



PIQUADRO

Milan - November 2010  
2010-2011 Half Year Results

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DESIGN  
COVERS  
TECHNOLOGY

PIQUADRO  
tech made

Distinctive brand for “moving” people in leather goods industry

Aspirational brand: high quality, technological mood, innovation, design and ergonomic performance

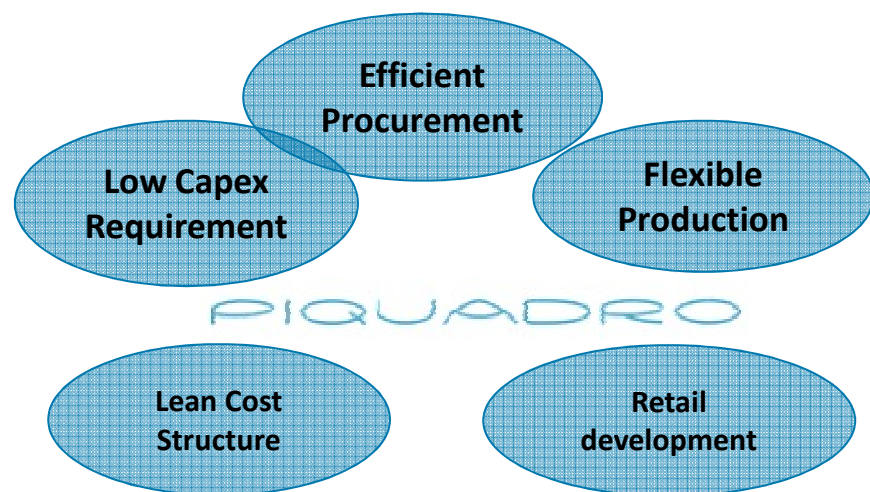
Premium/performance positioning

Clear distinction from competitors at comparable price level through commitment to innovation, design, high quality and ergonomic performance.

**A different approach: Value for me.**

Customer “community” recognized in brand values.





During the semester ended September 30, 2010 Piquadro SpA has purchased the remaining 50% stake of Unibest factory in China from the previous partners.

Just after the acquisition new manufacturing plant approx. 14.000 sq.m. facility inaugurated.

New salary scheme in the factory in order to retain skilled workers.

At the end of the year it will be completed the investment in new equipment and tools.

Outsourced logistic platform in Hong Kong and very soon in China to complete distribution operations in Far East and Middle East customers.

## International Presence



Presence in approx. 50 countries with strategic mix of *DOS* and Wholesale channel.

Growing mono-brand network of now 92 Stores (41 *DOS*, 51 franchised stores) worldwide.

**End of March 2011 more than 100 worldwide monobrand Stores opened.**

On-line sales through **new company web site** to be developed in Q4.

Approx more than one third of the net sales derived from monobrand stores (*DOS* and Franchising)

