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INTERIM FINANCIAL REPORT OF THE PIQUADRO GROUP
AS AT 30 SEPTEMBER 2012

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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 1,099,998

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

Number of ordinary shares of no par value: 50,000,000

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*
Macau - Venetian Mall (Piquadro Macau Limitada)	*Point of sale*
Vicolungo (NO) - c/o Parco Commerciale (Piquadro S.p.A.)	*Retail outlet*
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*
Rome - Fiumicino Airport (Piquadro S.p.A.)	*Point of sale*
Milan - Via Dante 9 (Piquadro S.p.A.)	*Point of sale*
Bologna - Aeroporto "G. Marconi" (Piquadro S.p.A.)	*Point of sale*
Barcelona - c/o "La Roca Village" (Piquadro España)	*Retail outlet*
Shanghai (China) - Shanghai Int. 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 – I Square Shopping Mall (Piquadro Hong Kong Ltd)	*Point of sale*
Marcianise (CE) - c/o "Factory Outlet Centre" (Piquadro S.p.A.)	*Retail outlet*
Hong Kong - Sogo Causeway Bay (Piquadro Hong Kong Ltd)	*Point of sale*
Agira (EN) - Sicilia Fashion Outlet Centre (Piquadro S.p.A.)	*Retail outlet*
Rome - Fiumicino Airport - Terminal 3 (Piquadro S.p.A.)	*Point of sale*
Taipei (Taiwan) Sogo DunHua Shop (Piquadro Taiwan)	*Point of sale*
Rimini - Shopping Mall "Le Befane" (Piquadro S.p.A.)	*Point of sale*
Hong Kong – Elements Shopping Mall (Piquadro Hong Kong Ltd)	*Point of sale*
Hong Kong - Times Square Shopping Mall (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 (Netherlands) – Outlet Centre (Piquadro BV)	*Retail outlet*

Kaohsiung City (Taiwan) Shopping Mall “Dream Mall” (Piquadro Taiwan)	*Point of sale*
Shanghai (China) – Jiu Guang Dept. Store (Piquadro Shenzhen)	*Point of sale*
Suzhou (China) – Jiu Guang Dept. Store (Piquadro Shenzhen)	*Point of sale*
Assago (MI) – Shopping Mall “Milanofiori” (Piquadro S.p.A.)	*Point of sale*
Pescara – Via Trento 10 (Piquadro S.p.A.)	*Point of sale*
Mantova – Shopping Mall “Fashion District” (Piquadro S.p.A.)	*Retail outlet*
Taipei (Taiwan) Sogo Zhongxiao Shop (Piquadro Taiwan)	*Point of sale*
Rozzano (MI) – Shopping Mall “Fiordaliso” (Piquadro S.p.A.)	*Point of sale*
Rome – Via Frattina 149 (Piquadro S.p.A.)	*Point of sale*

INTERIM MANAGEMENT REPORT AS AT 30 SEPTEMBER 2012

Introduction

The consolidated interim financial report as at 30 September 2012 (the "Report") was prepared in compliance with article 154-*ter* of Legislative Decree no. 58/1998, as amended, as well as with the Issuers' Regulation issued by Consob (*Commissione Nazionale per le Società e la Borsa,* Italian Securities and Exchange Commission).
This Interim management report was prepared by the Directors in relation to the attached consolidated condensed interim financial statements of Piquadro S.p.A. (hereinafter also referred to as the "Company" or the "Parent Company") and its subsidiaries (hereinafter collectively referred to as the "Piquadro Group") relating to the half-year ended 30 September 2012. The financial statements were prepared in compliance with IAS/IFRS (International Accounting Standards and International Financial Reporting Standards) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union, and were prepared according to the provisions under IAS 34 – Interim financial reporting. The Interim management report must therefore be read together with the accounting statements and the related Explanatory Notes.

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

CORPORATE BODIES HOLDING OFFICE AT 30 SEPTEMBER 2012

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

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

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

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

- **LEAD INDEPENDENT DIRECTOR**
  Gianni Lorenzoni

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

Regular members

Pietro Michele Villa	*Chairman*
Alessandro Galli	
Vittorio Melchionda	

Substitute members

Matteo Rossi
Giacomo Passaniti

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

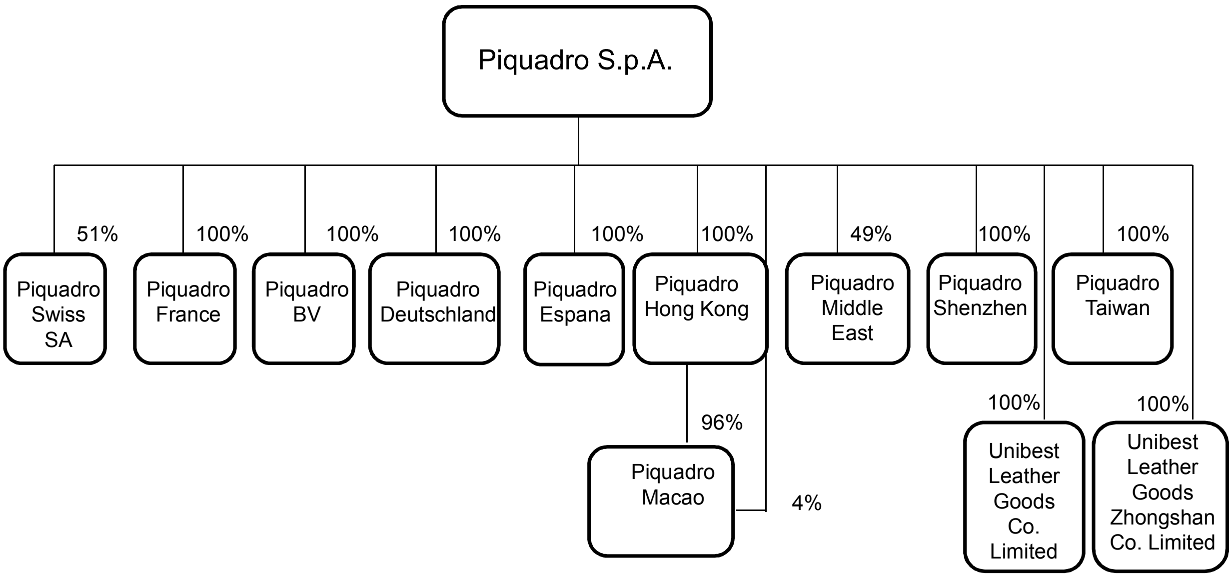
  PricewaterhouseCoopers S.p.A.

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

- **SUPERVISORY BOARD**
  Mario Panzeri

THE GROUP STRUCTURE

The chart below shows the structure of the Piquadro Group as at 30 September 2012:



INFORMATION ON OPERATIONS

Significant events for the half-year ended 30 September 2012

On 25 June 2012, Piquadro France Sarl was set up by means of the subscription of share capital of Euro 2,500 thousand, in order to manage the Group's first point of sale in Paris, at Rue Saint Honorè; the opening is planned for the end of 2012.

On 24 July 2012, the Shareholders' Meeting of Piquadro S.p.A. approved the Financial Statements for the financial year ended 31 March 2012 and the distribution of a unit dividend of Euro 0.06 to the Shareholders, for a total amount of Euro 3 million. The dividend was paid starting from 2 August 2012 with coupon no. 5 being detached on 30 July 2012.

On the same date, the Shareholders' Meeting approved the Report on Remuneration illustrating the Company Policy concerning the remuneration of Company Directors, members of the Board of Statutory Auditors and executives with strategic responsibilities. In this context, in order to reflect the new Remuneration Policy adopted, the Board resolved to redefine the total fixed fees of Directors, according to the new amount of Euro 845,000, until the approval of the financial statements as at 31 March 2013 and to award additional variable fees to any Directors holding special offices.

Furthermore, on the same date the Shareholders' Meeting approved the authorisation of the Board of Directors to acquire and dispose of treasury shares, in compliance with the regulatory provisions and regulations in force, and it authorised the Board of Directors to acquire the maximum number of treasury shares permitted by law, for a period of 12 months from the date of authorisation – that is until the Shareholders' Meeting which approves the financial statements as at 31 March 2013 – by using the reserves available according to the last financial statements as duly approved. Furthermore, the Shareholders' Meeting authorised the Board of Directors to sell any treasury shares acquired, in one or more transactions, for the consideration set by the Board of Directors, at a minimum of not less, by 20%, of the reference price that the share recorded in the stock exchange session of the day preceding each individual transaction.

The Shareholders' Meeting, again on the same date, also resolved to approve the guidelines of a new stock option plan for the 2012-2017 period, which is reserved for certain directors, executives with strategic responsibilities, employees and collaborators of Piquadro S.p.A. and of other companies owned by it. The new stock option plan will have a term of five years and the accrual of options, to the extent of 30% by 30 September 2015, 30% by 30 September 2016 and 40% by 30 September 2017, is subject to:

(i) the permanence of the relationship of administration, subordinate employment or collaboration, as the case may be,
(ii) the achievement by the Piquadro Group of certain EBIT targets, expected respectively for the related financial year, with a normalized positive NFP,
(iii) the circumstance that the Piquadro shares as at the date of accrual were still listed in an Italian regulated market.

Against this new plan, the Shareholders' Meeting also resolved the proposed partial cancellation, for a nominal amount of Euro 44,000, of the Company's capital increase of Euro 50,000, through the issue of a maximum number of 2,500,000 ordinary shares, as resolved by the Board of Directors on 28 February 2008 in order to serve the 2008-2013 stock option plan, which is currently in place.
In particular, the partial cancellation concerns no. 2,200,000 shares, of which no. 1,300,000 shares relate to options that have already been assigned and that have been the object of a waiver by the respective beneficiaries or have been forfeited and no. 900,000 shares related to potential new allocations for subsequent incentive plans that should have been resolved within the ultimate deadline of 1 March 2011. As a result of this partial cancellation, the abovementioned 2008-2013 stock option plan will remain in place for potential 300,000 ordinary shares, equal to a capital increase in nominal amount of Euro 6,000.

In consideration of the above, the Shareholders' Meeting also resolved to increase share capital with the exception of the option right of current shareholders, as part of the New 2012-2017 Plan, up to an overall maximum value equal to Euro 93,998, through the issue of a maximum number of 4,699,900 ordinary shares of Piquadro SpA, of no par value, having the same features and enjoyment as the outstanding shares; this capital increase may be also implemented in more than one payment and is divisible by 31 December 2018.

