# INTERIM FINANCIAL REPORT OF THE PIQUADRO GROUP
# AS AT 31 DECEMBER 2011

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

**Corporate details**

Piquadro S.p.A

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

Authorised share capital: Euro 1,050,000

Subscribed and paid-up share capital: Euro 1,000,000

Bologna Register of Companies, Fiscal Code and VAT no. 02554531208

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

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

| | |
|---|---|
| Beijing - Surprise Outlet (Piquadro Shenzhen) | *Retail outlet* |
| Beijing - Season Place (Piquadro Shenzhen) | *Point of sale* |
| Rimini - Shopping Centre “Le Befane” (Piquadro S.p.A.) | *Point of sale* |
| Madrid - Calle Goya (Piquadro España) | *Point of sale* |
| Barcelona - Shopping Centre “Las Arenas” (Piquadro España) | *Point of sale* |
| San Sebastian (Spain) - Outlet Center (Piquadro España) | *Retail outlet* |
| Tianjin (China) - Florentia Village (Piquadro Shenzhen) | *Point of sale* |
| Hong Kong – Elements Shopping mall (Piquadro Hong Kong Ltd) | *Point of sale* |
| Mestre (VE) – Auchan Shopping mall (Piquadro S.p.A) | *Point of sale* |
| Hong Kong - Times Square (Piquadro Hong Kong Ltd) | *Point of sale* |
| Milan – Corso Buenos Aires 10 (Piquadro S.p.A) | *Point of sale* |
| Hong Kong – Queen’s Road Central 57 (Piquadro Hong Kong Ltd) | *Point of sale* |
| Roermond (Holland) – Outlet Center (Piquadro BV) | *Retail outlet* |
| Shanghai – Jiu Guang Dept. Store (Piquadro Shenzhen) | *Point of sale* |
| Suzhou – Jiu Guang Dept. Store (Piquadro Shenzhen) | *Point of sale* |
| Assago (MI) – Shopping Centre “Milanofiori” (Piquadro S.p.A) | *Point of sale* |

**REPORT ON OPERATIONS**
**AS AT 31 DECEMBER 2011**

**Introduction**

The consolidated interim financial report as at 31 December 2011 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 2011. 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.

## CORPORATE BODIES HOLDING OFFICE AT 31 DECEMBER 2011

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

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

- **INTERNAL AUDIT AND REMUNERATION COMMITTEE**
  (holding office for three years until the date of the Shareholders' Meeting called to approve the financial statements as at 31 March 2013)

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

- **LEAD INDEPENDENT DIRECTOR**
  Gianni Lorenzoni

- **BOARD OF STATUTORY AUDITORS**
  (holding office for three years until the approval of the financial statements as at 31 March 2013)

**Regular members**

| | |
|---|---|
| Pietro Michele Villa | *Chairman* |
| Alessandro Galli | |
| Vittorio Melchionda | |

**Substitute members**
Matteo Rossi
Giacomo Passaniti

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

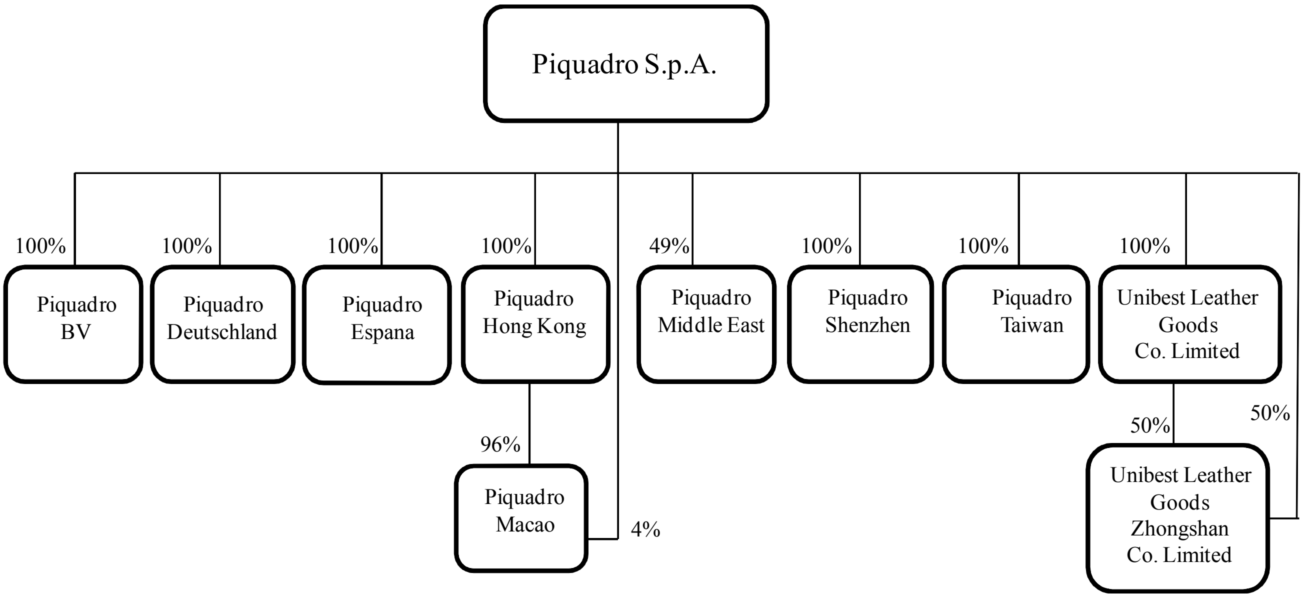
  PricewaterhouseCoopers S.p.A.

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

- **SUPERVISORY BOARD**
  Mario Panzeri

## THE GROUP STRUCTURE

The chart below shows the structure of the Piquadro Group as at 31 December 2011:




## INFORMATION ON OPERATIONS

**Significant events for the nine months ended 31 December 2011**

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

**The Group's business**

**Operations**

In the first nine months of the 2011/2012 financial year ended 31 December 2011, the Group reported, at the revenue level, growing performance compared to the same period in the 2010/2011 financial year, although down compared to the value posted in the first six months of the financial year.

In the first nine months of the financial year ended 31 December 2011, the Piquadro Group reported net sales revenues equal to Euro 46.2 million, showing an increase equal to about 5.1% compared to the same period in the 2010/2011 financial year (net sales revenues equal to Euro 43.9 million). In the first nine months ended 31 December 2011 sales volumes, in terms of quantities sold in the relevant period, showed an increase of about 1.2% compared to the same period in the 2010/2011 financial year. The product families that recorded the most significant increase in terms of sales revenues were those of briefcases (about +24.0%) and of small leather goods (about +7.8%).

In the first nine months of the financial year ended 31 December 2011, the Piquadro Group reported average selling prices showing an increase of about 3.2% compared to the same period in the year 2010/2011 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 2011, the Piquadro Group reported, in terms of profitability, EBITDA[1] equal to Euro 10.5 million (equal to 22.8% of net sales revenues), down by about 10.7% compared to the value recorded in the same period of the 2010/2011 financial year (Euro 11.8 million, equal to 26.8% of net sales revenues).

In consideration of the fact that in the first nine months of the previous financial year the performance (at EBITDA level) was positively affected by the sum of Euro 300 thousand obtained as goodwill for the assignment of the lease agreement relating to the Frankfurt shop, the decrease in EBITDA in the first nine months as at 31 December 2011, net of this effect, is equal to about 8.4% (Euro 10.5 million as at 31 December 2011 against Euro 11.5 million as at 31 December 2010).

The Group's EBIT[2] came to about Euro 8.9 million (19.2% of net sales revenues), down by about 15.1% compared to the first nine months of the financial year ended 31 December 2010 (Euro 10.4 million, equal to 23.7% of net sales revenues).

In consideration of the fact that in the first nine months of the previous financial year the performance (at EBIT level) was positively affected by the sum of Euro 300 thousand obtained as goodwill for the assignment of the lease agreement relating to the Frankfurt shop, the decrease in EBIT in the first nine months as at 31 December 2011, net of this effect, is equal to about 12.6% (Euro 8.9 million as at 31 December 2011 against Euro 10.1 million as at 31 December 2010). Furthermore, the Group's EBIT reported as at 31 December 2011 was adversely affected by Euro 137 thousand by the write-down of furniture and fittings of direct shops closed in the 2011/2012 financial year.

As at 31 December 2011 the Group net profit was equal to Euro 5.9 million, down by about 8.5% compared to the same period ended 31 December 2010 (net profit of Euro 6.5 million).
In consideration of the fact that in the first nine months of the previous financial year the performance (at net profit level) was positively affected by the sum of Euro 300 thousand obtained as goodwill for the assignment of the lease agreement relating to the Frankfurt shop, the decrease in net profit in the first nine months as at 31 December 2011, net of this effect, is equal to about 4.1% (Euro 5.9 million as at 31 December 2011 against Euro 6.2 million as at 31 December 2010).

**Net sales revenues**

As at 31 December 2011 the Piquadro Group recorded net sales revenues equal to about Euro 46.2 thousand, up by about 5.1% compared to 31 December 2010. Below is reported the breakdown of revenues by distribution channel and geographical area:

*Breakdown of revenues by distribution channel*

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

(i) a direct channel which, as at 31 December 2011, included 52 directly operated single-brand stores (the so-called "Directly Operated Stores" or "DOS");

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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.

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

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

| **Sales channel** *(in thousands of Euro)* | **Net revenues as at 31 December 2011** | **%** | **Net revenues as at 31 December 2010** | **%** | **% change 2011/2010** |
|---|---|---|---|---|---|
| DOS | 12,988 | 28.1% | 10,629 | 24.2% | 22.2% |
| Wholesale | 33,224 | 71.9% | 33,356 | 75.8% | -0.4% |
| **Total** | **46,212** | **100.0%** | **43,985** | **100.0%** | **5.1%** |

The revenues reported by the DOS channel showed an increase of about 22.2% compared to the same period in the 2010/2011 financial year; this increase was determined by both the marginal increase in the quantities sold in the already existing shops also in the first nine months ended 31 December 2010 ("*negozi comparabili*") ("comparable shops") and the contribution given by the opening of 17 new shops (4 in Italy, 5 in Europe and 8 in Asia) that were not present as at 31 December 2010, and that are listed below:

| **Month of opening** | **Location** | **Channel** |
|---|---|---|
| January 2011 | Beijing (China) – Season Place | DOS |
| January 2011 | Beijing (China) – Surprise Outlet | DOS Outlet Store |
| February 2011 | Rimini - "Le Befane" Shopping Mall | DOS |
| March 2011 | Madrid (Spain), Calle Goya | DOS |
| March 2011 | Barcelona (Spain), "Las Arenas" | DOS |
| April 2011 | San Sebastian (Spain)- Outlet Center | DOS Outlet Store |
| April 2011 | Madrid – Tres Aguas | DOS |
| June 2011 | Hong Kong – Elements Shopping mall | DOS |
| June 2011 | Mestre (VE) – Auchan Shopping mall | DOS |
| June 2011 | Tianjin (China) - Florentia Village | DOS Outlet Store |
| June 2011 | Hong Kong - Times Square | DOS |
| September 2011 | Milan – Corso Buenos Aires 10 | DOS |
| September 2011 | Hong Kong – Queen's Road Central 57 | DOS |
| September 2011 | Shanghai (China) – Jiu Guang Dept. Store | DOS |
| September 2011 | Suzhou (China) – Jiu Guang Dept. Store | DOS |
| December 2011 | Assago (MI) – "Milanofiori" Shopping Mall | DOS |
| December 2011 | Roermond (Holland) – Outlet Center | DOS Outlet Store |

The Same Store Sales Growth (SSSG), which is calculated as a world average of growth rates of the revenues recorded by the DOS existing at 1 April 2010, was positive and equal to 6.8% at current rates of exchange (8.7% assuming an equal number of days of opening and constant rates of exchange).