## Retail



Barcelona airport



Hong Kong, Harbour City



Milan

# INTERNATIONAL MULTI-CHANNEL DISTRIBUTION NETWORK





# INTERNATIONAL MULTI-CHANNEL DISTRIBUTION NETWORK

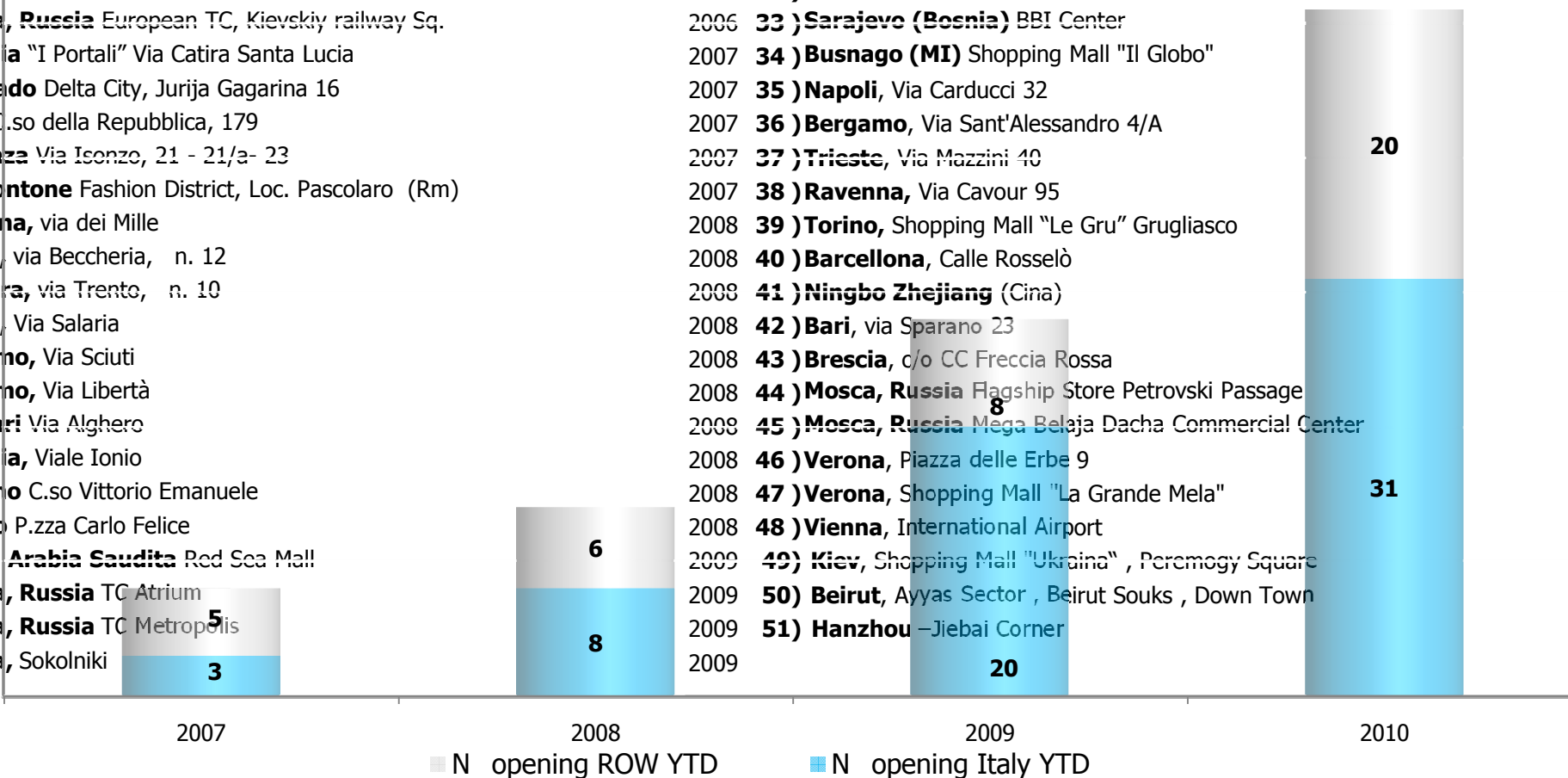
## FRANCHISING

- 1 ) **Roma** Via Frattina 125
- 2 ) **Mosca, Russia** MEGA Shopping Mall
- 3 ) **Padova** Via Dante 19
- 4 ) **Sofia, Bulgaria** A. Stamboliiski Blvd
- 5 ) **Salisburgo, Austria** Linzergasse 35
- 6 ) **Genova** Via XX Settembre 113/R
- 7 ) **Mosca, Russia** European TC, Kievskiy railway Sq.
- 8 ) **Catania** "I Portali" Via Catira Santa Lucia
- 9 ) **Belgrado** Delta City, Jurija Gagarina 16
- 10 ) **Forlì** C.so della Repubblica, 179
- 11 ) **Cosenza** Via Isonzo, 21 - 21/a- 23
- 12 ) **Valmontone** Fashion District, Loc. Pascolaro (Rm)
- 13 ) **Messina**, via dei Mille
- 14 ) **Lucca**, via Beccheria, n. 12
- 15 ) **Pescara**, via Trento, n. 10
- 16 ) **Roma**, Via Salaria
- 17 ) **Palermo**, Via Sciuti
- 18 ) **Palermo**, Via Libertà
- 19 ) **Cagliari** Via Alghero
- 20 ) **Catania**, Viale Ionio
- 21 ) **Salerno** C.so Vittorio Emanuele
- 22 ) **Torino** P.zza Carlo Felice
- 23 ) **Jedda Arabia Saudita** Red Sea Mall
- 24 ) **Mosca, Russia** TC Atrium
- 25 ) **Mosca, Russia** TC Metropolis
- 26 ) **Mosca**, Sokolniki

## Opening Year

## FRANCHISING

- |      |   |      |
|------|---|------|
| 2002 | 27 ) <b>Belgrado</b> USCE Center Boulevard Mihajla            | 2009 |
| 2004 | 28 ) <b>Roma</b> , Viale Europa n.1                           | 2009 |
| 2006 | 29 ) <b>Treviso</b> , Viale Martiri della Libertà n.66        | 2009 |
| 2006 | 30 ) <b>Roma</b> , Viale Marconi                              | 2009 |
| 2006 | 31 ) <b>Barcellona</b> , Airport                              | 2009 |