On 26 September 2012, the Board of Directors resolved to determine the subscription price of the Piquadro ordinary shares, to be paid by the beneficiaries at the time of the subscription of the shares deriving from the exercise of the options, for an amount of Euro 1.53 per share, thus determining an overall number of 3,600,000 rights of option to be assigned to the respective beneficiaries. Furthermore, subject to the opinion of the Remuneration Committee, the list of the plan's beneficiaries was approved, specifying the number of rights of option assigned to each of them. The Board of Directors also decided not to make use of its right to assign all the 4,699,900 shares included in the new plan, also considering that the global macro-economic situation is still uncertain and it could be necessary to take steps, in next years, to also assign options to new key persons of the Group, other than the current beneficiaries; it is acknowledged that, once the global macro-economic situation is stable, the Board may consider new proposals (if any) for management incentive plans to be submitted to the Shareholders' Meeting.

13 September 2012 saw the establishment of Piquadro Swiss SA, which will manage the first retail outlet of the Group in Switzerland, of which the Parent Company holds 51% of the share capital, through the subscription of a share capital of Euro 42 thousand.

The Group's business

Operations

In the first six months of the 2012/2013 financial year, the Group, within a macro-economic context which was still dominated by the uncertainty of the growth dynamics, reported lower performance compared to the same period in the 2011/2012 financial year.
In the half-year ended 30 September 2012, the Piquadro Group reported net sales revenues equal to Euro 27,395 thousand (-9.1%) compared to Euro 30,133 thousand recorded in the same period of the 2011/2012 financial year.
In the half-year ended 30 September 2012 sales volumes, in terms of quantities sold in the relevant period, showed a decrease of about 7.6% compared to the same period in the 2011/2012 financial year. The product families that recorded the most significant decrease in terms of sales revenues were those of briefcases (about -28.0%) and travel articles (about -26.2%), while the product family of small leather goods (about +23.3%) and women's bags (about +38.0%) reported an increase.

In the half-year ended 30 September 2012, the Piquadro Group reported average selling prices showing an increase of about 1.1% compared to the half-year ended 30 September 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 half-year ended 30 September 2012, the Piquadro Group reported, in terms of profitability EBITDA[1] equal to Euro 5.1 million (equal to 18.5% of net sales revenues), down by 30.4% compared to the value recorded in the first half of the 2011/2012 financial year (Euro 7.3 million, equal to 24.1% of net sales revenues).
The Group's EBIT[2] came to Euro 3.8 million (14.0% of net sales revenues), down by 38.1% compared to the half-year ended 30 September 2011 (Euro 6.2 million, equal to 20.6% of net sales revenues).
As at 30 September 2012 the Group net profit was equal to Euro 2.4 million, down by 38% compared to the value posted at 30 September 2011 (net profit equal to Euro 3.9 million).

Net sales revenues

As at 30 September 2012 the Piquadro Group recorded net sales revenues equal to about Euro 27,395 thousand, down by about 9.1% compared to 30 September 2011. Below is reported the breakdown of revenues by distribution channel and geographical area.

Breakdown of revenues by distribution channel

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

(i) a direct channel which, as at 30 September 2012, included 43 directly operated single-brand stores (the so-called "Directly Operated Stores" or "DOS");

(ii) an indirect channel (Wholesale), which is represented by multi-brand shops/department stores, single-brand shops run by third parties linked to the Group by franchise agreements (49 shops as at 30 September 2012) and distributors who then resell the articles in specialist multi-brand shops.

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

Sales channel *(in thousands of Euro)*	**Net revenues as at 30 September 2012**	**%**	**Net revenues as at 30 September 2011**	**%**	**% change 2012/2011**
DOS	8,415	30.7%	7,714	25.6%	9.1%
Wholesale	18,980	69.3%	22,419	74.4%	(15.3%)
Total	**27,395**	**100.0%**	**30,133**	**100.0%**	**(9.1%)**

The revenues reported by the DOS channel showed an increase of about 9.1% compared to the same period in the 2011/2012 financial year; this increase was determined by both the increase (if any) in the quantities sold in the already existing shops also in the first six months of the 2011/2012 financial year ("comparable shops") and the contribution given by the opening of 8 new shops that were not present as at 30 September 2011, and that are listed below, which more than offset the effect of the closing down of 17 shops that were present in the first 6 months ended 30 September 2011 (2 of which in the Arab Emirates, 3 in Hong Kong, 6 in China, 1 in Taiwan, 4 in Europe and 1 in Italy):

Month of opening	**Location**	**Channel**
December 2011	Assago (MI) - Shopping Mall "Milanofiori"	DOS
December 2011	Roermond (Netherlands) – Outlet Centre	DOS Outlet Store

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.

April 2012	Kaohsiung City (Taiwan) Shopping Mall “Dream Mall”	DOS
May 2012	Pescara – Via Trento 10	DOS
June 2012	Mantova - Shopping Mall “Fashion District”	DOS Outlet Store
September 2012	Rome – Via Frattina	DOS
September 2012	Rozzano (MI) - Shopping Mall “Fiordaliso”	DOS
September 2012	Taipei (Taiwan) Sogo Zhongxiao Shop	DOS

The Same Store Sales Growth (SSSG), which is calculated as a world average of growth rates of the revenues recorded by the DOS existing at 1 April 2011, was positive and equal, in the six-month period, to a 6.8% growth at current rates of exchange (assuming an equal number of days of opening and constant rates of exchange, was equal to a 3.9% growth).
Sales reported by the Wholesale channel, which as at 30 September 2012 represented 69.3% of the Group’s total turnover, showed a decrease of 15.3%, also by reason of the closing down of 8 franchise shops, of which 3 in Italy, 3 in Europe and 2 in the Rest of World, which was offset by the opening of further 4 franchise shops, as listed below:

Month of opening	**Location**	**Channel**
November 2011	Peschiera Borromeo (MI) – Centro Comm. “Galleria Borromea”	Franchising (Wholesale)
April 2012	Odessa (Ukraine), Shopping Mall "Srednefontanskiy"	Franchising (Wholesale)
April 2012	Indija (Serbia), Fashion Park- Outlet Center Indija	Franchising (Wholesale)
August 2012	Madrid (Spain), Barajas Airport, Terminal 1	Franchising(Wholesale)

Breakdown of revenues by geographical area

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

Geographical area *(in thousands of Euro)*	**Net revenues as at 30 September 2012**	**%**	**Net revenues as at 30 September 2011**	**%**	**% change 2012/2011**
Italy	20,220	73.8%	23,699	78.6%	(14.7%)
Europe	4,941	18.0%	4,109	13.6%	20.2%
Rest of the world	2,234	8.1%	2,325	7.7%	(3.9%)
Total	**27,395**	**100.0%**	**30,133**	**100.0%**	**(9.1%)**

As at 30 September 2012, the Group’s revenues showed that the Italian market accounts for a percentage of the Group’s total turnover which is very high (equal to about 73.8%), down by about 14.7% compared to the same period in the 2011/2012 financial year, even if it also benefitted from the opening of 5 new DOS: Rome – Via Frattina, Pescara – Via Trento, Mantova, Rozzano (MI), Assago (MI) and 1 franchise shop in Peschiera Borromeo (MI), even if the period saw the closing down of a DOS in Mestre and 3 franchise shops (Rome, Pescara, Naples).

The Group operates through the two DOS and Wholesale sales channels in 28 European Countries. Within the European market, the Group achieved a turnover equal to Euro 4,941 thousand, equal to about 18.0% of consolidated sales (+20.2% compared to Euro 4,109 thousand for the half-year ended 30 September 2011). The most significant trends in the turnover were recorded in countries such as Germany (+17.7%), The Netherlands (+79.0%), Russia (+52.9%) and Ukraine (+39,5%). In the European region, the Group was able to benefit from the opening of 1 new DOS (Roermond, Netherlands) and of 3 new franchise shops: Odessa (Ukraine), Indija (Serbia) and Madrid (Spain), even if the period also saw the closing down of 4 DOS (3 in Spain and 1 in Germany) and of 3 franchise shops (1 in Bulgaria, 1 in Austria and 1 in Spain).
In the non-European geographical area (named “Rest of the world”), where the Group sells in 12 Countries, turnover decreased by about 4.0%, also by reason of the closing of 12 DOS and 2 franchise shops in the same

period. The revenues generated in this geographical area, in absolute terms, are not yet able to significantly affect the total turnover.

At the same time as the reduction in sales revenues, the first six months of the 2012/2013 financial year recorded EBITDA, down by about 30.4% compared to the same figure as at 30 September 2011.

In the opinion of the management, the decrease in EBITDA in the first six months of the 2012/2013 financial year ended 30 September 2012, was attributable to the following factors:

- a decrease in revenues from the wholesale channel, above all in Italy, that have then generated, thanks to the substantial margins that characterise them, a very significant operating deleverage;
- higher structure costs, also in order to meet the requirements of the more complex operations of retail and foreign activities;
- positive performances in the DOS segment, in terms of SSSG, counterbalanced by new openings with margins which are not in line with the average ones of the already existing shops, even because they are located in very prestigious areas and with significantly high rentals.

The EBIT achieved by the Group in the half-year 2012/2013 was affected by the performances commented on above, to which must be added amortization and depreciation of Euro 1,046 thousand, relating to sharp increase in the Group's investments and write-downs equal to Euro 172 thousand linked to the early closure of some shops as the related performances were not in line with the management's expectations.

Summary economic-financial data

Below are reported the Group's main economic-financial indicators as at 30 September 2012 and 30 September 2011 (financial indicators are also compared to the similar values inferred from the consolidated financial statements ended 31 March 2012):

Economic and financial indicators *(in thousands of Euro)*	**30 September 2012**	**30 September 2011**
Revenues from sales	27,395	30,133
EBITDA	5,056	7,265
EBIT	3,838	6,202
Pre-tax result	3,860	6,213
Group's profit for the period	2,424	3,908
Amortisation and depreciation of fixed assets and write-downs	1,368	1,113
Financial absorption (Group net profit, amortisation and depreciation, write-downs)	3,792	5,021

Financial indicators *(in thousands of Euro)*	**30 September 2012**	**31 March 2012**
Net Financial Position [3]	(11,992)	(6,228)
Shareholders' equity	28,368	28,790

EBITDA for the period came to Euro 5.1 million, against Euro 7.3 million recorded in the same period ended 30 September 2011 and as at 30 September 2012 it represented 18.5% of consolidated revenues (against 24.1% recorded in the half-year ended 30 September 2011).

In the half-year ended 30 September 2012, the Group's amortisation and depreciation were equal to Euro 1,046 thousand and were broken down as follows: Euro 800 thousand relating to property, plant and equipment (mainly connected to the depreciation of the building where the Company operates for Euro 98 thousand; of business

[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.

equipment, including automated warehouse and fittings for shops, for Euro 651 thousand; of general systems for Euro 46 thousand and other assets for Euro 5 thousand), and Euro 246 thousand relating to intangible assets (of which Euro 112 thousand for software and patent rights, Euro 106 thousand for key money of some shops and Euro 28 thousand for trademarks).

As at 30 September 2012 EBIT came to Euro 3.8 million, equal to about 14.0% of net sales revenues, showing a slight fall compared to the value recorded in the half-year ended 30 September 2011 (equal to 20.6%), also as a result of higher amortisation and depreciation in the period, due to the significant investments made by the Group during the half-year and of the write-downs connected to early closures of some shops whose performances were not in line with the initial expectations.

