months of the 2009/2010 and 2008/2009 financial years, no economic transactions occurred with the majority Shareholder, Piquadro Holding SpA.

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

- during the first nine months of the 2009/2010 financial year, Piquadro SpA distributed dividends of Euro 2,091,169, relating to the profit for the 2008/2009 financial year, to the majority shareholder Piquadro Holding S.p.A.;
- during the first nine months of the 2008/2009 financial year, Piquadro SpA distributed dividends of Euro 2,015,000, relating to the profit for the 2007/2008 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 nine months of the 2009/2010 financial year, for the performance of their duties in the Parent Company and other Group companies, and the fees accrued by any executives with strategic responsibilities (as at 31 December 2009, Directors had not identified executives with strategic responsibilities):

First and last Name	Position held	Period in which the position was held	Term of office	Fees in Piquadro (in thousands of Euro)	Pays for subordinate employment	**Total**
Marco Palmieri	Chairman and CEO	01/04/09-31/12/09	31/03/2010	300	-	300
Pierpaolo Palmieri	Managing Director	01/04/09-31/12/09	31/03/2010	150	-	150
Marcello Piccioli	Managing Director	01/04/09-31/12/09	31/03/2010	181	-	181
Roberto Trotta*	Managing Director	01/04/09-31/12/09	31/03/2010	-	97.5	97.5
Roberto Tunioli	Director	01/04/09-31/12/09	31/03/2010	19	-	19
Gianni Lorenzoni	Director	01/04/09-31/12/09	31/03/2010	19	-	19
Sergio Marchese	Director	01/04/09-31/12/09	31/03/2010	6	-	6
				675	**97.5**	**772.5**

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

Note 37 – Events after the period end

Within the framework of its development and distribution mix plan mainly in the Far East region, the Group opened, subsequent to 31 December 2009, 2 new DOSs (Hong Kong – I Square and Hong Kong – Pacific Place Seibu) in October and 1 new franchise shop in Moscow.
On 12 January 2010 the Company announced the agreement with Studio Osti for the production of the new line of technical-city clothing – for the 2010 Autumn/Winter collection – presented on the occasion of the 77th edition of Pitti Immagine Uomo. The agreement with Studio Osti, which was founded in Bologna in the '70s by the fashion designer Massimo Osti, i.e. the designer who has invented the 'casual high tech' clothing and has created the brands C.P. Company and Stone Island, and the presentation of the new collection represent a new important step in the corporate strategy for the gradual differentiation of the product on the part of Piquadro, which have also been followed by the presentation of the first collection of Piquadro-branded watches.

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

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

1) The undersigned Marco Palmieri, in his capacity as Chief Executive Officer, and Roberto Trotta, in his capacity as Manager responsible for the preparation of corporate accounting documents of Piquadro S.p.A., certify, also taking account of the provisions under Article 154-*bis*, paragraphs 3 and 4, of Legislative Decree no. 58 of 24 February 1998:
   • adequacy in relation to the characteristics of the Company and
   • actual application of administrative and accounting procedures for the preparation of the consolidated financial statements in the course of the period April 2009-December 2009.

2) The evaluation of the adequacy of administrative and accounting procedures for the preparation of the condensed consolidated interim financial statements as at 31 December 2009 has been based on a process defined by Piquadro S.p.A. consistently with the Internal Control – Integrated Framework model issued by the Committee of Sponsoring Organisations of the Treadway Commission which represents a reference framework generally accepted at international level.

3) It is also certified that:

   3.1 the condensed consolidated interim financial statements as at 31 December 2009:

   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 nine months of the financial year and of their impact on the condensed consolidated interim financial statements, together with a description of the main risks and uncertainties for the remaining three 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) 11 February 2010

/F/ Marco Palmieri
Chief Executive Officer

Marco Palmieri

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