Sales reported by the Wholesale channel, which as at 31 December 2011 represented 71.9% of the Group's total turnover, showed a slight decrease of 0.4%, as they also benefitted, compared to the same period in the 2010/2011 financial year, from the opening of 6 additional franchise shops, of which 2 in Italy and 3 in Europe and 1 in Canada, as listed below (as at 31 December 2011 there were 55 franchise shops, of which 34 in Italy, 20 in Europe and 1 in Canada):

| **Month of opening** | **Location** | **Channel** |
|---|---|---|
| January 2011 | Toronto (Canada), Bay Street | Franchising (Wholesale) |
| March 2011 | Moscow (Russia), The Mall Presneskaia nab. | Franchising (Wholesale) |
| March 2011 | Moscow (Russia), TC "Kapitoly" | Franchising (Wholesale) |
| June 2011 | Orio al Serio (BG), Shopping Mall "Orio Center" | Franchising (Wholesale) |
| July 2011 | Stezzano (BG), Shopping Mall "Le Due Torri" | Franchising (Wholesale) |

| | | |
|---|---|---|
| September 2011 | Moscow (Russia), TC “Vegas” | 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 2011** | **%** | **Net revenues as at 31 December 2010** | **%** | **% change 2011/2010** |
|---|---|---|---|---|---|
| Italy | 35,044 | 75.8% | 33,328 | 75.8% | 5.1% |
| Europe | 7,357 | 15.9% | 7,042 | 16.0% | 4.5% |
| Rest of the world | 3,811 | 8.2% | 3,615 | 8.2% | 5.4% |
| **Total** | **46,212** | **100.00** | **43,985** | **100.00** | **5.1%** |

As at 31 December 2011, the Group’s revenues showed that the Italian market accounts for a percentage of the Group’s total turnover which is still very high (equal to about 75.8%), up by about 5.1% compared to the same period in the 2010/2011, also benefiting from the opening of 4 new DOS, (Rimini - “Le Befane” Shopping Mall, Mestre (VE) – Auchan Shopping mall, Milan – Corso Buenos Aires 10 and Assago (MI) – “Milanofiori” Shopping Mall) and 2 franchise shops (Orio al Serio (BG) - Shopping Mall "Orio Center" and Stezzano (BG), Shopping Mall “Le Due Torri”).

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 7,357 thousand, equal to about 15.9% of consolidated sales (+4.5% compared to Euro 7,042 thousand for the first nine months of the 2010/2011 financial year). The most significant growths in the turnover were recorded in countries such as The Netherlands (+51.3%), Germany (+9.5%) and Russia (+2%). In the European region, the Group has opened 5 new DOS shops (4 in Spain and 1 in Holland) and 3 new franchise shops in Moscow (Russia).

In the non-European geographical area (named “Rest of the world”), where the Group sells in 16 Countries, turnover rose by about 5.4%. The higher rises were recorded in Hong Kong (+7.7%), which also benefited from the opening of 3 new DOS, in China (+40.5%) which also benefited from the opening of 5 new DOS and in Taiwan (+37.7%).

Against increase in sales revenues, the first nine months ended 31 December 2011 saw a decrease in EBITDA, net of the non-recurring income relating to the sale of the Frankfurt shop in the first nine months of the previous period, equal to about 8.4% compared to the same value posted as at 31 December 2010 and the operating results down by 12.6% compared to the same period of the 2010 financial year (from Euro 10.1 million - equal to about 23.1% of total sales revenues - in the first nine months ended 31 December 2010, net of the non-recurring income, to Euro 8.9 million in the first nine months ended 31 December 2011 – equal to about 19.2% of total sales revenues).

In the opinion of the management, the decrease in operating result, net of non-recurring income, in the first nine months of the 2011/2012 financial year was also attributable to the following factors:

- as regards the DOS segment, the positive performance of the SSSG value in the first nine months was offset by the lower operational performance of the new openings of points of sale concentrated in Europe and Asia;
- as regards the wholesale channel, the lower operational performance was attributable both to the decrease in revenues equal to about 9.4% and to the increase in general structure costs to better meet the growing requirements of the developing markets and of the more structured organization of the Group.

**Summary economic-financial data**

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

| **Economic and financial indicators** *(in thousands of Euro)* | **31December 2011** | **31December 2010** |
|---|---|---|
| Revenues from sales | 46,212 | 43,985 |
| EBITDA | 10,527 | 11,788 |
| EBIT | 8,864 | 10,440 |
| Pre-tax result | 9,019 | 10,165 |
| Group's profit for the period | 5,970 | 6,523 |
| Amortisation and depreciation of fixed assets and write-downs | 1,865 | 1,398 |
| Financial absorption (Group net profit, amortisation and depreciation, write-downs) | 7,835 | 7,921 |

| **Financial indicators** *(in thousands of Euro)* | **As at 31 December 2011** | **As at 31 December 2010** |
|---|---|---|
| Net Financial Position[3] | (11,588) | (9,266) |
| Shareholders' equity | (27,004) | (23,356) |

EBITDA for the period came to Euro 10.5 million, against Euro 11.8 million recorded in the same period ended 31 December 2010 and as at 31 December 2011 it represented 22.8% of consolidated revenues (against 26.8% recorded in the first nine months ended 31 December 2010).

As at 31 December 2011, the Group's amortisation and depreciation and write-downs were equal respectively to Euro 1,526 thousand and Euro 137 thousand.
Amortisation and depreciation were broken down as follows: Euro 1,237 thousand related to property, plant and equipment (mainly connected to the depreciation of the building where the Company operates for Euro 147 thousand; plant and equipment, including automated warehouse, for Euro 219 thousand, of business equipment and fittings for shops equal to Euro 862 thousand, other assets for Euro 9 thousand), and Euro 289 thousand relating to intangible assets (of which Euro 4 thousand for software and patent rights, Euro 74 thousand for key money paid for the opening of new shops, Euro 173 thousand for concessions, licenses and trademarks and Euro 38 thousand relating to development costs).
Write-downs, equal to Euro 137 thousand, relate to furniture and fittings concerning the closure of some shops operating in Europe, in the Far East area and in China.

As at 31 December 2011 EBIT came to Euro 8.9 million, equal to about 19.2% of net sales revenues, down by about 1,500 basis points compared to the value recorded as at 31 December 2010 (for a percentage equal to 23.7%).

The result from financial operations as at 31 December 2011 was positive for a value equal to about Euro 155 thousand and 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 2011 came to about Euro 9.0 million (down by 11.3% against the value of Euro 10.2 million recorded in the nine months ended 31 December 2010), and was affected by income taxes, including the effects of deferred taxation, equal to Euro 3.0 million.

**Investments**

[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.

Investments in intangible assets, property, plant and equipment and financial assets in the nine months ended 31 December 2011 and 31 December 2010 are reported below:

| *( in thousands of Euro)* | **31 December 2011** | **31 December 2010** |
|---|---|---|
| **Investments** | | |
| Intangible assets | 1,204 | 443 |
| Property, plant and equipment | 1,884 | 1,330 |
| Financial fixed assets | - | - |
| **Total** | **3,088** | **1,773** |

As at 31 December 2011, increases in intangible assets mainly related to trademarks for Euro 80 thousand, software investments for Euro 178 thousand, patent rights for Euro 6 thousand, the Key money paid by Piquadro S.p.A for the opening of new points of sale in Milan in Corso Buenos Aires and in Assago (Milano Fiori) for Euro 940 thousand.

On the contrary, increases in property, plant and equipment, were mainly attributable to fittings purchased for new DOS opened in the period under consideration and to the refurbishment of some existing shops for Euro 1,633 thousand, to purchases of electric and electronic office machines for Euro 171 thousand, to the purchases of moulds relating to new products for Euro 42 thousand and to the purchase of equipment for Euro 38 thousand.

## CONSOLIDATED BALANCE SHEET

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

| *(in thousands of Euro)* | **31 December 2011** | **31 March 2011** | **331 December 2010** |
|---|---|---|---|
| Trade receivables | 28,620 | 21,418 | 26,405 |
| Inventories | 14,835 | 10,104 | 12,423 |
| (Trade payables) | (17,434) | (13,301) | (16,607) |
| *Total net current trade assets* | *26,021* | *18,221* | *22,221* |
| Other current assets | 2,696 | 2,526 | 1,936 |
| (Other current liabilities) | (3,184) | (3,925) | (1,708) |
| (Tax payables) | (1,924) | (736) | (2,549) |
| ***A) Working capital*** | ***23,609*** | ***16,086*** | ***19,900*** |
| Intangible assets | 1,685 | 790 | 813 |
| Property, plant and equipment | 12,540 | 12,064 | 11,671 |
| Receivables from others beyond 12 months | 957 | 872 | 626 |
| Deferred tax assets | 1,367 | 1,349 | 1,210 |
| ***B) Fixed assets*** | ***16,549*** | ***15,075*** | ***14,320*** |
| ***C) Non-current provisions and non-financial liabilities*** | ***(1,566)*** | ***(1,580)*** | ***(1,598)*** |
| **Net invested capital (A+B+C)** | **38,592** | **29,581** | **32,622** |
| FINANCED BY: | | | |
| *D) Net financial debt* | *11,588* | *3,678* | *(9,266)* |
| *E) Equity attributable to Minority interests* | - | - | - |
| *F) Equity attributable to the Group* | *27,004* | *25,903* | *(23,356)* |
| **Total borrowings and Shareholders' Equity (D+E+F)** | **38,592** | **29,581** | **(32,622)** |

## 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 2011** | **31 March 2011** | **31 December 2010** |
|---|---|---|---|
| (A) Cash | 161 | 110 | 89 |
| (B) Other cash and cash equivalents (available current bank accounts) | 6,310 | 10,617 | 8,273 |
| **(C) Liquidity (A) + (B)** | **6,471** | **10,727** | **8,362** |
| (D) Finance leases | (791) | (865) | (896) |
| (E) Current bank debt | (6,595) | - | (5,667) |
| (F) Current portion of non-current debt | (3,758) | (3,805) | - |
| **(G) Current financial debt (D) + (E) + (F)** | **(11,144)** | **(4,670)** | **(6,563)** |
| **(H) Short-term net financial position (C) + (G)** | **(4,673)** | **6,057** | **1,799** |
| (I) Non-current bank debt | (3,088) | (5,266) | (6,482) |
| (L) Finance leases | (3,827) | (4,469) | (4,583) |
| **(M) Non-current financial debt (I) + (L)** | **(6,915)** | **(9,735)** | **(11,065)** |
| **(N) Net financial debt (H) + (M)** | **(11,588)** | **(3,678)** | **(9,266)** |

As at 31 December 2011 the consolidated Net Financial Position was negative for about Euro 11.6 million. The negative change compared to 31 March 2011 for Euro 7.9 million was mainly due to the different seasonality trends, as well as to the payment of the dividend of Euro 5 million paid out in July 2011.