The result from financial operations as at 30 September 2012, which was positive for a value equal to about Euro 22 thousand, was attributable to the net financial debt dynamics, in addition to the differential between foreign exchange gains and losses.

The pre-tax result recorded by the Group in the half-year ended 30 September 2012 came to about Euro 3.9 million (down by about 37.9% against the value of Euro 6.2 million recorded in the half-year ended 30 September 2011) and was affected by income taxes, including the effects of deferred taxation, equal to Euro 1.4 million.

Investments

Investments in intangible assets, property, plant and equipment and financial assets in the half-years ended 30 September 2012 and 30 September 2011 were equal to Euro 2,612 thousand and Euro 1,086 thousand, respectively, as reported below:

(in thousands of Euro)	**30 September 2012**	**30 September 2011**
Investments		
Intangible assets	2,612	1,013
Property, plant and equipment	1,086	919
Financial fixed assets	-	-
Total	**3,698**	**1,932**

Increases in intangible assets, equal to Euro 2,612 thousand in the half-year ended 30 September 2012 mainly related to investments in software and IT products for Euro 133 thousand and to the Key money paid by:

- Piquadro S.p.A. for the opening of the new points of sale, including one shop in Rozzano (Euro 130 thousand) and one shop in Pescara (Euro 30 thousand), which took place through the purchase of a branch of business;
- Piquadro France Sarl (Euro 2,279 thousand) for the opening of the first directly-operated store of the Group in Paris, located at rue Saint – Honoré 232.

On the contrary, increases in property, plant and equipment, equal to Euro 1,086 thousand in the half-year ended 30 September 2012, 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 874 thousand, to electric and electronic office machines for Euro 33 thousand, to the purchases of moulds relating to new products for Euro 55 thousand, to the purchase of equipment for Euro 46 thousand and to the property, plant and equipment under construction related to the new opening of the Mendrisio retail outlet for Euro 78 thousand.

CONSOLIDATED BALANCE SHEET

Below is summarised the Group's consolidated equity and financial structure as at 30 September 2012 (compared to the corresponding structure as at 31 March 2012 and 30 September 2011):

(in thousands of Euro)	**30 September 2012**	**31 March 2012**	**30 September 2011**
Trade receivables	26,027	23,113	25,341
Inventories	13,040	11,911	14,327
(Trade payables)	(13,682)	(13,856)	(18,123)
Total net current trade assets	*25,385*	*21,168*	*21,545*
Other current assets	1,678	1,437	3,332
Tax receivables	847	714	-
(Other current liabilities)	(3,380)	(3,024)	(3,393)
(Tax payables)	(1,522)	-	(2,579)
A) Working capital	***23,008***	***20,295***	***18,905***
Intangible assets	3,894	1,528	1,610
Property, plant and equipment	12,461	12,132	12,050
Receivables from others beyond 12 months	960	977	1,066
Deferred tax assets	1,476	1,461	1,394
B) Fixed assets	***18,791***	***16,098***	***16,120***
C) Non-current provisions and non-financial liabilities	***(1,439)***	***(1,375)***	***(1,544)***
Net invested capital (A+B+C)	**40,360**	**35,018**	**33,481**
FINANCED BY:			
D) Net financial position	*11,992*	*6,228*	*8,559*
E) Equity attributable to Minority interests	*40*	-	-
F) Equity attributable to the Group	*28,328*	*28,790*	*24,922*
Total borrowings and Shareholders' Equity (D+E+F)	**40,360**	**35,018**	**33,481**

CONSOLIDATED NET FINANCIAL POSITION

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

(in thousands of Euro)	**30 September 2012**	**31 March 2012**	**30 September 2011**
(A) Cash	102	66	170
(B) Other cash and cash equivalents (available current bank accounts)	9,833	12,747	10,241
(C) Liquidity (A) + (B)	**9,935**	**12,813**	**10,411**
(D) Finance leases	(606)	(709)	(797)
(E) Current bank debt	(9,000)	(9,000)	(6,855)
(F) Current portion of non-current debt	(3,372)	(2,998)	(3,738)
(G) Current financial debt (D) + (E) + (F)	**(12,978)**	**(12,707)**	**(11,390)**
(H) Short-term net financial position (C) + (G)	**(3,043)**	**106**	**(979)**
(I) Non-current bank debt	(5,500)	(2,628)	(3,547)
(L) Finance leases	(3,449)	(3,706)	(4,033)
(M) Non-current financial debt (I) + (L)	**(8,949)**	**(6,334)**	**(7,580)**
(N) Net financial position (H) + (M)	**(11,992)**	**(6,228)**	**(8,559)**

As at 30 September 2012 the consolidated net financial position was negative for about Euro 12 million.
The main reasons for the trend in the Net Financial Position, compared to 31 March 2012, are attributable to the following factors:

- the distribution of a dividend of Euro 3 million that took place in July 2012;

- investments in property, plant and equipment and intangible assets of about Euro 3.7 million;
- an increase in working capital of about Euro 3 million, which was mostly due to the increase in inventories and trade receivables, also due to the different seasonality trend.

The consolidated net financial position at 30 September 2012, compared to the value recorded at 30 September 2011, showed an increase both as a result of higher investments in the period (about Euro 2.0 million higher than in the first 2012/2013 half-year), and as a result of the increase in the Group's working capital.

OTHER INFORMATION

Human Resources

The products that the Group offers are conceived, manufactured and distributed according to the guidelines of an organisational model whose feature is that it monitors all the most critical phases of the chain, from conception and manufacturing to subsequent distribution. This entails great care with the correct management of human resources, which, while respecting the different local environments in which the Group operates, must necessarily lead to intense personal involvement, above all in what the Group considers the strategic phases for the success of the brand.
As at 30 September 2012 the Group had 703 members of staff compared to 797 units as at 30 September 2011. Below is reported the breakdown of staff by country:

Country	30 September 2012	30 September 2011
Italy	224	193
China	409	514
Hong Kong	31	45
Macau	7	6
Germany	-	3
Spain	13	17
UAE	-	5
Taiwan	15	14
Netherlands	4	-
France	-	-
Switzerland	-	-
Total	**703**	**797**

With reference to the Group's organisational structure, as at 30 September 2012 44.5% of staff operated in the production area, 27.1% in the retail area, 17.6% in the support functions (Administration, IT Systems, Purchasing, Quality, Human Resources, etc.), 7.5% in the Research and Development area and 3.3% in the wholesales 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 13 people 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 29 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.

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

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

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

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

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

Significant events after the half-year end

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

Outlook

The performance of the Piquadro Group in the first 2012/2013 half-year was mainly affected by the relevant economic situation, above all in Italy, a market in which the Group makes more than 70% of its business volume, and the trend in such market in next months will be important in order to determine the development expectations of the Group. The expectations for the 2012/2013 financial year, in terms of both turnover and profitability, will also be influenced by whether wholesale clients are able to restore normal conditions for accessing credit, above all in Italy, and also by the return to better levels of consumption compared to those that characterized the last half-year. The results achieved in directly-operated shops in the first half-year go against the negative trend described above and provide comfort to management regarding its growth strategy which hinges on the opening of directly-operated shops also with a view to improving distribution and brand positioning. The Group is always focused on international growth and is consistently pursuing a strategy to increase the visibility and awareness of the Piquadro brand internationally. In this perspective, the opening of the Paris shop at Rue Saint Honoré by the end of 2012 is an important aspect which is to be followed by the flagship store in London; these are places where there is the greatest concentration of the target consumers (travel and business) and where the flow of Asian, Russian, Middle-Eastern and American tourists is constantly increasing; these areas, should represent the greatest areas of expansion

for the Group in the immediate future and, in any case, key places in order to increase visibility and awareness at global level for the Piquadro brand.
Therefore, the forecasts for the 2012/2013 financial year will depend particularly on the development of the economic situation in Italy and therefore on the solidity of the main relevant market of Piquadro, as well as on the speed of obtaining returns on foreign investments. In this context, the management will be and is engaged in constantly monitoring operating costs in order to maintain gross profit margins higher than the averages in the sector, that can allow greater commitments in research and development activities and marketing expenses and in the retail sector, above all at international level, in order to further increase visibility of the brand and its knowledge at world level.

Silla di Gaggio Montano (BO), 20 November 2012

FOR THE BOARD OF DIRECTORS
THE CHAIRMAN
(Marco Palmieri)

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
AS AT 30 SEPTEMBER 2012

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of Euro)	**Notes**	**30 September 2012**	**31 March 2012**
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	(1)	3,894	1,528
Property, plant and equipment	(2)	12,461	12,132
Receivables from others	(3)	960	977
Deferred tax assets	(4)	1,476	1,461
TOTAL NON-CURRENT ASSETS		**18,791**	**16,098**
CURRENT ASSETS			
Inventories	(5)	13,040	11,911
Trade receivables	(6)	26,027	23,113
Other current assets	(7)	1,678	1,437
Tax receivables	(8)	847	714
Cash and cash equivalents	(9)	9,935	12,813
TOTAL CURRENT ASSETS		**51,527**	**49,988**
TOTAL ASSETS		**70,318**	**66,086**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of Euro)	**Notes**	**30 September 2012**	**31 March 2012**
LIABILITIES			
EQUITY			
Share capital		1,000	1,000
Share premium reserve		1,000	1,000
Other reserves		626	512
Retained earnings		23,278	18,499
Group profit for the period		2,424	7,779
TOTAL EQUITY ATTRIBUTABLE TO THE GROUP		**28,328**	**28,790**
Capital and reserves attributable to minority interests		40	-
Profit/(loss) for the period attributable to minority interests		-	-
TOTAL EQUITY ATTRIBUTABLE TO MINORITY INTERESTS		**40**	**-**
TOTAL EQUITY	(10)	**28,368**	**28,790**
NON-CURRENT LIABILITIES			
Borrowings	(11)	5,500	2,628
Payables to other lenders for lease agreements	(12)	3,449	3,706
Provision for employee benefits	(13)	243	261
Provisions for risks and charges	(14)	894	785
Deferred tax liabilities	(15)	302	327
TOTAL NON-CURRENT LIABILITIES		**10,388**	**7,707**
CURRENT LIABILITIES			
Borrowings	(16)	12,372	11,997
Payables to other lenders for lease agreements	(17)	606	709
Derivative liabilities	(18)	-	3
Trade payables	(19)	13,682	13,856
Other current liabilities	(20)	3,380	3,024
Tax payables	(21)	1,522	-
TOTAL CURRENT LIABILITIES		**31,562**	**29,589**
TOTAL LIABILITIES		**41,950**	**37,296**
TOTAL EQUITY AND LIABILITIES		**70,318**	**66,086**

CONSOLIDATED INCOME STATEMENT

(in thousands of Euro)	Notes	30 September 2012	30 September 2011
REVENUES			
Revenues from sales	(22)	27,395	30,133
Other income	(23)	357	304
TOTAL REVENUES (A)		**27,752**	**30,437**
OPERATING COSTS			
Change in inventories	(24)	(859)	(3,978)
Costs for purchases	(25)	5,389	6,835
Costs for services and leases and rentals	(26)	11,981	14,954
Personnel costs	(27)	6,018	5,270
Amortisation, depreciation and write-downs	(28)	1,368	1,113
Other operating costs		17	41
TOTAL OPERATING COSTS (B)		**23,914**	**24,235**
OPERATING PROFIT (A-B)		**3,838**	**6,202**
Financial income	(29)	467	786
Financial charges	(30)	(445)	(775)
TOTAL FINANCIAL INCOME AND CHARGES		**22**	**11**
PRE-TAX RESULT		**3,860**	**6,213**
Income tax expenses	(31)	(1,436)	(2,305)
PROFIT FOR THE PERIOD		**2,424**	**3,908**
attributable to:			
EQUITY HOLDERS OF THE COMPANY		2,424	3,908
			-
(Basic) Earnings per share in Euro	(32)	0.04848	0.07816
(Diluted) Earnings per share in Euro	(33)	0.04774	0.07574

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	30 September 2012	30 September 2011
Profit and loss for the period (A)	**2,424**	**3,908**
Profits (losses) arising from the translation of financial statements of foreign companies	76	12
Effect of IAS 39 fair value of derivative contracts	2	79
Profits/(losses) not recognised through P&L (B)	**78**	**91**
Total comprehensive income/(losses) (A) + (B)	**2,502**	**3,999**
Attributable to		
- the Group	2,502	3,999
- 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 31.03.2011	**1,000**	**1,000**	**12**	**(16)**	**408**	**404**	**14,402**	**9,097**	**25,903**	**0**	**0**	**25,903**
Profit for the period								3,908	**3,908**			**3,908**
Other components of the comprehensive income as at 30 September 2011:												
Foreign exchange differences from translation			12			**12**			**12**			**12**
Fair value of financial instruments				79		**79**			**79**			**79**
Total comprehensive income for the period			**12**	**79**		**91**		**3,908**	**3,999**			**3,999**
Allocation of the result for the period as at 31 March 2011:												
- to dividends								(5,000)	**(5,000)**			**(5,000)**
- to reserves							4,907	(4,907)	**0**			**0**
Fair Value of the Stock Option Plan					20	**20**			**20**			**20**
Balances as at 30.09.2011	**1,000**	**1,000**	**24**	**63**	**428**	**515**	**18,499**	**3,908**	**24,922**	**0**	**0**	**24,922**

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 31.03.2012	**1,000**	**1,000**	**66**	**(2)**	**448**	**512**	**18,499**	**7,779**	**28,790**	**0**	**0**	**28,790**
Profit for the period								2,424	**2,424**			**2,424**
Other components of the comprehensive income as at 30 September 2012:												
Foreign exchange differences from translation			76			**76**			**76**			**76**
Fair value of financial instruments				2		**2**			**2**			**2**
Total comprehensive income for the period			**76**	**2**	**0**	**78**		**2,424**	**2,502**			**2,502**
Allocation of the result for the period as at 31 March 2012:												
- to dividends								(3,000)	**(3,000)**			**(3,000)**
- to reserves							4,779	(4,779)	**0**			**0**
Fair Value of the Stock Option Plan					36	**36**			**36**			**36**
Consolidation Area's Modification										40		**40**
Balances as at 30.09.2012	**1,000**	**1,000**	**142**	**0**	**484**	**626**	**23,278**	**2,424**	**28,328**	**40**	**0**	**28,368**

CONSOLIDATED STATEMENT OF CASH FLOWS

(*in thousands of Euro*)	**30 September 2012**	**30 September 2011**
Pre-tax profit	**3,860**	**6,213**
Adjustments for:		
Depreciation of property, plant and equipment/Amortisation of intangible assets	1,046	1,062
Write-down of property, plant and equipment/intangible assets	172	-
Provision for bad debts	150	50
Adjustment to the provision for employee benefits	11	(30)
Net financial charges/(income), including exchange rate differences	(22)	(11)
Cash flow from operating activities before changes in working capital	**5,217**	**7,284**
Change in trade receivables (net of the provision)	(2,914)	(3,923)
Change in inventories	(1,129)	(4,223)
Change in other current assets	(220)	(890)
Change in trade payables	(174)	4,822
Change in provisions for risks and charges	103	(9)
Change in other current liabilities	392	1,345
Cash flow from operating activities after changes in working capital	**1,274**	**4,406**
Payment of taxes	(192)	(469)
Interest paid	(155)	(275)
Cash flow generated from operating activities (A)	**927**	**3,662**
Investments in intangible assets	(2,612)	(1,013)
Investments in property, plant and equipment	(1,077)	(919)
Investments in fixed financial assets	-	-
Changes generated from investing activities (B)	**(3,689)**	**(1,932)**
Financing activities		
Repayment of short- and medium/long-term borrowings	(1,754)	(1,663)
Registering of short- and medium/long-term borrowings	5,000	5,000
Changes in financial instruments	(2)	121
Lease instalments paid	(360)	(504)
Payment of dividends	(3,000)	(5,000)
Cash flow generated from/(absorbed by) financing activities (C)	**(116)**	**(2,046)**
Net increase (decrease) in cash and cash equivalents (A+B+C)	(2,878)	(316)
Cash and cash equivalents at the beginning of the period	**12,813**	**10,727**
Cash and cash equivalents at the end of the period	**9,935**	**10,411**

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
AS AT 30 SEPTEMBER 2012**

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 30 September 2012, 68.37% of the share capital of S.p.A., a company which is listed on the Milan Stock Exchange since 25 October 2007.
These consolidated condensed interim financial statements were approved by the Board of Directors on 20 November 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 half of the financial year (i.e. from April to September) are less than those realised in the subsequent half-year, with a consequent impact on margins. Also as a result of the above, revenues for the half-year ended 30 September 2011 (equal to Euro 30,133 thousand) represented a share of about 46.76% of the consolidated revenues for the financial year ended 31 March 2012 (equal to Euro 64,447 thousand).
Accordingly, it should be noted that, even if expressing the Group’s economic and financial performance, the result as at 30 September 2012 does not fully represent the result that the Group expects to achieve in the financial year that will end on 31 March 2013.

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

2.1 Accounting standards and policies

These consolidated condensed interim financial statements as at 30 September 2012 were prepared pursuant to Article 154-*ter* of Legislative Decree no. 58/98 and in accordance with International Accounting Standards (IAS/IFRS) adopted by the European Union and in particular with the accounting standard applicable to interim financial reporting (IAS 34).
IAS 34 allows interim financial statements to be prepared in a “condensed” form, i.e. on the basis of minimum disclosures substantially less detailed than required by IFRS as a whole, provided that a complete set of financial statements prepared on the basis of IFRS has been previously made available to the public.
These consolidated condensed interim financial statements have been prepared in a “condensed” form and they must therefore be read together with the Group’s consolidated financial statements ended 31 March 2012 prepared in accordance with IFRS adopted by the European Union, to which reference is made for a better understanding of the Group’s business and structure and of the accounting standards and criteria adopted.
The preparation of interim financial statements in accordance with IAS 34 – Interim Financial Reporting requires judgments, estimates and assumptions that impact on assets, liabilities, costs and revenues. It should be noted that the final results may prove different from those obtained as a result of these estimates.

The Accounting statements of financial position, income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows are prepared in an extended form and are the same as those adopted for the consolidated financial statements ended 31 March 2012.

The accounting standards and policies adopted in preparing the consolidated condensed interim financial statements are the same as those used in preparing the consolidated financial statements of Piquadro S.p.A. ended 31 March 2012, to which reference is made for a description of the same.

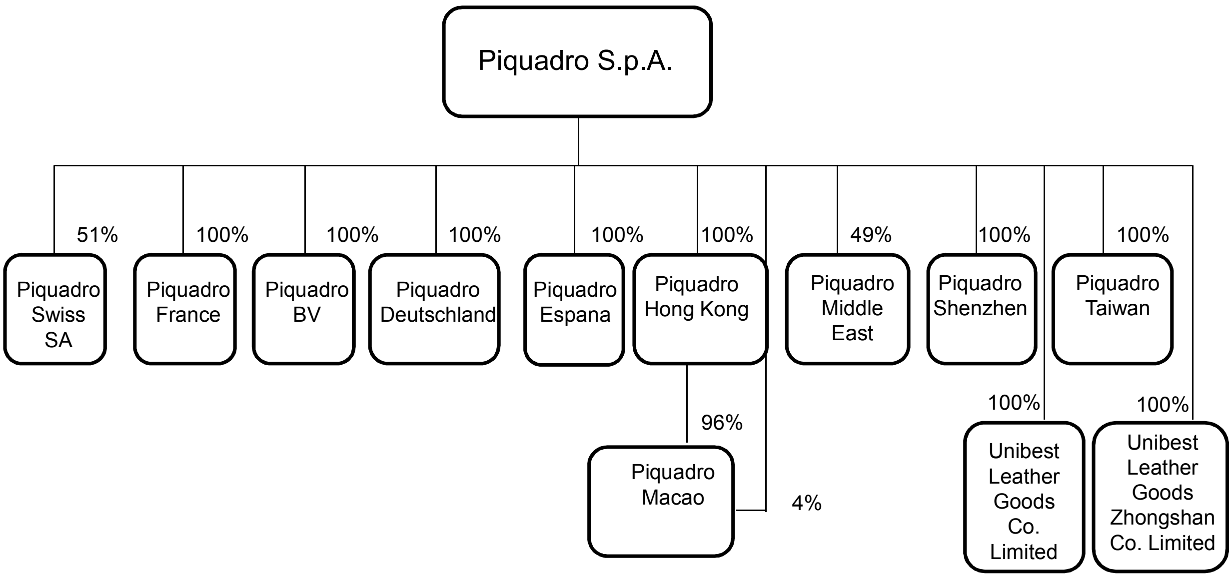
These consolidated condensed interim financial statements are made up of the Statement of Financial Position, the Income Statement, the Statement of Comprehensive Income, the Statement of Cash Flows, the Statement of Changes in Equity and these Explanatory Notes. Economic data, changes in equity and cash flows for the half-year ended 30 September 2012 are compared with the half-year ended 30 September 2011. Financial data as at 30

September 2012 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, except as otherwise specified.
The reporting currency of these consolidated financial statements is the Euro, since this currency prevails in the economies of the countries where the Piquadro Group companies conduct their business.

Except as previously illustrated in the interim management report and in the subsequent explanatory notes, the management believes that no other significant non-recurring events or transactions occurred either in the half-year ended 30 September 2012 or in the half-year ended 30 September 2011, nor did any atypical or unusual transactions significantly affect the operating result.