The change compared to 31 December 2010 posted a negative value of Euro 2.3 million, and was mainly attributable to the following factors:

- higher dividends paid out compared to the previous period (a dividend of Euro 4 million paid in 2010 compared to a dividend of Euro 5 million paid in 2011);
- the performance of the net current assets as a result of the increase in inventories and trade receivables;
- higher investments compared to the same period of the 2012/2011 financial years for about Euro 1.3 million.

## OTHER INFORMATION

### Human Resources

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

As at 31 December 2011 the Group had 803 members of staff compared to 660 units as at 31 December 2010. Below is reported the breakdown of staff by country:

| **Country** | **31 December 2011** | **31 December 2010** |
|---|---|---|
| Italy | 210 | 169 |
| China | 517 | 409 |
| Hong Kong | 35 | 43 |
| Macau | 2 | 6 |

| | | |
|---|---|---|
| Germany | 4 | 6 |
| Spain | 18 | 11 |
| UAE | 5 | 4 |
| Taiwan | 12 | 12 |
| **Total** | **803** | **660** |

With reference to the Group's organisational structure, as at 31 December 2011 49.7% of staff operated in the production area, 25.9% in the retail area, 16.4% in the support functions (Administration, IT Systems, Purchasing, Quality, Human Resources, etc.), 6.0% in the Research and Development area and 2.0% in the sales area.

**Research and development activity**

The Piquadro Group's Research and Development activity is carried out by the Parent Company in house through a dedicated team that currently consists of 14 persons mainly engaged in the product research and development department and the style office at the head office of the Company. Furthermore, the plants of the Chinese subsidiary employ a team of 34 people dedicated to prototyping and the implementation of new models according to the instructions defined by the central organisation. Products are conceived within the Group and occasionally in collaboration with outside industrial designers, taking account of the information regarding market trends supplied by the Group's internal departments (Product Management and sales departments). In this manner, the Group develops its collections trying to meet the needs of end customers that are not yet satisfied by the market. The internal unit dedicated to the design of products manages operating activities and also coordinates the external consultants of which the Company makes use. In some cases, in fact, the Group only uses external designers for the product design phase, while the development and implementation phase is in any case carried out in house. The Piquadro Group, for the projects which meet the requirements required by IAS 38, has capitalised, over the years, the development costs, relating to some new product lines put onto the market on a continuing basis, which generated turnover in the financial year after that in which they were designed as prototypes; these costs are amortised on the basis of the residual useful life of the product which is estimated by the management at four years. As at 31 December 2011, the net value of the assets relating to the new continuous product lines are equal to Euro 13 thousand.

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

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

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

that is functional to the auditing of annual and interim accounts of Piquadro itself.

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

The Company is not subject to direction and coordination activities pursuant to Article 2497 and ff. of the Italian Civil Code. In fact, although under Article 2497-sexies of the Italian Civil Code "it is presumed, unless there is evidence to the contrary, that the activity of direction and coordination of companies is carried out by the company or entity that is required to consolidate their financial statements or that controls them in any way pursuant to Article 2359", neither Piqubo S.p.A nor Piquadro Holding S.p.A, 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 S.p.A, in its turn, also carries out direction and coordination activities in relation to the companies it controls, pursuant to Articles 2497 and ff. of the Italian Civil Code.

**Significant events after the half-year**

No significant events are reported which occurred at Group level from 1 January 2012 to the date of this Report.

**Outlook**

The performance recorded in the first nine months of the financial year shows again the excellent profitability of the Group despite reflecting a number of trends which are not exactly positive that occurred in the third quarter of the year. In particular, the performance of wholesale turnover has negatively affected the profitability of the last quarter, above all in Italy where the multi-brand clients of Piquadro have been those hardest hit by the credit crunch and where a total fall of around 11.7% has been recorded. The changed economic situation has obviously impacted the sales of direct stores which, however, while not maintaining the growths achieved in the first six months of the financial year, reported in any case a positive quarter. In this context the Group is increasingly committed to developing the brand internationally, paying particular attention to the strategic areas of the Far East and East Europe where the economic conditions for development have a different pace compared to the domestic market, through both the development of the network of single-brand, DOS and franchise shops and of the travel retail sector and finally through a more structured and dynamic wholesale distribution sector. The expectations for the full financial year, which will end on 31 March 2012 are linked to the results of the domestic market and to the confirmation of the growth dynamics of the international markets.
On the basis of current indications from the market the management expects that the Group will be able to confirm a growth in the turnover generated by the DOS channel mainly as a result of new openings (including those opened in the course of the previous financial year), and to reduce the repercussions recorded in the third quarter in relation to the wholesale channel also as a result of better economic prospects.
In this context, the management is always constantly committed to monitoring and exploiting all the recovery dynamics (if any), to carefully control costs with the objective of maintaining above-average profit margins in the relevant sector that can allow it to undertake such greater commitments in research and development activities and commitments to marketing as to further develop awareness of the Piquadro brand all over the world.

Silla di Gaggio Montano (BO), 9 February 2012

FOR THE BOARD OF DIRECTORS
THE CHAIRMAN
(Marco Palmieri)

**CONSOLIDATED CONDENSED QUARTERLY FINANCIAL STATEMENTS**
**AS AT 31 DECEMBER 2011**

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| *(in thousands of Euro)* | **Notes** | **31 December 2011** | **31 March 2011** |
|---|---|---|---|
| **ASSETS** | | | |
| **NON-CURRENT ASSETS** | | | |
| Intangible assets | (1) | 1,685 | 790 |
| Property, plant and equipment | (2) | 12,540 | 12,064 |
| Receivables from others | (3) | 957 | 872 |
| Deferred tax assets | (4) | 1,367 | 1,349 |
| **TOTAL NON-CURRENT ASSETS** | | **16,549** | **15,075** |
| **CURRENT ASSETS** | | | |
| Inventories | (5) | 14,835 | 10,104 |
| Trade receivables | (6) | 28,620 | 21,418 |
| Other current assets | (7) | 2,696 | 2,526 |
| Derivative assets | (8) | - | - |
| Cash and cash equivalents | (9) | 6,471 | 10,727 |
| **TOTAL CURRENT ASSETS** | | **52,622** | **44,775** |
| **TOTAL ASSETS** | | **69,171** | **59,850** |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| *(in thousands of Euro)* | **Notes** | **31 December 2011** | **31 March 2011** |
|---|---|---|---|
| **LIABILITIES** | | | |
| **EQUITY** | | | |
| Share capital | | 1,000 | 1,000 |
| Share premium reserve | | 1,000 | 1,000 |
| Other reserves | | 535 | 404 |
| Retained earnings | | 18,499 | 14,402 |
| Group profit for the period | | 5,970 | 9,097 |
| **TOTAL EQUITY ATTRIBUTABLE TO THE GROUP** | | **27,004** | **25,903** |
| Capital and Reserves attributable to minority interests | | - | - |
| Profit/(loss) for the period attributable to minority interests | | - | - |
| **TOTAL EQUITY ATTRIBUTABLE TO MINORITY INTERESTS** | | **-** | **-** |
| **EQUITY** | (10) | **27,004** | **25,903** |
| | | | |
| **NON-CURRENT LIABILITIES** | | | |
| Borrowings | (11) | 3,088 | 5,266 |
| Payables to other lenders for lease agreements | (12) | 3,827 | 4,469 |
| Provision for employee benefits | (13) | 225 | 258 |
| Provisions for risks and charges | (14) | 900 | 852 |
| Deferred tax liabilities | (15) | 441 | 470 |
| **TOTAL NON-CURRENT LIABILITIES** | | **8,481** | **11,315** |
| | | | |
| **CURRENT LIABILITIES** | | | |
| Borrowings | (16) | 10,353 | 3,805 |
| Payables to other lenders for lease agreements | (17) | 791 | 865 |
| Derivative liabilities | (18) | 2 | 38 |
| Trade payables | (19) | 17,434 | 13,301 |
| Other current liabilities | (20) | 3,182 | 3,887 |
| Current income tax liabilities | (21) | 1,924 | 736 |
| **TOTAL CURRENT LIABILITIES** | | **33,686** | **22,632** |
| **TOTAL LIABILITIES** | | **42,167** | **33,947** |
| **TOTAL EQUITY AND LIABILITIES** | | **69,171** | **59,850** |

## CONSOLIDATED INCOME STATEMENT

| *(in thousands of Euro)* | Notes | 31 December 2011 | 31 December 2010 |
|---|---|---|---|
| **REVENUES** | | | |
| Revenues from sales | (22) | 46,212 | 43,985 |
| Other income | (23) | 483 | 868 |
| - *of which impact of non-recurring items* | | - | *300* |
| **TOTAL REVENUES (A)** | | **46,695** | **44,853** |
| **OPERATING COSTS** | | | |
| Change in inventories | (24) | (4,390) | (4,625) |
| Costs for purchases | (25) | 10,314 | 10,334 |
| Costs for services and leases and rentals | (26) | 21,390 | 19,783 |
| Personnel costs | (27) | 8,475 | 7,427 |
| Amortisation, depreciation and write-downs | (28) | 1,865 | 1,398 |
| Other operating costs | | 177 | 96 |
| **TOTAL OPERATING COSTS (B)** | | **37,831** | **34,413** |
| **OPERATING PROFIT (A-B)** | | **8,864** | **10,440** |
| - *of which impact of non-recurring items* | | - | *300* |
| Financial income | (29) | 1,235 | 93 |
| Financial charges | (30) | (1,080) | (368) |
| **TOTAL FINANCIAL INCOME AND CHARGES** | | **155** | **(275)** |
| **PRE-TAX RESULT** | | **9,019** | **10,165** |
| Income tax expenses | (31) | (3,049) | (3,642) |
| **PROFIT FOR THE PERIOD** | | **5,970** | **6,523** |
| attributable to: | | | |
| EQUITY HOLDERS OF THE COMPANY | | 5,970 | 6,523 |
| MINORITY INTERESTS | | | - |
| (Basic) Earnings per share in Euro | (32) | 0.1194 | 0.1304 |
| (Diluted) Earnings per share in Euro | (32) | 0.1157 | 0.1264 |

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | 31 December 2011 | 31 December 2010 |
|---|---|---|
| **Profit (Loss) for the period (A)** | **5,970** | **6,523** |
| Profit/(Losses) arising from the translation of financial statements of foreign companies | 83 | (10) |
| Effect of IAS 39 fair value of derivative contracts | 17 | 118 |
| **Total other profits/(losses) not recognised in the income statement (B)** | **100** | **108** |
| **Total comprehensive income/(losses) (A) + (B)** | **6,070** | **6,631** |
| Attributable to | | |
| - the Group | 6,070 | 6,631 |
| - Minority interests | - | - |

## STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

*(in thousands of Euro)*

| Description | Share capital | Share premium reserve | Other reserves: Translation reserve | Other reserves: Fair value reserve | Other reserves: Other reserves | Other reserves: Total Other reserves | Undivided profit | Group profit | Equity attributable to the Group | Capital and reserves attributable to minority interests | Profit/(Loss) attributable to minority interests | Equity attributable to the Group and to minority interests |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Balances as at 31.03.2010** | **1,000** | **1,000** | **(77)** | **12** | **549** | **484** | **11,159** | **7,243** | **20,886** | **201** | **(120)** | **20,967** |
| Profit for the period | | | | | | **0** | | 6,523 | **6,523** | | | **6,523** |
| Other components of the comprehensive income as at 31 December 2010: | | | | | | | | | | | | |
| Foreign exchange differences from translation | | | (10) | | | **(10)** | | | **(10)** | | | **(10)** |
| Fair value of financial instruments | | | | 118 | | **118** | | | **118** | | | **118** |
| **Total comprehensive income for the period** | | | **(10)** | **118** | **0** | **108** | **0** | **6,523** | **6,631** | **0** | **0** | **6,631** |
| Allocation of the result for the period as at 31 March 2010: | | | | | | | | | | | | |
| - to dividends | | | | | | **0** | | (4,000) | **(4,000)** | | | **(4,000)** |
| - to reserves | | | | | | **0** | 3,243 | (3,243) | **0** | (120) | 120 | **0** |
| Acquisition of Unibest Leather Goods Hong King | | | | | (182) | **(182)** | | | **(182)** | (81) | | **(263)** |
| Fair Value of the Stock Option Plan | | | | | 21 | **21** | | | **21** | | | **21** |
| **Balances as at 31.12.2010** | **1,000** | **1,000** | **(87)** | **130** | **388** | **431** | **14,402** | **6,523** | **23,356** | **0** | **0** | **23,356** |

| Description | Share capital | Share premium reserve | Other reserves: Translation reserve | Other reserves: Fair value reserve | Other reserves: Other reserves | Other reserves: Total Other reserves | Undivided profit | Group profit | Equity attributable to the Group | Capital and reserves attributable to minority interests | Profit/(Loss) attributable to minority interests | Equity attributable to the Group and to minority interests |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Balances as at 31.03.2011** | **1,000** | **1,000** | **12** | **(16)** | **408** | **404** | **14,402** | **9,097** | **25,903** | **0** | **0** | **25,903** |
| Profit for the period | | | | | | | | 5,970 | **5,970** | | | **5,970** |
| Other components of the comprehensive income as at 30 December 2011: | | | | | | | | | | | | |
| Foreign exchange differences from translation | | | 83 | | | **83** | | | **83** | | | **83** |
| Fair value of financial instruments | | | | 17 | | **17** | | | **17** | | | **17** |
| **Total comprehensive income for the period** | | | **83** | **17** | **0** | **100** | | **5,970** | **6,070** | | | **6,070** |
| Allocation of the result for the period as at 31 March 2011: | | | | | | | | | | | | |
| - to dividends | | | | | | | | (5,000) | **(5,000)** | | | **(5,000)** |
| - to reserves | | | | | | | 4,097 | (4097) | **0** | | | **0** |
| Fair Value of the Stock Option Plan | | | | | 31 | **31** | | | **31** | | | **31** |
| **Balances as at 31.12.11** | **1,000** | **1,000** | **95** | **1** | **439** | **535** | **18,499** | **5,970** | **27,004** | **0** | **0** | **27,004** |

## CONSOLIDATED STATEMENT OF CASH FLOWS

| *(in thousands of Euro)* | **31 December 2011** | **31December 2010** |
|---|---|---|
| **Pre-tax profit** | **9,019** | **10,165** |
| Adjustments for: | | |
| Depreciation of property, plant and equipment/Amortisation of intangible assets | 1,526 | 1,348 |
| Write-downs of property, plant and equipment/intangible assets | 137 | 0 |
| Provision for bad debts | 202 | 50 |
| Adjustment to the provision for employee benefits | (15) | (11) |
| Net financial charges/(income), including exchange rate differences | (155) | 275 |
| **Cash flow from operating activities before changes in working capital** | **10,714** | **11,827** |
| Change in trade receivables (net of the provision) | (7,202) | (6,150) |
| Change in inventories | (4,731) | (4,805) |
| Change in other current assets | (170) | (1,384) |
| Change in trade payables | 4,133 | (3,758) |
| Change in provisions for risks and charges | (14) | 178 |
| Change in other current liabilities | 483 | (964) |
| **Cash flow from operating activities after changes in working capital** | **3,213** | **2,460** |
| Payment of taxes | (1,129) | (1,093) |
| Interest paid | (275) | (321) |
| **Cash flow generated from operating activities (A)** | **1,809** | **1,046** |
| Investments in intangible assets | (1,204) | (184) |
| Investments in property, plant and equipment | (1,884) | (456) |
| Investments in fixed financial assets | | (164) |
| **Changes generated from investing activities (B)** | **(3,088)** | **(804)** |
| **Financing activities** | | |
| Change in long-term financial receivables | | |
| Registering of short- and medium/long-term borrowings | 5,000 | 3,694 |
| Repayment of short- and medium/long-term borrowings | (2,225) | |
| Changes in financial instruments | (36) | (174) |
| Lease instalments paid | (716) | (717) |
| Payment of dividends | (5,000) | (4,000) |
| **Cash flow generated from/(absorbed by) financing activities (C)** | **(2,977)** | **(1,197)** |
| Net increase (decrease) in cash and cash equivalents (A+B+C) | (4,256) | (955) |
| **Cash and cash equivalents at the beginning of the period** | **(10,727)** | **9,317** |
| **Cash and cash equivalents at the end of the period** | **(6,471)** | **8,362** |

**NOTES TO THE CONSOLIDATED CONDENSED FINANCIAL STATEMENTS**
**AS AT 31 DECEMBER 2011**

## 1. GENERAL INFORMATION

### 1.1 The Company and the Group

Piquadro S.p.A (hereinafter also referred to as "Piquadro", "the Company" or "the Parent Company") and its subsidiaries ("the Piquadro Group" or "the Group") design, produce and market leather goods - bags, suitcases and accessories - characterised by attention to design and functional and technical innovation.
As of today's date, the Company is owned by Marco Palmieri through Piqubo S.p.A, which is 100% owned. Piqubo S.p.A, in fact, holds 93.34% of the share capital of Piquadro Holding S.p.A, which in its turn holds, as at 31 December 2011, 68.37% of the share capital of Piquadro S.p.A., a company which is listed on the Milan Stock Exchange since 25 October 2007.
These consolidated condensed financial statements were approved by the Board of Directors on 9 February 2012.

### 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) about 71.2% (a percentage calculated on the basis of consolidated revenues of Euro 43,985 thousand as at 31 December 2010 compared to revenues of Euro 61,814 thousand as at 31 March 2011), with a consequent impact on margins.
Accordingly, it should be noted that, even if expressing the Group's economic and financial performance, the result as at 31 December 2011 does not fully represent the result that the Group expects to achieve in the financial year that will end on 31 March 2012.

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

### 2.1 Accounting standards and policies

These consolidated condensed quarterly financial statements as at 31 December 2011 were prepared pursuant to Article 154-ter of Legislative Decree no. 58/98 and in accordance with International Accounting Standards (IAS/IFRS) adopted by the European Union and in particular with the accounting standard applicable to interim financial reporting (IAS 34).
IAS 34 allows interim financial statements to be prepared in a "condensed" form, i.e. on the basis of minimum disclosures substantially less detailed than required by IFRS as a whole, provided that a complete set of financial statements prepared on the basis of IFRS has been previously made available to the public.
These consolidated condensed quarterly financial statements have been prepared in a "condensed" form and they must therefore be read together with the Group's consolidated financial statements ended 31 March 2011 prepared in accordance with IFRS adopted by the European Union, to which reference is made for a better understanding of the Group's business and structure and of the accounting standards and criteria adopted.
The preparation of interim financial statements in accordance with IAS 34 – Interim Financial Reporting requires judgments, estimates and assumptions that impact on assets, liabilities, costs and revenues. It should be noted that the final results may prove different from those obtained as a result of these estimates.

The Accounting statements of the statement of financial position, income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows are prepared in an extended form and are the same as those adopted for the consolidated financial statements ended 31 March 2011.