2.2 The Group structure

For the purpose of provide a clear representation, below is reported the chart of the Group structure as at 30 September 2012:



2.3 Principles of consolidation

Subsidiaries

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

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

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

2.4 Scope of consolidation

The consolidated condensed interim financial statements ended 30 September 2012 and 30 September 2011 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 2012, during the half-year ended 30 September 2012, two new companies, named Piquadro France SARL and Piquadro Swiss SA, were included in the scope of consolidation. Piquadro France SARL, with registered office in Paris, is the company that manages the first directly-operated store of the Group in Paris, located at rue Saint – Honoré. Piquadro Swiss SA, with registered office in Mendrisio, is the company that manages the first retail outlet of the Group in Switzerland.

The complete list of the companies included in the scope of consolidation as at 30 September 2012 and 30 September 2011, with the related shareholders' equity and share capital recognised according to local accounting standards (as the Group companies have prepared their interim financial statements according to the local regulations and accounting standards, and have only prepared the consolidation file according to IFRS functionally to the consolidation into Piquadro) are reported in the tables below:

Scope of consolidation as at 30 September 2012

Name	HQ	Country	Currency	Share Capital (local currency /000)	Shareholder's equity (Euro /000)	% Control
Piquadro SpA	Gaggio Montano (BO)	Italy	Euro	1,000	29,063	Parent Company
Uni Best Leather Goods Co. Limited	Kowloon	Hong Kong	HKD	1,000	96	100%
Piquadro España Slu	Barcelona	Spain	Euro	898	703	100%
Piquadro Deutschland Gmbh	Munich	Germany	Euro	25	(46)	100%
Uni Best Leather Goods Zhongshan Co Limited	Guangdong	People's Republic of	RMB	9,891	(355)	100%

		China				
Piquadro Hong Kong Limited	Hong Kong	Hong Kong	HKD	2,000	47	100%
Piquadro Macau Limitada	Macau	Macau	HKD	25	97	100%
Piquadro Trading (Shenzhen) Co. Ltd.	Shenzhen	People's Republic of China	RMB	13,799	1,100	100%
Piquadro Taiwan Co. Ltd.	Taipei	Taiwan	NTD	25,000	518	100%
Piquadro Middle East Leather Products LLC*	Abu Dhabi	United Arab Emirates	AED	150	(922)	49%
Piquadro BV	Zoetermeer	Netherlands	EUR	300	306	100%
Piquadro France SARL	Paris	France	EUR	2,500	2,461	100%
Piquadro Swiss SA	Mendrisio	Switzerland	CHF	82	82	51%

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

Scope of consolidation as at 30 September 2011

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

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

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 half-years ended 30 September 2012 and 30 September 2011 (foreign currency corresponding to Euro 1):

Foreign currency	Average		Closing	
	30 September 2012	30 September 2011	30 September 2012	30 September 2011
Hong Kong Dollar (HKD)	9.83	11.10	10.03	10.52
Renminbi (Yuan)	8.03	9.21	8.13	8.62
Arab Emirates Dirham (AED)	4.65	5.24	4.75	4.96
Taiwan Dollar (NTD)	37.65	41.36	37.90	41.18
Swiss franc	-	-	1.21	-

2.5 Amendments to the accounting standards

Accounting standards, amendments and interpretations

Starting from 1 April 2012, the following amendment to accounting standards shall be applied obligatorily, as the EU endorsement process has been completed:

- IFRS 7 (amended) – "*Financial instruments: Disclosures*": the amendment promotes transparent disclosures, in the accounts, on the transfer (derecognition) of financial assets in the portfolio, thus improving the disclosures relating to the risks retained by the entity that has made the transfer and the effects on the financial position, in particular in the event that these transfers have been made at the end of an accounting period.

This amendment did not entail significant effects on the disclosure provided in these consolidated condensed interim financial statements and on the evaluation of the related items of the financial statements.

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

Starting from 1 April 2013 the following amendments to international accounting standards shall be applied obligatorily, as the EU endorsement process has already been completed:

- IAS 1 (amended) - "*Presentation of financial statements*", which was published by the IASB on 16 June 2011 and which is applicable to the financial statements for the years beginning after 1 July 2012, amends the presentation of the statement of comprehensive income, requiring the separate indication of components, depending on whether they may be subsequently reclassified to the income statement. The application of this amendment will not entail any effects on the evaluation of the items of the financial statements.

- IAS 19 (amended) - "*Employee benefits*", which was published by the IASB on 16 June 2011 and which will be applicable on the financial statements for the years beginning after 1 January 2013, eliminates the possibility of applying the corridor method, requiring the recognition of the cost of the work performance and of financial interest in the income statement and the recognition of the entire amount of actuarial gains/losses in the statement of comprehensive income. Furthermore, it also amends the procedure to determine the interest cost. The application of this amendment will not entail significant effects on the evaluation of the items of the financial statements.

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

Accounting standards being adopted by the European Union

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

- IFRS 9 "*Financial instruments*", a standard, which was published by the IASB on 12 November 2009, as amended on 28 October 2010. The standard, which is applicable from 1 January 2015, 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. At the date of this annual financial report, it was not believed that the amendments listed above could entail potential significant impacts on the equity, economic and financial position of the Group.

- IFRS 7 (amended) - "*Financial instruments: Disclosures*", which was published by the IASB on 16 December 2011 and which will be applicable from 1 January 2013. This standard requires more disclosures on the effects of setoffs of financial assets and liabilities on the statement of financial position.

- IAS 12 (amended) - "*Income taxes*", which was published by the IASB on 20 December 2010, clarifies the procedure to determine deferred taxes in the case of investment properties measured at fair value according to IAS 40. The amendment should have been applicable retrospectively starting from 1 January 2012.

- IFRS 1 (amended) - *"First-time Adoption of International Financial Reporting Standards"*, which was published by the IASB on 20 December 2010 and applicable from 1 July 2011.

- IFRS 10 *"Consolidated Financial Statements"*, which was published by the IASB on 12 May 2011 and which will be applicable from 1 January 2014. It will supersede SIC 12 "Special Purpose Entities" and part of IAS 27 "Consolidated Financial Statements", which will be renamed "Separate Financial Statements" and it will regulate the accounting treatment of equity investments in the separate financial statements. IFRS 10 establishes new standards for preparing consolidated financial statements and it identifies the concept of control as the decisive factor for the consolidation of a company in the consolidated financial statements of the controlling company. Furthermore, the standard gives indications as to the determination of whether or not the control exists.

- IFRS 11 "*Joint arrangements*", which was published by the IASB on 12 May 2011 and which will be applicable from 1 January 2014, redefines the procedures to account for jointly-controlled equity investments in the consolidated financial statements, defining the net equity as the only applicable accounting method.

- IFRS 12 "*Disclosure of Interests in Other Entities*", which was issued by the IASB on 12 May 2011 and which will be applicable from 1 January 2014, extends the disclosures required in relation to the various types of equity investments.

- IFRS 13 – "*Fair Value Measurement*", issued by IASB on 12 May 2011 and which will be applicable from 1 January 2014, provides a univocal definition of the concept of fair value and clarifies the procedures to determine it for the purposes of the financial statements.

- IAS 27 Revised *"Separate Financial Statements",* issued by the IASB on 12 May 2011 and which will be applicable from 1 January 2014.

- IAS 28 Revised "*Investments in associates*", which was issued by IASB on 12 May 2011 and which will be applicable from 1 January 2014.

- IFRIC 20 – *"Stripping Costs in the Production Phase of a Surface Mine"*, which was published by the IASB on 19 October 2011 and which will be applicable from 1 January 2014.

- IAS 32 (amended) - *"Financial Instruments: Presentation"*, which was published by the IASB on 16 December 2011 and which will be applicable from 1 January 2014, clarifies the application of some criteria for the setoff of financial assets and liabilities under IAS 32.

- IFRS 1 (amended) – *"First-time Adoption of International Financial Reporting Standards"* – Government loans, which was published by the IASB on 13 March 2012 and which will be applicable from 1 January 2013.

- Improvements to IFRSs (2009-2011) (amendments), which were published by the IASB on 17 May 2012 and which will be applicable from 1 January 2013.

- Guide to transition (amendments to IFRS 10, IFRS 11 and IFRS 12) , which was published by the IASB on 28 June 2012 and which will be applicable from 1 January 2013.

- Equity investments (amendments to IFRS 10, IFRS 12 and IAS 27), which was published by the IASB on 31 October 2012 and which will be applicable from 1 January 2014.

COMMENT ON THE MAIN ITEMS IN THE STATEMENT OF FINANCIAL POSITION

ASSETS

NON-CURRENT ASSETS

Note 1 – Intangible assets

As at 30 September 2012 the value of intangible assets was equal to Euro 3,894 thousand (Euro 1,528 thousand as at 31 March 2012).
Below is reported the statement of changes of this item:

(in thousands of Euro)	**30 September 2012**
Balance as at 31 March 2012	1,528
Investments in intangible assets	2,612
Sales and disposals	-
Other changes	-
Amortisation	(246)
Write-downs	-
Total	**3,894**

Increases in intangible assets, equal to Euro 2,612 thousand in the half-year ended 30 September 2012 mainly refer to investments in software and IT products for Euro 133 thousand and to the Key money paid by:

- Piquadro S.p.A. for the opening of the new points of sale, including one shop in Rozzano (Euro 130 thousand) and one shop in Pescara (Euro 30 thousand), which took place through the purchase of a branch of business;
- Piquadro France Sarl (Euro 2,279 thousand) for the opening of the first directly-operated store of the Group in Paris, located at rue Saint – Honoré.

Note 2 - Property, plant and equipment

As at 30 September 2012, the value of property, plant and equipment was equal to Euro 12,461 thousand (Euro 12,132 thousand as at 31 March 2012). Below is reported the statement of changes of this item:

(in thousands of Euro)	**30 September 2012**
Balance as at 31 March 2012	12,132
Investments in property, plant and equipment	1,086
Sales and disposals	(9)
Other changes	224
Depreciation	(800)
Write-downs	(172)
Total	**12,461**

On the contrary, increases in property, plant and equipment, equal to Euro 1,086 thousand in the half-year ended 30 September 2012, were attributable to fittings purchased for new DOS opened in the period under consideration and to the refurbishment of some existing shops for Euro 874 thousand, to electric and electronic office machines for Euro 33 thousand, to the purchases of moulds relating to new products for Euro 55 thousand, to the purchase of equipment for Euro 46 thousand and to the property, plant and equipment under construction for the opening of the new retail outlet in Mendrisio for Euro 78 thousand.
As at 30 September 2012 some categories of furniture and fittings were written down (Euro 172 thousand) as a result of the closure of some shops whose performances are not in line with the management's expectations.