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

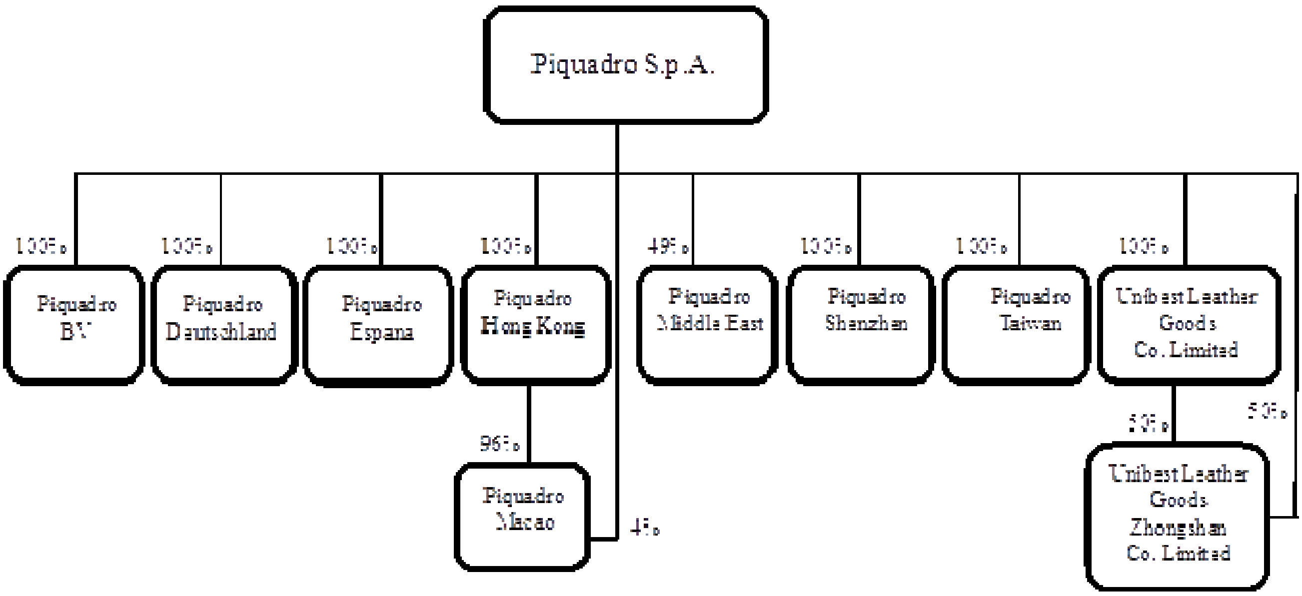
These consolidated interim financial statements are made up of the Statement of Financial Position, the Income Statement, the Statement of Comprehensive Income, the Statement of Cash Flows, the Statement of Changes in Equity and these Explanatory Notes. Economic data, changes in equity and cash flows for the first nine months of the financial year ended 31 December 2011 are compared with the first nine months ended 31 December 2010.

Financial data as at 31 December 2011 are compared with the corresponding values as at 31 March 2011 (relating to the last consolidated annual accounts).
For a better description, accounting data are reported in thousands of Euro in both the accounting statements and these Notes.
The reporting currency of these consolidated financial statements is the Euro, since this currency prevails in the economies of the countries where the Piquadro Group companies conduct their business.

Except as indicated above in the interim Report of operations and in the following Notes to the Financial Statements, the management believes that no other significant non-recurring events or transactions occurred either in the first nine months ended 31 December 2011 or in the first nine months ended 31 December 2010, nor did any atypical or unusual transactions significantly affect the operating result.

**2.2 The Group structure**

For the purpose of provide a clear representation, below is reported the chart of the Group structure as at 31 December 2011:



### 2.3 Principles of consolidation

*Subsidiaries*

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

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

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

### 2.4 Scope of consolidation

The consolidated interim financial statements ended 31 December 2011 and 31 December 2010 include the interim financial statements of the Parent Company Piquadro S.p.A and those of all companies over which it exercises control, either directly or indirectly.

Compared to the financial year ended 31 March 2011, and to the first nine months of the financial year ended 31 December 2010, a new company named Piquadro BV, based in Zoetermeer (Holland), was included in the scope of consolidation as at 31 December 2011. Piquadro BV is the company that manages the Group's first direct point of sale in Holland at the Designer Outlet Centre in Roermond.

The complete list of the companies included in the scope of consolidation as at 31 December 2011 and 31 December 2010, with the related shareholders' equity and share capital recognised according to Italian or foreign accounting standards (as the Group companies have prepared their interim financial statements according to the Italian or foreign regulations and accounting standards, and have only prepared the consolidation file according to IFRS functionally to the consolidation into Piquadro) are reported in the tables below:

**Scope of consolidation as at 31 December 2011**

| Name | HQ | Country | Currency | Share Capital (local currency/000) | Shareholders' equity (Euro/000) | Control % |
|---|---|---|---|---|---|---|
| Piquadro S.p.A | Gaggio Montano (BO) | Italy | Euro | 1,000 | 27,752 | Parent Company |
| Uni Best Leather Goods Co, Limited | Kowloon | Hong Kong | HKD | 1 | 9 | 100% |
| Piquadro España Slu | Barcelona | Spain | Euro | 198 | (6) | 100% |
| Piquadro Deutschland Gmbh | Munich | Germany | Euro | 25 | (44) | 100% |
| Piquadro BV | Zoetermeer | Holland | Euro | 300 | 301 | 100% |

| | | | | | | |
|---|---|---|---|---|---|---|
| Uni Best Leather Goods Zhongshan Co Limited | Guangdong | People's Republic of China | RMB | 3,576 | (471) | 100% |
| Piquadro Hong Kong Limited | Hong Kong | Hong Kong | HKD | 2,000 | 212 | 100% |
| Piquadro Macau Limitada | Macau | Macau | HKD | 25 | 91 | 100% |
| Piquadro Trading (Shenzhen) Co. Ltd, | Shenzhen | People's Republic of China | RMB | 13,799 | 1,153 | 100% |
| Piquadro Taiwan Co. Ltd. | Taipei | Taiwan | NTD | 25,000 | 627 | 100% |
| Piquadro Middle East Leather Products LLC* | Abu Dhabi | United Arab Emirates | AED | 150 | (852) | 49% |

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

**Scope of consolidation as at 31 December 2010**

| Name | HQ | Country | Currency | Share Capital (local currency/000) | Shareholder's equity (Euro/000) | Control % |
|---|---|---|---|---|---|---|
| Piquadro S.p.A | Gaggio Montano (BO) | Italy | Euro | 1,000 | 25,008 | Parent Company |
| Uni Best Leather Goods Co. Limited | Kowloon | Hong Kong | HKD | 1 | 127 | 100% |
| Piquadro España Slu | Barcelona | Spain | Euro | 198 | (25) | 100% |
| Piquadro Deutschland Gmbh | Munich | Germany | Euro | 25 | (63) | 100% |
| Uni Best Leather Goods Zhongshan Co Limited | Guangdong | People's Republic of China | RMB | 3,576 | 12 | 100% |
| Piquadro Hong Kong Limited | Hong Kong | Hong Kong | HKD | 2,000 | (99) | 100% |
| Piquadro Macau Limitada | Macau | Macau | HKD | 25 | 5 | 100% |
| Piquadro Trading (Shenzhen) Co. Ltd. | Shenzhen | People's Republic of China | RMB | 7,403 | 512 | 100% |
| Piquadro Taiwan Co. Ltd. | Taipei | Taiwan | NTD | 5,000 | (12) | 100% |
| Piquadro Middle East Leather Products LLC* | Abu Dhabi | United Arab Emirates | AED | 150 | (506) | 49% |

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

The companies that the Parent Company Piquadro S.p.A 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 first nine months ended 31 December 2011 and 31 December 2010 (foreign currency corresponding to Euro 1):

| Foreign currency | Average | | Closing | |
|---|---|---|---|---|
| | 31 December 2011 | 31 December 2010 | 31 December 2011 | 31 December 2010 |
| Hong Kong Dollar (HKD) | 10.897 | 10.161 | 10.051 | 10.386 |
| Renminbi (Yuan) | 8.996 | 8.824 | 8.159 | 8.822 |
| Arab Emirates Dirham (AED) | 5.142 | 4.803 | 4.752 | 4.908 |
| Taiwan Dollar (NTD) | 41.165 | 40.974 | 39.184 | 39.044 |

### 2.5 Accounting standards, amendments and interpretations

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

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

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

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

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

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

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

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

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

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

During the first nine months of the 2011/2012 financial year, no accounting standards or interpretations issued by the IASB or by IFRIC were endorsed, which application appears to be mandatory for the preparation of the financial statements of the financial years that will start after 1 April 2012.

**Accounting standards being adopted by the European Union**

The following updates of the IFRS standards (as already approved by the IASB), as well as the following interpretations and amendments, are being approved by the competent bodies of the European Union:

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

- IFRS 7 (amended) – "*Financial instruments: Disclosures*".

- IFRS 9 *"Financial instruments":* the standard, which was published by the IASB on 12 November 2009, as amended on 28 October 2010, and which is applicable to the financial statements for the financial years which will start after 1 January 2013, represents the first part of a multi-phase process aimed at replacing IAS 39 and introduces new criteria for the classification of financial assets and liabilities and for the derecognition of financial assets.

- IFRS 10 – "*Consolidated Financial Statements*".

- IFRS 11 – "*Joint arrangements*".

- IFRS 12 – "*Disclosure of Interests in Other Entities*".

- IFRS 13 – "*Fair Value Measurement*".

- IAS 12 (amended) – "*Income taxes – Recovery of Revalued Non-Depreciable Asset*".

- IAS 27 – *"Separate Financial Statements".*

- IAS 28 (revised) – *"Investments in associates and joint-ventures".*

- IAS 1 (amended) – *"Presentation of Financial Statements"*: the amendment concerns the presentation of the data included in the Statement of Comprehensive Income.

- IAS 19 (amended) – *"Employee benefits".*

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

- IFRIC 20 – "*Stripping costs in the production phase of a surface mine*".

## COMMENT ON THE MAIN ITEMS IN THE STATEMENT OF FINANCIAL POSITION

## ASSETS

## NON-CURRENT ASSETS

### Note 1 – Intangible assets

As at 31 December 2011 the value of intangible assets was equal to Euro 1,685 thousand (Euro 790 thousand as at 31 March 2011).

Below is reported the statement of changes of this item:

| *(in thousands of Euro)* | **31 December 2011** |
|---|---|
| Balance as at 31 March 2011 | 790 |
| Investments | 1,204 |
| Sales and disposals | (20) |
| Other changes | - |
| Amortisation | (289) |
| Write-downs | - |
| **Total** | **1,685** |

As at 31 December 2011, increases in intangible assets mainly related to trademarks for Euro 80 thousand, software investments for Euro 178 thousand, patent rights for Euro 6 thousand, the Key money paid by Piquadro S.p.A for the opening of new points of sale in Milan in Corso Buenos Aires and in Assago (Milano Fiori) for Euro 940 thousand.