Below is reported the net book value as at 30 September 2012 of the assets used by the Group by virtue of finance lease agreements:

(in thousands of Euro)	**30 September 2012**
Land	5,057

Buildings	878
Plant and equipment	-
Industrial and business equipment	324
Total	**6,259**

Note 3 – Receivables from others

Receivables from others, equal to Euro 960 thousand as at 30 September 2012 (compared to Euro 977 thousand as at 31 March 2012) relate to both guarantee deposits paid for various utilities, including those relating to the operation of Company-owned shops, and to deposits relating to the lease of DOS shops.

Note 4 – Deferred tax assets

As at 30 September 2012, deferred tax assets amounted to Euro 1,476 thousand (Euro 1,461 thousand as at 31 March 2012). The balance is mainly made up of temporary fiscal differences relating to Piquadro S.p.A. for Euro 1,068 thousand (Euro 957 thousand as at 31 March 2012) 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 284 thousand against about Euro 340 thousand as at 31 March 2012).

CURRENT ASSETS

Note 5 - Inventories

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

(in thousands of Euro)	**Gross value as at 30 September 2012**	**Provision for write-down**	**Net value as at 30 September 2012**	**Net value as at 31 March 2012**
Raw Materials	2,062	(151)	1,911	1,548
Semi-finished products	696	-	696	434
Finished products	10,666	(233)	10,433	9,929
Inventories	**13,424**	**(384)**	**13,040**	**11,911**

(in thousands of Euro)	**Provision as at 31 March 2012**	**Use**	**Allocation**	**Provision as at 30 September 2012**
Provision for write-down of raw materials	151	-	-	151
Provision for write-down of finished products	187	-	46	233
Total provision for write-down of inventories	**338**	**-**	**46**	**384**

As at 30 September 2012, inventories showed an increase compared to the corresponding values as at 31 March 2012. This increase is mainly attributable to seasonal trends.

Note 6 - Trade receivables

As at 30 September 2012, trade receivables were equal to Euro 26,027 thousand compared to Euro 23,113 thousand as at 31 March 2012. The increase over 31 March 2012 is attributable to both seasonal trends in sales and to an higher delay of collection, above all from multi-brand Italian customers.
The adjustment to the face value of receivables from customers at their presumed realisable value is obtained through a special provision for bad debts, whose changes in the half-year under consideration are showed in the table below:

(in thousands of Euro)	**Provision as at 30 September 2012**	**Provision as at 31 March 2012**
Balance at the beginning of the period	1,230	1,016
Effect through P&L	150	441
Uses	-	(227)
Total provision for bad debts	**1,380**	**1,230**

Note 7 – Other current assets

Below is reported the breakdown of other current assets:

(in thousands of Euro)	**30 September 2012**	**31 March 2012**
Other assets	1,153	644
Accrued income and prepaid expenses	525	793
Other current assets	**1,678**	**1,437**

The increase in other current assets was mainly attributable to the advances to suppliers of the Parent Company equal to Euro 728 thousand (Euro 420 thousand as at 31 March 2012), as a result of the seasonality of the Group's business. The decrease in accrued income and prepaid expenses mainly concerns the release of the Parent Company's costs of set of samples through P&L, relating to the clothing collection for spring/summer 2012 and partly for autumn/winter 2012.

Note 8 – Tax receivables

As at 30 September 2012, tax receivables were equal to Euro 847 thousand (Euro 714 thousand as at 31 March 2012) and fully referred to the IRES and IRAP tax credit of the Parent Company, for Euro 535 thousand and Euro 120 thousand, respectively, in addition to the advance payments made, during the half-year, by the Parent Company for IRES (Euro 158 thousand) and IRAP (Euro 34 thousand) tax.

Note 9 – Cash and cash equivalents

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

(in thousands of Euro)	**30 September 2012**	**31 March 2012**
Available current bank accounts	9,833	12,747
Cash, cash on hand and cheques	102	66
Cash and cash equivalents	**9,935**	**12,813**

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

LIABILITIES

NON-CURRENT LIABILITIES

Note 10 - TOTAL EQUITY

Share capital

As at 30 September 2012 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.
As described more in detail in the paragraph "Significant events for the half-year ended 30 September 2012" of the Interim Report on Operations, during the half-year ended 30 September 2012, the Shareholders' Meeting approved the guidelines of a new stock option plan for the 2012-2017 period, which is reserved for certain directors, executives with strategic responsibilities, employees and collaborators of Piquadro S.p.A. and of other companies owned by it, and resolved to approve the consequent capital increase, excluding the right of option serving the plan, up to a maximum amount of Euro 93,998, through the issue of a maximum number of 4,699,900 ordinary shares of Piquadro SpA, of no par value, having the same features and enjoyment as the outstanding shares; this capital increase may be also implemented in more than one payment and is divisible by 31 December 2018.
On 26 September 2012, the Board of Directors resolved to determine the subscription price of the Piquadro ordinary shares, to be paid by the beneficiaries at the time of the subscription of the shares deriving from the exercise of the options, for an amount of Euro 1.53 per share, thus determining an overall number of 3,600,000 rights of option to be assigned to the respective beneficiaries. Furthermore, subject to the opinion of the Remuneration Committee, the list of the plan's beneficiaries was approved, specifying the number of rights of option assigned to each of them.

The new stock option plan will have a term of five years and the accrual of options, to the extent of 30% by 30 September 2015, 30% by 30 September 2016 and 40% by 30 September 2017, is subject to:

(i) the permanence of the relationship of administration, subordinate employment or collaboration, as the case may be,
(ii) the achievement by the Piquadro Group of certain EBIT targets, expected respectively for the related financial year, with a normalized positive NFP,
(iii) the circumstance that the Piquadro shares as at the date of accrual were still listed in an Italian regulated market.

Against this new plan, the Shareholders' Meeting also resolved the proposed partial cancellation of the Company's capital increase as resolved by the Board of Directors on 28 February 2008 in order to serve the 2008-2013 stock option plan. In particular, the partial cancellation concerns no. 2,200,000 shares, of which no. 1,300,000 shares relate to options that have already been assigned and that have been the object of a waiver by the respective beneficiaries or have been forfeited and no. 900,000 shares related to potential new allocations for subsequent incentive plans that should have been resolved within the ultimate deadline of 1 March 2011.

Below is reported some condensed information about the 2008-2013 stock option plan:

2008 – 2013 Stock Option Plan	**Number of options**
Options originally granted	1,600,000
Options subject to waiver by beneficiaries or forfeited	1,300,000
Options expired, as they were not exercised	30,000
Options in place as at 30 September 2012	270,000

This stock option plan provides for a subscription price of Euro 2.20 and an accrual subject to the permanence of the relationship of administration, management, subordinate employment or collaboration, as the case may be, as well as to the achievement by the Piquadro's shares of certain arithmetic mean targets of their official price. Currently, against the trend in the stock market of the quotations of the Piquadro stock, this plan may not be exercised by the beneficiaries.

The criterion adopted to measure the 2012-2017 stock option plans is based on the Black – Scholes model, which has been properly amended in order to be able to include the conditions of accrual of the options. Therefore, the calculation model has been created specifically in order to take account of the characteristics envisaged in the rules of the plan.

As at 30 September 2012 none of the 3,600,000 options granted against the new stock option plan had accrued.

In the half-year ended 30 September 2012, the abovementioned stock option plans entailed the recognition of a cost of Euro 37 thousand in the income statement.

Share premium reserve

This reserve, which has not undergone changes compared to the financial year ended 31 March 2012, was equal to Euro 1,000 thousand.

Translation reserve

As at 30 September 2012 the translation reserve was positive for Euro 142 thousand (while was positive for Euro 66 thousand as at 31 March 2012). This item is referred to the exchange rate differences due to the consolidation of the companies with a relevant currency other than the Euro, i.e. Uni Best Hong Kong Ltd, Piquadro Hong Kong and Piquadro Macau (the relevant currency being the Hong Kong Dollar), Uni Best Leather Goods (Zhongshan) Co. Ltd and Piquadro Shenzhen (the relevant currency being the Chinese Renminbi), Piquadro Middle East (the relevant currency being the Dirham), Piquadro Taiwan Co. Ltd (the relevant currency being the Taiwan Dollar) and Piquadro Swiss (the relevant currency being the Swiss franc).

Group net profit

This item relates to the recognition of the Group profit equal to Euro 2,424 thousand in the half-year ended 30 September 2012.

Profit and reserves attributable to minority interests

The item refers to the portions of reserves and profit, equal to Euro 40 thousand (Euro 0 thousand as at 31 March 2012), which are attributable to the minority interests of Piquadro Swiss SA, which was established during the half-year ended 30 September 2012 and of which the Parent Company owns 51% of the share capital.

Note 11 – Borrowings

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

(in thousands of Euro)	**30 September 2012**	**31 March 2012**
Borrowings from 1 to 5 years	5,500	2,628
Borrowings beyond 5 years	-	-
Medium/long-term borrowings	**5,500**	**2,628**

As at 30 September 2012 borrowings mainly related to Piquadro SpA and included:

1. Euro 300 thousand for the 60-month unsecured loan disbursed by Carisbo S.p.A. on 1 September 2008 (for an initial amount of Euro 1,500 thousand), fully related to the current portion; 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 1,500 thousand for the unsecured loan granted by Carisbo S.p.A. on 28 February 2009 (for an initial amount of Euro 3,500 thousand), of which a current portion of Euro 1,000 thousand and a non-current portion of Euro 500 thousand. In relation to this loan, it is specified that, following an amendment to the relevant agreement entered into on 31 May 2010, the Parent Company is no longer required to comply with any covenants;

3. Euro 1,755 thousand for the unsecured loan granted by Carisbo S.p.A. on 22 November 2010 (for an initial amount of Euro 2,700 thousand), of which a current portion of Euro 540 thousand and a non-current portion of Euro 1,215 thousand, aimed at financing the Group's investment policy;

4. Euro 5,000 thousand for the unsecured loan granted by UBI – Banca Popolare Commercio & Industria on 25 July 2012 (for an initial amount of Euro 5,000 thousand), of which a current portion of Euro 1,184 thousand and a non-current portion of Euro 3,816 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**	**Amort. cost (S/T)**	**Non-current borrowings**	**Amort. Cost (L/T)**	**Total**
Carisbo loan	1 September 2008	1,500	Euro	300	(1)		-	299
Carisbo loan	28 February 2009	3,500	Euro	1,000	-	500	(1)	1,499
Carisbo loan	22 November 2010	2,700	Euro	540	(1)	1,215	(3)	1,751
UBI loan	25 July 2012	5,000	Euro	1,184	(20)	3,816	(27)	4,953
Currency loan - Unicredit	Piquadro Trading Shenzhen	900	CNY	370	-	-	-	370
				3,394	**(22)**	**5,531**	**(31)**	**8,872**

Note 12 – Payables to other lenders for lease agreements

Below is reported the following breakdown:

(in thousands of Euro)	**30 September 2012**	**31 March 2012**
Non-current:		
Payables to leasing companies	3,449	3,706
Current:		
Payables to leasing companies	606	709
Payables to other lenders for lease agreements	**4,055**	**4,415**

As at 30 September 2012 payables to other lenders due beyond 12 months were equal to Euro 3,449 thousand and fully related 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). 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 30 September 2012 the value of the provision was equal to Euro 243 thousand (Euro 261 thousand as at 31 March 2012) 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 consolidated financial statements as at 31 March 2012.