### Note 2 – Property, plant and equipment

As at 31 December 2011, the value of property, plant and equipment was equal to Euro 12,540 thousand (Euro 12,064 thousand as at 31 March 2011) Below is reported the statement of changes of this item:

| *(in thousands of Euro)* | **31 December 2011** |
|---|---|
| Balance as at 31 March 2011 | 12,064 |
| Investments | 1,884 |
| Sales and disposals | (34) |
| Other changes | - |
| Depreciation | (1,237) |
| Write-downs | (137) |
| **Total** | **12,540** |

On the contrary, increases in property, plant and equipment were mainly attributable to fittings purchased for new DOS opened in the period under consideration and to the refurbishment of some existing shops for Euro 1,633 thousand, to the purchase of electric and electronic office machines for Euro 171 thousand, to the purchase of moulds relating to new products for Euro 42 thousand and to the purchase of equipment for Euro 38 thousand.

Below is reported the net book value as at 31 December 2011 of the assets used by the Group by virtue of finance lease agreements:

| *(in thousands of Euro)* | **31 December 2011** |
|---|---|
| Land | 878 |

| | |
|---|---|
| Buildings | 5,203 |
| Plant and equipment | 0 |
| Industrial and business equipment | 529 |
| Total | **6,610** |

**Note 3 – Receivables from others**

Receivables from others, equal to Euro 957 thousand as at 31 December 2011 (compared to Euro 872 thousand as at 31 March 2011) relate to both guarantee deposits paid for various utilities, as well as for 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 2011, deferred tax assets amounted to Euro 1,367 thousand (Euro 1,349 thousand as at 31 March 2011). The balance is mainly made up of temporary fiscal differences relating to Piquadro S.p.A. for Euro 809 thousand (Euro 1,247 thousand as at 31 March 2011) referred to the IRES (*Imposta sul Reddito delle Società*, Corporate Income Tax) and IRAP (*Imposta Regionale sulle Attività Produttive*, Local Tax on Production Activities) tax effect on taxed funds, in addition to adjustments made at the time of the preparation of the consolidated financial statements (including the reversal of the intercompany profit with an anticipated tax effect equal to Euro 392 thousand against about Euro 394 thousand as at 31 March 2011).

**CURRENT ASSETS**

**Note 5 - Inventories**

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

| *(in thousands of Euro)* | **Gross value as at 31 December 2011** | **Provision for write-down** | **Net value as at 31 December 2011** | **Net value as at 31 March 2011** |
|---|---|---|---|---|
| Raw Materials | 3,006 | (151) | 2,855 | 1,657 |
| Semi-finished products | 953 | - | 953 | 459 |
| Finished products | 11,386 | (359) | 11,027 | 7,988 |
| **Inventories** | **15,345** | **(510)** | **14,835** | **10,104** |

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

As at 31 December 2011, inventories showed an increase compared to the corresponding values as at 31 March 2011. This increase is mainly attributable to seasonal trends, in addition to the increases in the quantities stored to meet the needs deriving from the growth in turnover and of the orders under development.

**Note 6 – Trade receivables**

As at 31 December 2011, trade receivables were equal to Euro 28,620 thousand compared to Euro 21,418 thousand as at 31 March 2011. The increase over 31 March 2011 is attributable to both seasonal trends in sales and the growth dynamics.
The adjustment to the face value of receivables from customers at their presumed realisable value is obtained through a special provision for bad debts, whose changes are showed in the table below:

| *(in thousands of Euro)* | **Provision as at 31 March 2011** | **Use** | **Allocation** | **Provision as at 31 December 2011** |
|---|---|---|---|---|
| Provision for bad debts | 1,016 | - | 202 | 1,218 |

**Note 7 – Other current assets**

Below is reported the breakdown of other current assets:

| *(in thousands of Euro)* | **31 December 2011** | **31 March 2011** |
|---|---|---|
| Other assets | 1,951 | 1,429 |
| Accrued income and prepaid expenses | 745 | 1,097 |
| **Other current assets** | **2,696** | **2,526** |

Other current assets mainly include advances to suppliers of the Parent Company (Euro 463 thousand as at 31 December 2011 against Euro 307 thousand as at 31 March 2011), other sundry receivables of Uni Best Leather Goods (Zhongshang) Co. Ltd. (Euro 142 thousand as at 31 December 2011 against Euro 61 thousand as at 31 March 2011) and VAT credits for Euro 177 thousand.

Accrued income and prepaid expenses mainly include prepaid expenses on set of samples relating to the clothing collection for spring/summer 2012 for a total of Euro 76 thousand.

**Note 8 – Derivative assets**

As at 31 December 2011 the Group did not report assets relating to forward exchange contracts, nor assets relating to derivative financial instruments hedges (as at 31 March 2011 the values of the assets relating to forward exchange contracts and of the assets relating to derivative financial instruments hedges was equal to zero).

**Note 9 – Cash and cash equivalents**

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

| *(in thousands of Euro)* | **31 December 2011** | **31 March 2011** |
|---|---|---|
| Available current bank accounts | 6,310 | 10,617 |
| Cash, cash on hand and cheques | 161 | 110 |
| **Cash and cash equivalents** | **6,471** | **10,727** |

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

**LIABILITIES**

**NON-CURRENT LIABILITIES**

**Note 10 – TOTAL EQUITY**

## Share capital

As at 31 December 2011 the Share Capital of Piquadro S.p.A. was equal to Euro 1,000 thousand and was represented by no. 50,000,000 of ordinary shares, fully subscribed and paid up, with regular enjoyment, with no indication of their par value.
On 31 January 2008, following the resolution of 20 December 2007, the Company's Board of Directors resolved to approve a stock option plan named "Stock Option Plan of Piquadro S.p.A. 2008-2013", for a maximum of 1,600,000 shares, setting the price for the subscription of Piquadro ordinary shares at Euro 2.20, to be paid by the beneficiaries at the time of subscription of the shares. The Plan is reserved for certain directors, executives, employees and collaborators of Piquadro S.p.A. and of other companies under its control that have been selected by the Board of Directors in consultation with the Remuneration Committee.
Vesting of options, to the extent of 20% at any time during the fourth year in the term of the plan, 30% at any time during the fifth year in the term of the Plan and 50% at any time during the sixth year in the term of the Plan, respectively, is subject not only to condition that the directors, executives, subordinate employees or collaborators concerned are still serving the Company, but to the official Piquadro share price reaching certain arithmetic mean targets as specified in the Plan's regulations. The Group has no obligation to repurchase the shares or liquidate them.
The criterion used for measurement is based on the Monte Carlo simulation. The model created for the valuation of stock options takes account of all the operating characteristics reported in the plan's regulations. 50,000 scenarios have been developed for the purpose of valuation. In estimating expected volatility, as required in the Operational guidance (appendix B) to point B26 of IFRS 2, reference was made to stocks from the same commodity sector that have been listed for a longer period of time.
As at 31 December 2011, no option had been vested out of no. 1,600,000 options assigned.

**Share premium reserve**

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

## Translation reserve

As at 31 December 2011 the translation reserve was positive for Euro 83 thousand (while was positive for Euro 12 thousand as at 31 March 2011). This item is referred to the exchange rate differences due to the consolidation of the companies with a relevant currency other than the Euro, i.e. Uni Best Hong Kong Ltd, Piquadro Hong Kong and Piquadro Macau (the relevant currency being the Hong Kong Dollar) and Uni Best Leather Goods (Zhongshan) Co. Ltd and Piquadro (Trading) Shenzhen (the relevant currency being the Chinese Renminbi), Piquadro Middle East (the relevant currency being the Dirham) and Piquadro Taiwan Co. Ltd (the relevant currency being the Taiwan Dollar).

## Group net profit

This item relates to the recognition of the Group profit recorded, equal to Euro 5,970 thousand in the first nine months ended 31 December 2011.

## Note 11 – Borrowings

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

| *(in thousands of Euro)* | **31 December 2011** | **31 March 2011** |
|---|---|---|
| Borrowings from 1 to 5 years | 3,088 | 5,266 |
| Borrowings beyond 5 years | | - |
| **Medium/long-term borrowings** | **3,088** | **5,266** |

As at 31 December 2011, borrowings mainly related to Piquadro S.p.A and included:

1. Euro 224 thousand relating to the 60-month unsecured loan disbursed by Carisbo S.p.A. on 1 September 2008 (against an initial amount of Euro 1,500 thousand), of which a current portion of Euro 300 thousand and a non-current portion of Euro 224 thousand; this loan was disbursed to partly finance the opening of new points of sales in Italy and abroad and to partly meet the Company's financial requirements;
2. Euro 1,250 thousand relating to the unsecured loan granted by Carisbo S.p.A on 28 February 2009 (against an initial amount of Euro 3,500 thousand), of which a current portion of Euro 1,000 thousand and a non-current portion of Euro 1,250 thousand. In relation to this loan, it is specified that, following an amendment to the relevant agreement entered into on 31 May 2010, the Parent Company is no longer required to comply with any covenants;
3. Euro 1,614 thousand relating to the unsecured loan granted by Carisbo S.p.A in 22 November 2010 (against an initial amount of Euro 2,700 thousand), of which a current portion of Euro 540 thousand and a non-current portion of Euro 1,614 thousand, aimed at financing the Group's investment policy.

Below is reported the breakdown of the loans:

| *(in thousands of Euro)* | **Date of granting of the loan** | **Initial amount** | **Currency** | **Current borrowings** | **Non-current borrowings** | **Total** |
|---|---|---|---|---|---|---|
| Carisbo loan | 31 January 2008 | 5,300 | Euro | 1,550 | - | 1,550 |
| Carisbo loan | 1 September 2008 | 1,500 | Euro | 300 | 224 | 524 |
| Carisbo loan | 28 February 2009 | 3,500 | Euro | 1,000 | 1,250 | 2,250 |
| Carisbo loan | 22 November 2010 | 2,700 | Euro | 540 | 1,614 | 2,154 |
| Currency loan - Unicredit | Piquadro Trading Shenzhen | 900 | CNY | 368 | - | 368 |
| | | | | **3,758** | **3,088** | **6,846** |

## Note 12 – Payables to other lenders for lease agreements

Below is reported the following breakdown:

| *(in thousands of Euro)* | **31 December 2011** | **31 March 2011** |
|---|---|---|
| **Non-current portion:** | | |
| Payables to leasing companies | 3,827 | 4,469 |
| **Current portion:** | | |
| Payables to leasing companies | 791 | 865 |
| **Payables to other lenders for lease agreements** | **4,618** | **5,334** |

As at 31 December 2011 payables to other lenders due beyond 12 months were equal to Euro 3,827 thousand and related to payables to leasing companies, and specifically to the residual debt of Euro 3,827 thousand relating to the lease agreement initially entered into by Piqubo Servizi S.r.l., which was merged by incorporation into Piquadro S.p.A. by deed of 24 October 2008, with Centro Leasing S.p.A. in relation to the plant, land and the automated warehouse located in Sassuriano, Silla di Gaggio Montano (Province of Bologna) (Euro 4,235 thousand as at 31 March 2011). Furthermore, it should be noted that, effective from 1 August 2006, Centro Leasing S.p.A. has transferred to Cassa di Risparmio di Pistoia e Pescia S.p.A. a share equal to 50% of the receivables relating to finance lease rentals arising from the said lease agreement.