Note 14 – Provision for risks and charges

Below are the changes of provisions for risks and charges as at 30 September 2012:

(in thousands of Euro)	**Provision as at 31 March 2012**	Use	Allocation	Reclassification	**Provision as at 30 September 2012**
Provision for supplementary clientele indemnity	502	(6)	85	-	581
Other provisions for risks	283	(63)	23	70	313
Total	**785**	**(69)**	**108**	**70**	**894**

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

Note 15 – Deferred tax liabilities

As at 30 September 2012, deferred tax liabilities amounted to Euro 302 thousand (Euro 327 thousand as at 31 March 2012), referable to the Parent Company for Euro 246 thousand.

CURRENT LIABILITIES

Note 16 – Borrowings

As at 30 September 2012 borrowings were equal to Euro 12,372 thousand compared to Euro 11,997 thousand as at 31 March 2012. For the breakdown, reference is made to Note 11. The balance related to a current portion of payables to banks for loans for Euro 3,372 thousand and payables to banks for credit lines for Euro 9,370 thousand.

Note 17 - Payables to other lenders for lease agreements

As at 30 September 2012 they were equal to Euro 606 thousand (Euro 709 thousand as at 31 March 2012) and related to the current portion of payables to leasing companies in relation to agreements for the lease of furniture, fittings and equipment for the shops and of the building, plant and equipment of the operational headquarters.

NET FINANCIAL POSITION

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

(Values expressed in thousands of Euro)	**30 September 2012**	**31 March 2012**	**30 September 2011**
(A) Cash	102	66	170
(B) Other cash and cash equivalents (available current bank accounts)	9,833	12,747	10,241
(C) Liquidity (A) + (B)	**9,935**	**12,813**	**10,411**
(D) Finance leases	(606)	(709)	(797)
(E) Current bank debt	(9,000)	(9,000)	(6,855)
(F) Current portion of non-current debt	(3,372)	(2,998)	(3,738)
(G) Current financial debt (D) + (E) + (F)	**(12,978)**	**(12,707)**	**(11,390)**
(H) Short-term net financial position (C) + (G)	**(3,043)**	**106**	**(979)**
(I) Non-current bank debt	(5,500)	(2,628)	(3,547)
(L) Finance leases	(3,449)	(3,706)	(4,033)
(M) Non-current financial debt (I) + (L)	**(8,949)**	**(6,334)**	**(7,580)**

(N) Net financial position (H) + (M)	(11,992)	(6,228)	(8,559)

As at 30 September 2012 the consolidated net financial position was negative for about Euro 12 million.
The main reasons for the trend in the Net Financial Position, compared to 31 March 2012, are attributable to the following factors:

- the distribution of a dividend of Euro 3 million that took place in July 2012;
- investments in property, plant and equipment and intangible assets of about Euro 3.7 million;
- an increase in working capital of about Euro 3 million, which was mostly due to the increase in inventories and trade receivables, also due to the different seasonality trend.

The consolidated net financial position at 30 September 2012, compared to the value recorded at 30 September 2011, showed an increase both as a result of higher investments in the period (Euro 2.0 million higher than in the first 2012/2013 half-year), and as a result of the increase in the Group's working capital.

Note 18 – Derivative liabilities

As at 30 September 2012, there were no liabilities relating to hedging of derivative financial instruments (IRS). As at 31 March 2012, liabilities relating to the hedging of derivative financial instruments (IRS) were equal to Euro 1 thousand.

Furthermore, as at 30 September 2012, there were no liabilities relating to the currency forward purchases. On the contrary, as at 31 March 2012 liabilities relating to the currency forward purchases (USD) were equal to Euro 2 thousand.

Note 19 – Trade payables

Below is the breakdown of current trade liabilities:

(in thousands of Euro)	**30 September 2012**	**31 March 2012**
Payables to suppliers	13,682	13,856

As at 30 September 2012 payables to suppliers, which were fully trade payables, amounted to Euro 13,682 thousand compared to Euro 13,856 thousand as at 31 March 2012.

Note 20 – Other current liabilities

Below is the breakdown of other current liabilities:

(in thousands of Euro)	**30 September 2012**	**31 March 2012**
Payables to social security institutions	329	338
Payables to pension funds	21	18
Other payables	257	531
Payables to employees	552	524
Advances from customers	146	44
Accrued expenses and deferred income	350	207
Payables for VAT	1,302	1,067
IRPEF* tax payables and other tax payables	423	295
Other current liabilities	**3,380**	**3,024**

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

The increase in other current liabilities is attributable to the increase in the VAT payable mainly referred to the Parent Company.
Payables to social security institutions mainly relate to the Parent Company's payables due to INPS (*Istituto Nazionale della Previdenza Sociale*, National Social Security Institute). Payables to employees as at 30 September 2012, equal to Euro 552 thousand (Euro 524 thousand as at 31 March 2012) mainly included the Group's payables for remunerations to be paid and deferred charges with respect to employees.

Note 21 – Tax payables

Below is the breakdown of tax payables:

(in thousands of Euro)	30 September 2012	31 March 2012
IRES tax (income taxes)	1,241	-
IRAP tax	281	-
Tax payables	**1,522**	**-**

Tax payables for IRES and IRAP tax relate to the allocation of taxes on an accruals basis on the income produced in the period.

COMMENTS ON THE MAIN INCOME STATEMENT ITEMS

Note 22 – Revenues from sales

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

The Group's revenues are mainly realised in Euro.

Below is the breakdown of revenues by geographical area:

(in thousands of Euro)	**30 September 2012**	**30 September 2011**
Italy	20,220	23,699
Europe	4,941	4,109
Rest of the world	2,234	2,325
Revenues from sales	**27,395**	**30,133**

In the half-year ended 30 September 2012, revenues from sales reported a decrease equal to Euro 2,738 thousand compared to the corresponding revenues realised in the half-year ended 30 September 2011 (-9.1%).

Note 23 – Other income

In the half-year ended 30 September 2012, other income amounted to Euro 357 thousand (Euro 304 thousand in the half-year ended 30 September 2011).
Other income is mainly made up of Euro 105 thousand of revenues for charging back corner shops and of Euro 79 thousand of revenues for charging back customers for transport and collection costs.

Note 24 – Change in inventories

The change in inventories was positive in both the half-year ended 30 September 2012 (Euro 859 thousand) and the half-year ended 30 September 2011 (Euro 3,978 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 half-year ended 30 September 2012, costs for purchases were equal to Euro 5,389 thousand (Euro 6,835 thousand in the half-year ended 30 September 2011).

Note 26 – Costs for services and leases and rentals

Below is the breakdown of costs for services:

(in thousands of Euro)	**30 September 2012**	**30 September 2011**
External production	3,257	5,720
Advertising and marketing	1,088	1,401
Transport services	1,605	1,824
Business services	1,183	1,645
Administrative services	714	713
General services	609	660
Services for production	671	675
Others	-	9
Total Costs for services	**9,127**	**12,647**

Costs for leases and rentals	**2,854**	**2,307**
Costs for services and leases and rentals	**11,981**	**14,954**

The decrease in costs for external production, as at 30 September 2012, is attributable to the decrease in business volumes, as they form part of the cost of sales.

Costs for leases and rentals mainly relate to lease rentals relating to the shops managed by the Group. The increase in this cost item is mainly attributable to the opening of new shops in Italy and Hong Kong, which, due to their inherent characteristics and visibility, contribute to the increase in the total rents, despite the closure of 17 DOS mainly in China and Spain.

Note 27 – Personnel costs

Below is reported the breakdown of personnel costs:

(in thousands of Euro)	**30 September 2012**	**30 September 2011**
Wages and salaries	5,058	4,509
Social security contributions	766	629
TFR	194	132
Personnel costs	**6,018**	**5,270**

The table below reports the exact number by category of employees as at 30 September 2012 and 30 September 2011:

Category	**30 September 2012**	**30 September 2011**	**31 March 2012**
Executives	8	7	8
Office workers	285	284	279
Manual workers	410	506	478
Total	**703**	**797**	**765**

The number of employees as at 30 September 2012 decreased by 94 units compared to the number of employees recorded as at 30 September 2011, mainly as a result of the decrease in the employees at the subsidiary Unibest Zhongshan.

In the half-year ended 30 September 2012, however, personnel costs reported an increase of about 14.2%, passing from Euro 5,270 thousand in the half-year ended 30 September 2011 to Euro 6,018 thousand in the half-year ended 30 September 2012. The change is mainly due to the increase in the number of retail workforce, following the new openings, the increase in personnel costs related to the Chinese production unit, the increase in the foreign business unit, as well as to the higher cost related to the variable remuneration of the directors, which was introduced in the 2012/2013 financial year and which is linked to predetermined company performance targets.

To supplement the information provided, below is also reported the average number of employees for half-years ended 30 September 2012 and 30 September 2011:

Average unit	**30 September 2012**	**30 September 2011**	**31 March 2012**
Executives	8	7	7
Office workers	281	275	280
Manual workers	446	471	480
Total for the Group	**735**	**753**	**767**

Note 28 - Amortisation, depreciation and write-downs

In the half-year ended 30 September 2012, amortisation and depreciation were equal to Euro 1,046 thousand (Euro 985 thousand in the half-year ended 30 September 2011).

Write-downs, equal to Euro 322 thousand, related to the provision for write-down of receivables from customers (Euro 150 thousand) and to the write-down of some categories of assets (Euro 172 thousand) as a result of the early closure of some shops, whose related performances were not in line with the management's expectations.

Note 29 - Financial income

In the half-year ended 30 September 2012, financial income was equal to Euro 467 thousand (Euro 786 thousand in the half-year ended 30 September 2011) and related to Euro 72 thousand of interest receivable on current accounts and to Euro 395 thousand of foreign exchange gains either realised or estimated (Euro 726 thousand as at 30 September 2011).