**Note 13 – Provision for Employee Benefits**

As at 31 December 2011 the value of the provision was equal to Euro 225 thousand (Euro 258 thousand as at 31 March 2011) as determined by an independent actuary. The actuarial assumptions used for calculating the provision are not changed compared to the information reported in the paragraph *Accounting standards – Provision for employee benefits* in the Notes to the Financial Statements as at 31 March 2011.

**Note 14 – Provision for risks and charges**

Below are the changes of provisions for risks and charges as at 31 December 2011:

| *(in thousands of Euro)* | **Provision as at 31 March 2011** | Use | Allocation | **Provision as at 31 December 2011** |
|---|---|---|---|---|
| Provision for supplementary clientele indemnity | 625 | (46) | 64 | 643 |
| Other provisions for risks | 227 | | 30 | 257 |
| **Total** | **852** | **(46)** | **94** | **900** |

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 2011, deferred tax liabilities amounted to Euro 441 thousand (Euro 470 thousand as at 31 March 2011), fully referable to the Parent Company.

**CURRENT LIABILITIES**

**Note 16 – Borrowings**

As at 31 December 2011 borrowings were equal to Euro 10,353 thousand, of which Euro 3,758 thousand related to the current portion of bank loans (Euro 3,805 thousand as at 31 March 2011) and Euro 6,595 thousand related to bank overdrafts. For the breakdown, reference is made to Note 11.

**Note 17 – Payables to other lenders for lease agreements**

As at 31 December 2011 they were equal to Euro 791 thousand (Euro 865 thousand as at 31 March 2011) and related to the current portion of payables to leasing companies and specifically to the residual debt of Euro 505 thousand relating to the plant and land under lease (Euro 490 thousand as at 31 March 2011), while Euro 233 thousand related to the automated warehouse (Euro 202 thousand as at 31 March 2011) and to the agreements for the lease of furniture, fittings and equipment for shops for Euro 53 thousand (Euro 173 thousand as at 31 March 2011).

**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 2011** | **31 March 2011** | **31 December 2010** |
|---|---|---|---|
| (A) Cash | 161 | 110 | 89 |
| (B) Other cash and cash equivalents (available current bank accounts) | 6,310 | 10,617 | 8,273 |
| **(C) Liquidity (A) + (B)** | **6,471** | **10,727** | **8,362** |
| (D) Finance leases | (791) | (865) | (896) |
| (E) Current bank debt | (6,595) | - | (5,667) |
| (F) Current portion of non-current debt | (3,758) | (3,805) | - |
| **(G) Current financial debt (D) + (E) + (F)** | **(11,144)** | **(4,670)** | **(6,563)** |
| **(H) Short-term net financial position (C) + (G)** | **(4,673)** | **6,057** | **1,799** |
| (I) Non-current bank debt | (3,088) | (5,266) | (6,482) |
| (L) Finance leases | (3,827) | (4,469) | (4,583) |
| **(M) Non-current financial debt (I) + (L)** | **(6,915)** | **(9,735)** | **(11,065)** |
| **(N) Net financial debt (H) + (M)** | **(11,588)** | **(3,678)** | **(9,266)** |

As at 31 December 2011 the consolidated Net Financial Position was negative for about Euro 11.6 million.
The negative change compared to 31 March 2011 for Euro 7.9 million was mainly due to the different seasonality trends, as well as to the payment of the dividend of Euro 5 million paid out in July 2011.
The change compared to 31 December 2010 posted a negative value of Euro 2.3 million, and was mainly attributable to the following factors:

- higher dividends paid out compared to the previous period (a dividend of Euro 4 million paid in 2010 compared to a dividend of Euro 5 million paid in 2011);
- the performance of the net current assets as a result of the increase in inventories and trade receivables;
- higher investments compared to the same period of the 2012/2011 financial years for about Euro 1.3 million.

**Note 18 – Derivative liabilities**

As at 31 December 2011, the Company reported liabilities relative to the hedging of derivative financial instruments (IRS) were equal to Euro 2 thousand (Euro 7 thousand as at 31 March 2011 related to the fair value of derivative financial instruments – IRS and to Euro 31 thousand related to the fair value of forward exchange contracts).

The Company has hedged 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 2 thousand (a financial liability of Euro 7 thousand as at 31 March 2011 which has been accounted for against an entry in the statement of comprehensive income.

**Note 19 – Trade payables**

Below is the breakdown of current trade liabilities:

| *(in thousands of euro)* | **31 December 2011** | **31 March 2011** |
|---|---|---|
| Payables to suppliers | 17,434 | 13,301 |

As at 31 December 2011 the increase in payables to suppliers, equal to Euro 4,133 thousand, compared to 31 March 2011, was mainly attributable to the seasonality trends in the Group's business, which are also reflected in the inventory dynamics.

## Note 20 – Other current liabilities

Below is the breakdown of other current liabilities:

| *(in thousands of Euro)* | 31 December 2011 | 31 March 2011 |
|---|---|---|
| Payables to social security institutions | 541 | 286 |
| Payables to pension funds | 35 | 28 |
| Other payables | 391 | 1,303 |
| Payables to employees | 1,224 | 423 |
| Advances from customers | 103 | 43 |
| Deferred income | 249 | 439 |
| Payables for VAT | 68 | 1,084 |
| IRPEF* tax payables and other tax payables | 571 | 281 |
| **Other current liabilities** | **3,182** | **3,887** |

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

Payables to social security institutions mainly relate to the Parent Company's payables due to INPS. Payables to employees as at 31 December 2011 mainly included the Company's payables for remunerations to be paid and deferred charges with respect to employees.

## Note 21 – Tax payables

Below is the breakdown of tax payables:

| *(in thousands of Euro)* | 31 December 2011 | 31 March 2011 |
|---|---|---|
| IRES tax (income taxes) | 1,376 | 629 |
| IRAP tax | 548 | 107 |
| **Tax payables** | **1,924** | **736** |

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

## COMMENT ON THE MAIN INCOME STATEMENT ITEMS

## Note 22 – Revenues from sales

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

The Group's revenues are mainly realised in Euro.
Below is the breakdown of revenues by geographical area:

| *(in thousands of Euro)* | **31 December 2011** | **31 December 2010** |
|---|---:|---:|
| Italy | 35,044 | 33,328 |
| Europe | 7,357 | 7,042 |
| Rest of the world | 3,811 | 3,615 |
| **Revenues from sales** | **46,212** | **43,985** |

In the first nine months ended 31 December 2011, revenues from sales reported an increase equal to Euro 2,227 thousand compared to the corresponding revenues realised in the nine months ended 31 December 2010 (+5.1%). The increase compared to the period ended 31 December 2010 is mainly attributable to higher sales recorded in Italy and in Rest of the world, due both to the organic growth in the shops already existing also in the first nine months ended 31 December 2010, and to the contribution given by the opening of 17 new shops that were not present as at 31 December 20120.

**Note 23 – Other income**

In the first nine months ended 31 December 2011, other income amounted to Euro 483 thousand (Euro 868 thousand as at 31 December 2010). The decrease compared to the same period of the previous year related to the non-recurring income of Euro 300 thousand obtained as goodwill for the the assignment of the lease agreement relating to the shop located in Frankfurt.
Other revenues are mainly attributable to the Parent Company and mainly include revenues for charging back Corner shops for Euro 53 thousand and charging back customers for transport costs and collection for Euro 141 thousand.

**Note 24 – Change in inventories**

The change in inventories was positive in both the nine months ended 31 December 2011 (Euro 4,390 thousand) and the nine months ended 31 December 2010 (Euro 4,625 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 2011, costs for purchases were equal to Euro 10,314 thousand (Euro 10,334 thousand as at 31 December 2010).

**Note 26 – Costs for services and leases and rentals**

Below is the breakdown of costs for services:

| *(in thousands of Euro)* | **31 December 2011** | **31 December 2010** |
|---|---:|---:|
| External production | 6,907 | 6,202 |
| Advertising and marketing | 2,571 | 2,559 |
| Transport services | 2,769 | 3,310 |
| Business services | 2,393 | 2,330 |
| Administrative services | 864 | 562 |
| General services | 936 | 652 |
| Services for production | 50 | 37 |
| Others | 1,166 | 1,161 |
| **Total Costs for services** | **17,656** | **16,813** |

| | | |
|---|---|---|
| **Costs for leases and rentals** | **3,734** | **2,970** |
| **Costs for services and leases and rentals** | **21,390** | **19,783** |

The increase in costs for external production (from Euro 6,202 thousand as at 31 December 2010 to Euro 6,907 thousand as at 31 December 2011) related to the increase in closing inventories and is mainly attributable to the increased turnover recorded in the period under consideration.

Costs for leases and rentals mainly relate to lease rentals relating to the Parent Company's shops 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 2011** | **31 December 2010** |
|---|---|---|
| Wages and salaries | 7,231 | 6,416 |
| Social security contributions | 989 | 799 |
| TFR | 255 | 212 |
| **Personnel costs** | **8,475** | **7,427** |

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

| **Category** | **31 December 2011** | **31 December 2010*** | **31 March 2011*** |
|---|---|---|---|
| Executives | 7 | 7 | 2 |
| Office workers | 291 | 246 | 255 |
| Manual workers | 505 | 407 | 428 |
| **Total** | **803** | **660** | **685** |

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

In the first nine months ended 31 December 2011, personnel costs reported an increase of about 14.1%, passing from Euro 7,427 thousand in the nine months ended 31 December 2010 to Euro 8,475 thousand as at 31 December 2011. The increase in personnel costs is mainly due to the increase in staff of Piquadro S.p.A. and of some subsidiaries that run shops and is attributable to the increased number of employees as a result of the new openings of DOS.