Note 30 - Financial charges

Below is reported the breakdown of financial charges:

(in thousands of Euro)	**30 September 2012**	**30 September 2011**
Interest payables on current accounts	23	23
Interest and expenses subject to final payment	15	31
Financial charges on loans	41	80
Lease charges	40	75
Other charges	106	66
Foreign exchange losses (both realised and estimated)	220	500
Financial charges	**445**	**775**

Note 31 - Income tax expenses

Below is reported the breakdown of income tax expenses:

(in thousands of Euro)	**30 September 2012**	**30 September 2011**
IRES tax	1,303	1,925
IRAP tax	281	384
Total current taxes	**1,584**	**2,309**

(in thousands of Euro)	**30 September 2012**	**30 September 2011**
Deferred tax liabilities	(26)	17
Deferred tax assets	(122)	(21)
Total deferred tax assets and liabilities	**(148)**	**(4)**

Note 32 - Earnings per share

As at 30 September 2012 diluted earnings per share amounted to Euro 0.04774 (basic earnings per share amounted to Euro 0.04848 as at 30 September 2012); they are calculated on the basis of the consolidated net profit for the period attributable to the Group, equal to Euro 2,424 thousand, divided by the weighted average number of ordinary shares outstanding in the half-year, equal to Euro 50,770,656 shares, including potential shares relating to the stock option plan resolved and granted on 31 January 2008 and on 26 September 2012. At 30 September 2012 a total amount of 1,300,000 options were cancelled, of which no. 1,150,000 options following renunciation by the respective assignees and 150,000 options assigned to employees who then left without cause. Furthermore, as at 30 September 2012, no. 30,000 options assigned expired, as they were not exercised, and none of the remaining 270,000 options of those originally granted reached maturity.

	30 September 2012	**30 September 2011**
Group net profit (in thousands of Euro)	2,424	3,908
Average number of outstanding ordinary shares (in thousands of shares)	50,771	51,600

Diluted earnings per share (in Euro)	**0.04774**	**0.07574**
Group net profit (in thousands of Euro)	2,424	3,908
Average number of outstanding ordinary shares	50,000	50,000
Basic earnings per share (in Euro)	**0.04848**	**0.07816**

OTHER INFORMATION

Segment reporting

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

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

- DOS channel
- Wholesale channel

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

- a direct channel, which as at 30 September 2012, included 43 single-brand stores directly operated by the Group (the so-called "Directly Operated Stores" or "DOS");
- an indirect channel ("Wholesale"), which is represented by multi-brand shops/department stores, single-brand shops run by third parties linked to the Group by franchise agreements and distributors who then resell the articles in specialist multi-brand shops.

As shown below, as at 30 September 2012 approximately 30.7% of the Group's consolidated revenues was realised through the direct channel, while 69.3% of consolidated revenues was realised through the indirect channel.
The table below illustrates the segment data of the Piquadro Group broken down by sales channel (DOS and Wholesale), in relation to the six months ended 30 September 2012 and 30 September 2011, respectively.
Segment economic performance is monitored by the Company's Management up to the "Segment result before amortisation and depreciation". DOS channel's performance in the half-year ended 30 September 2012, compared to the results recorded as at 30 September 2011, shows that margins are lower, the following factors having impacts:

- new shops opened with performance not yet in line with the management's expectations and with the Company's benchmark;
- higher allocation of costs equal to Euro 117 thousand due to the higher sales volumes of the DOS channel over the total.

The performance of the wholesale channel in the half-year ended 30 September 2012, compared with the results recorded as at 30 September 2011, shows a decrease in margins in percentage terms due to a reduction in the turnover of the channel.
Segment economic performance is monitored by the Company's Management up to the "Segment result before amortisation and depreciation":

(*in thousands of Euro*)	**30 September 2012**				**30 September 2011**				
	DOS	Wholesale	Total for the Group (including non-allocated items)	Impact %	DOS	Wholesale	Total for the Group (including non-allocated items)	Impact %	% change
Revenues from sales	**8,415**	**18,980**	**27,395**	**100.0%**	**7,714**	**22,419**	**30,133**	**100.0%**	**(9.1%)**

Segment result before amortisation and depreciation	362	4,694	5,056	18.5%	506	6,759	7,265	24.1%	(30.4%)
Amortisation and depreciation			(1,218)	(4.4%)			(1,063)	(3.5%)	14.6%
Financial income and charges			22	0.08%			11	0.04%	100.0%
Pre-tax result			**3,860**	**14.09%**			**6,213**	**20.62%**	**(37.9%)**
Income taxes			(1,436)	(5.2%)			(2,305)	(7.6%)	(37.7%)
Profit for the half-year			**2,424**	**8.8%**			**3,908**	**12.97%**	**(38.0%)**
Result attributable to minority interests			0	0.0%			0	0.0%	0.0%
Group net profit			**2,424**	**8.8%**			**3,908**	**12.97%**	**(38.0%)**

Commitments

As at 30 September 2012, the Group had not executed contractual commitments that would entail significant investments in property, plant and equipment and intangible assets in the 2012/2013 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., Piquadro Taiwan Co. Ltd., Piquadro France Sarl and Piquadro Swiss SA), or production (Uni Best Leather Goods Hong Kong Co Ltd. and Uni Best Leather Goods Zhongsanhg Co. Ltd.).
The relations with Group companies are mainly commercial and are regulated at arm's length. There are also financial relations (inter-group loans) between the Parent Company and some subsidiaries, conducted at arm's length.
The Directors report that, in addition to Piquadro Holding SpA, Piqubo SpA and Fondazione Famiglia Palmieri, there are no other related parties (pursuant to IAS 24) of the Piquadro Group.

During the first half of the 2012/2013 financial year, Piqubo S.p.A., the ultimate controlling 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.
On 29 June 2012, a lease agreement was entered into between Piquadro Holding S.p.A. and Piquadro S.p.A., concerning the lease of a property for office purposes located in Milan, Piazza San Babila n. 5, which is used as a show-room of Piquadro S.p.A. and whose amounts are reported in the following table. This lease agreement is entered into at arm's length.

The table below reports the breakdown of the economic and financial relations with these related companies in the first half of the 2012/2013 and 2011/2012 financial year:

(in thousands of Euro)	**Receivables**		**Payables**	
	30 September 2012	**31 March 2012**	**30 September 2012**	**31 March 2012**
Financial relations with Piqubo SpA	-	-	-	-
Financial relations with Piquadro Holding SpA	-	-	-	

Financial relations with Fondazione Famiglia Palmieri	-	-	-	-
Total Receivables from and Payables to controlling companies	**-**	**-**	**-**	**-**

(in thousands of Euro)	**Costs**		**Revenues**	
	30 September 2012	**30 September 2011**	**30 September 2012**	**30 September 2011**
Economic relations with Piqubo SpA (rents)	15	15	-	-
Economic relations with Piquadro Holding SpA (rents)	60	-	-	-
Economic relations with Fondazione Famiglia Palmieri	-	-	-	-
Total Costs from and Revenues to controlling companies	**75**	**15**	**-**	**-**

On the contrary, in the 2012/2013 and 2011/2012 half-years no economic transactions took place with Fondazione Famiglia Palmieri.

Furthermore, below are reported the following relations with Piquadro Holding SpA:

- during the first 2012/2013 half-year, Piquadro SpA distributed dividends of Euro 2,050,872, relating to the profit for the 2011/2012 financial year, to the majority shareholder Piquadro Holding S.p.A.;
- during the first 2011/2012 half-year, Piquadro SpA distributed dividends of Euro 3,415,370, relating to the profit for the 2010/2011 financial year, to the majority shareholder Piquadro Holding S.p.A.;

Fees due to the Board of Directors

The table below reports the fees (including emoluments as Directors and current and deferred remuneration, including in kind, as employees) due to Directors and to the members of the Board of Statutory Auditors of Piquadro S.p.A., in relation to the first half of 2012/2013, for the performance of their duties in the Parent Company and other Group companies, and the fees accrued by any executives with strategic responsibilities (as at 30 September 2012, 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	01/04/12-30/09/12	2013	200	3.5	50.2	-	253.7
PierpaoloPalmieri	Managing Director	01/04/12-30/09/12	2013	100	2	25.1	-	127.1
Marcello Piccioli	Managing Director	01/04/12-30/09/12	2013	90	1.5	25.1	2	118.6
Roberto Trotta	Managing director	01/04/12-30/09/12	2013	-2)	1.5	6.8	68 3)	76.3
Roberto Tunioli	Director	01/04/12-30/09/12	2013	12.5	-	-	-	12.5
Gianni Lorenzoni	Director	01/04/12-30/09/12	2013	12.5	-	-	-	12.5
Sergio Marchese	Director	01/04/12-30/09/12	2013	4	-	-	-	4
				419	**8.5**	**107.2**	**70**	**604.7**

1) Up to the approval of the financial statements at 31 March
2) He has waived fees for the period from 01/04/12 to 31/03/13
3) Fees relating to the remuneration from subordinate – managerial employment

Events after the period end

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

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

1) The undersigned Marco Palmieri, in his capacity as Chief Executive Officer, and Roberto Trotta, in his capacity as Manager responsible for the preparation of corporate accounting documents of Piquadro S.p.A., certify, also taking account of the provisions under Article 154-bis, paragraphs 3 and 4, of Legislative Decree no. 58 of 24 February 1998:
   • adequacy in relation to the characteristics of the Company and
   • actual application of administrative and accounting procedures for the preparation of the consolidated financial statements in the course of the half-year April 2012-September 2012.

2) The evaluation of the adequacy of administrative and accounting procedures for the preparation of the consolidated condensed interim financial statements as at 30 September 2012 has been based on a process defined by Piquadro S.p.A. consistently with the Internal Control – Integrated Framework model issued by the Committee of Sponsoring Organisations of the Treadway Commission which represents a reference framework generally accepted at international level

3) It is also certified that:

   3.1 the consolidated condensed interim financial statements as at 30 September 2012:

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

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

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

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

Silla di Gaggio Montano (BO) 20 November 2012

/F/ Marco Palmieri
Chief Executive Officer

Marco Palmieri

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

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

To the Shareholders of
Piquadro SpA

1 We have reviewed the consolidated condensed interim financial statements of Piquadro SpA (hereinafter also "Company") and its subsidiaries (hereinafter also "Piquadro Group") as of 30 September 2012 and for the six months period then ended, comprising the balance sheet, the income statement and the statement of comprehensive income, the statements of changes in shareholders' equity, the statement of cash flows and the related explanatory notes. Piquadro SpA's directors are responsible for the preparation of these consolidated condensed interim financial statements in accordance with the international accounting standard applicable to interim financial reporting (IAS 34), as adopted by the European Union. Our responsibility is to issue this report based on our review.

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

Regarding the amounts of the consolidated financial statements of the prior year and the consolidated condensed interim financial statements of the prior year presented for comparative purposes, reference should be made to our reports dated 27 June 2012 and dated 17 November 2011, respectively.

3 Based on our review, nothing has come to our attention that causes us to believe that the consolidated condensed interim financial statements of Piquadro Group as at 30 September 2012 and for the six months period then ended have not been prepared, in all material respects, in accordance with the international accounting standard applicable to interim financial reporting (IAS 34), as adopted by the European Union.

Bologna, 20 November 2012

PricewaterhouseCoopers SpA

Signed by
Roberto Sollevanti
(Partner)

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