To supplement the information provided, below is also reported the average number of employees for the first nine months ended 31 December 2011 and 31 December 2010:

| *Average unit* | **31 December 2011** | **31 December 2010*** |
|---|---|---|
| Executives | 7 | 6 |
| Office workers | 279 | 217 |
| Manual workers | 480 | 342 |

| | | |
|---|---|---|
| **Total for the Group** | **766** | **565** |

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

**Note 28 – Amortisation, depreciation and write-downs**

As at 31 December 2011, the Group's amortisation and depreciation and write-downs were equal respectively to Euro 1,526 thousand and Euro 339 thousand.
Amortisation and depreciation were broken down as follows: Euro 1,237 thousand related to property, plant and equipment (mainly connected to the depreciation of the building where the Company operates for Euro 147 thousand; plant and equipment, including automated warehouse, for Euro 219 thousand, of business equipment and fittings for shops equal to Euro 862 thousand, other assets for Euro 9 thousand), and Euro 289 thousand relating to intangible assets (of which Euro 4 thousand for software and patent rights, Euro 74 thousand for key money paid for the opening of new shops, Euro 173 thousand for concessions, licenses and trademarks and Euro 38 thousand relating to development costs).
Write-downs, equal to Euro 339 thousand, relate to furniture and fittings concerning the closure of some shops operating in Europe, in the Far East area and in China (Euro 137 thousand) and the provision for bad debts for Euro 202 thousand.

**Note 29 – Financial income**

In the first nine months of the financial year ended 31 December 2011, financial income was equal to Euro 1,235 thousand (Euro 93 thousand as at 31 December 2010) and mainly related to Euro 67 thousand of interest receivable on current accounts held by the Parent Company and to Euro 1,168 thousand of foreign exchange gains either realised or estimated.

**Note 30 – Financial charges**

In the first nine months ended 31 December 2011, financial charges were equal to Euro 1,080 thousand (Euro 368 thousand as at 31 December 2010); this amount includes charges recognised on lease agreements for an amount of Euro 408 thousand in the first nine months ended 31 December 2011 and mainly referred to the charges for the finance lease of the plant located in Silla di Gaggio Montano (Euro 108 thousand), in addition to foreign exchange losses either realised or estimated for Euro 672 thousand.

**Note 31 – Income tax expenses**

Below is reported the breakdown of income tax expenses:

| *(in thousands of Euro)* | **31 December 2011** | **31 December 2010** |
|---|---|---|
| IRES tax | 2,285 | 3,098 |
| IRAP tax | 755 | 622 |
| **Total current taxes** | **3,040** | **3,720** |

Current taxes relate to the tax burden calculated on the Parent Company's taxable income, as the majority of the subsidiaries closed the period as at 31 December 2011 with non-significant taxable income.

| *(in thousands of Euro)* | **31 December 2011** | **31 December 2010** |
|---|---|---|
| Deferred tax liabilities | 9 | 273 |
| Deferred tax assets | - | (351) |

| | | |
|---|---|---|
| **Total deferred tax assets and liabilities** | **9** | **(78)** |

## Nota 32 - Earnings per share

As at 31 December 2011 diluted earnings per share amounted to Euro 0.1157 (basic earnings per share amounted to Euro 0.1194 as at 31 December 2011 and Euro 0.1304 as at 31 December 2010); they are calculated on the basis of the consolidated net profit for the period attributable to the Group, equal to Euro 5,970 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 2010, diluted earnings per share were equal to Euro 0.1264.

| | 31 December 2011 | 31 December 2010 |
|---|---|---|
| Group net profit (in thousands of Euro) | 5,970 | 6,523 |
| Average number of outstanding ordinary shares (in thousands of shares) | 51,600 | 51,600 |
| **Diluted earnings per share (in Euro)** | **0.1157** | **0.1264** |

## OTHER INFORMATION

### Segment reporting

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

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

- DOS channel
- Wholesale channel

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

- a direct channel, which as at 31 December 2011, included no. 52 single-brand stores directly operated by the Group (the so-called "Directly Operated Stores" or "DOS");
- an indirect channel ("Wholesale"), which is represented by multi-brand shops/department stores, single-brand shops run by third parties linked to the Group by franchise agreements and distributors who then resell the articles in specialist multi-brand shops.

As shown below, as at 31 December 2011, approximately 28.1% of the Group's consolidated revenues was realised through the direct channel, while 71.9% of consolidated revenues was realised through the indirect channel.

The table below illustrates the segment data of the Piquadro Group broken down by sales channel (DOS and Wholesale), in relation to the nine months ended 31 December 2011 and 31 December 2010, respectively.

Segment economic performance is monitored by the Company's Management up to the "Segment result before amortisation and depreciation". DOS channel's performance in the first nine months ended 31 December 2011, compared to the results recorded as at 31 December 2010, shows that margins are decreasing, the following factors having impacts:

- Same Store Sales Growth (SSSG), assuming constant exchange rates and perimeter, reported in the period equal to 6.8%;

- new shops opened with performance not yet in line with the management's expectations and with the Company's benchmark;

As at 31 December 2010 the DOS channel was positively affected by the assignment of the lease agreement relating to the Frankfurt shop, an assignment which generated non-recurring income of Euro 300 thousand.

As regards the wholesale channel, the lower operational performance was attributable both to the decrease in revenues equal to about 0.4% and to the increase in general structure costs to better meet the growing requirements of the developing markets and of the more structured organization of the Group.

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 2011 (April-December)** | | | | **31 December 2010 (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** | **12,988** | **33,224** | **46,212** | **100%** | **10,629** | **33,356** | **43,985** | **100%** | **5.1%** |
| Segment result before amortisation and depreciation | 1,185 | 9,343 | 10,527 | 22.78% | 1,745 | 10,043 | 11,788 | 26.80% | (10.7%) |
| Amortisation and depreciation | | | (1,663) | (3.60%) | | | (1,348) | (3.06%) | 23.4% |
| Financial income and charges | | | 155 | 0.34% | | | (275) | (0.63%) | |
| **Pre-tax result** | | | **9,019** | **19.52%** | | | **10,165** | **23.11%** | **(11.3%)** |
| Income taxes | | | (3,049) | (6.60%) | | | (3,642) | (8.28%) | (16.3%) |
| **Profit for the first nine months** | | | **5,970** | **12.92%** | | | **6,523** | **14.83%** | **(8.5%)** |
| Result attributable to minority interests | | | - | - | | | - | - | |
| **Group net profit** | | | **5,970** | **12.92%** | | | **6,523** | **14.83%** | **(8.5%)** |

## Commitments

As at 31 December 2011, the Group had not executed contractual commitments that would entail significant investments in property, plant and equipment and intangible assets in the 2011/2012 financial year.

**Relations with related parties**

Piquadro S.p.A., the parent company of the Piquadro Group, operates in the leather goods market and designs, produces and markets articles under its own brand. The subsidiaries mainly carry out activities of distribution of products (Piquadro España SLU, Piquadro Hong Kong Ltd, Piquadro Macau Limitada, Piquadro Deutschland GmbH, Piquadro Middle East Leather Products LLC, Piquadro Trading (Shenzhen) Ltd. and Piquadro Taiwan Co. Ltd. and Piquadro BV), 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 S.p.A ., Piqubo S.p.A. and Fondazione Famiglia Palmieri, there are no other related parties (pursuant to IAS 24) of the Piquadro Group.

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

| *(in thousands of euro)* | **Receivables** | | **Payables** | |
|---|---|---|---|---|
| | **31 December 2011** | **31 March 2011** | **31 December 2011** | **31 March 2011** |
| Financial relations with Piqubo S.p.A. | - | - | - | - |
| Financial relations with Piquadro Holding S.p.A. | - | - | - | |
| Financial relations with con Fondazione Famiglia Palmieri | - | - | - | - |
| **Total Receivables from and Payables to controlling companies** | **-** | **-** | **-** | **-** |

| *(in thousands of euro)* | **Revenues** | | **Costs** | |
|---|---|---|---|---|
| | **31 December 2011** | **31 December 2010** | **31 December 2011** | **31 December 2010** |
| Economic relations with Piqubo S.p.A. (rents) | - | - | 22,5 | 22,5 |
| Economic relations with Piquadro Holding S.p.A. | - | - | - | - |
| Economic relations with Fondazione Famiglia Palmieri | - | - | - | - |
| **Total Receivables from and Payables to controlling companies** | **-** | **-** | **22,5** | **22,5** |

In the first nine months of the 2011/2012 and 2010/2011 financial years, no economic transactions occurred with the majority Shareholder, Piquadro Holding S.p.A. and with the Fondazione Famiglia Palmieri.

In the absence of economic relations, below are reported the following relations with Piquadro Holding S.p.A.:

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

### Fees due to the Board of Directors

The table below reports the fees (including emoluments as Directors and current and deferred remuneration, including in kind, as employees) due to Directors, in relation to the first nine months of the 2011/2012 financial year, for the performance of their duties in the Parent Company and other Group companies, and the fees accrued by any executives with strategic responsibilities (as at 31 December 2011, Directors had not identified executives with strategic responsibilities):

| First and last Name | Position held | Period in which the position was held | Term of office [1] | Fees due For the position | Non-monetary benefits | Bonuses and other incentives | Other fees | Total |
|---|---|---|---|---|---|---|---|---|
| Marco Palmieri | Chairman and CEO | 01/04/11-31/12/11 | 2013 | 300 | 5 | | | 305 |
| PierpaoloPalmieri | Managing director | 01/04/11-31/12/11 | 2013 | 150 | 3 | | | 153 |
| Marcello Piccioli | Managing director | 01/04/11-31/12/11 | 2013 | 205 | 3 | | | 208 |
| Roberto Trotta | Managing director | 01/04/11-31/12/11 | 2013 | -[2] | 2 | - | 101[3] | 103 |
| Roberto Tunioli | Director | 01/04/11-31/12/11 | 2013 | 19 | | | | 19 |
| Gianni Lorenzoni | Director | 01/04/11-31/12/11 | 2013 | 19 | | | | 19 |
| Sergio Marchese | Director | 01/04/11-31/12/11 | 2013 | 6 | | | | 6 |
| | | | | **699** | **13** | **-** | **101** | **813** |

1) Until approval of the financial statements as at 31 March
2) He waived his fees from 01/04/2011 to 31/12/2011
3) Salary related to remuneration from subordinate employment – executive

**Note 37 – Events after the period end**

In addition to the above, no significant events are reported which occurred at Group level from 1 January 2012 to the date of this Report.

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**Certification pursuant to Article 154-*bis,* paragraph 2, TUF**

The Manager responsible for the preparation of corporate accounting documents, Roberto Trotta, hereby certifies, pursuant to Article 154-*bis*, paragraph 2, of the TUF that the accounting information contained in this document corresponds to the documentary findings and to the accounting books and records.

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