| 2006 | 32 ) <b>Modena</b> Shopping Mall "Grande Emilia"              | 2009 |
| 2006 | 33 ) <b>Sarajevo (Bosnia)</b> BBI Center                      | 2009 |
| 2007 | 34 ) <b>Busnago (MI)</b> Shopping Mall "Il Globo"             | 2009 |
| 2007 | 35 ) <b>Napoli</b> , Via Carducci 32                          | 2009 |
| 2007 | 36 ) <b>Bergamo</b> , Via Sant'Alessandro 4/A                 | 2009 |
| 2007 | 37 ) <b>Trieste</b> , Via Mazzini 40                          | 2009 |
| 2007 | 38 ) <b>Ravenna</b> , Via Cavour 95                           | 2009 |
| 2008 | 39 ) <b>Torino</b> , Shopping Mall "Le Gru" Grugliasco        | 2009 |
| 2008 | 40 ) <b>Barcellona</b> , Calle Rosselò                        | 2009 |
| 2008 | 41 ) <b>Ningbo Zhejiang (Cina)</b>                            | 2009 |
| 2008 | 42 ) <b>Bari</b> , via Sparano 23                             | 2009 |
| 2008 | 43 ) <b>Brescia</b> , c/o CC Freccia Rossa                    | 2009 |
| 2008 | 44 ) <b>Mosca, Russia</b> Flagship Store Petrovski Passage    | 2010 |
| 2008 | 45 ) <b>Mosca, Russia</b> Mega Belaja Dacha Commercial Center | 2010 |
| 2008 | 46 ) <b>Verona</b> , Piazza delle Erbe 9                      | 2010 |
| 2008 | 47 ) <b>Verona</b> , Shopping Mall "La Grande Mela"           | 2010 |
| 2008 | 48 ) <b>Vienna</b> , International Airport                    | 2010 |
| 2009 | 49 ) <b>Kiev</b> , Shopping Mall "Ukraina" , Peremogy Square  | 2010 |
| 2009 | 50 ) <b>Beirut</b> , Ayyas Sector , Beirut Souks , Down Town  | 2010 |
| 2009 | 51 ) <b>Hanzhou</b> -Jiebai Corner                            | 2010 |



## SOON NEXT OPENING

## ITALY:

- ✓MILANO LAMBIATE (Franchisee)
- ✓LECCE (Franchisee)
- ✓PALERMO (Franchisee)
- ✓FIUMICINO TERMINAL C (DOS)
- ✓SICILY (Agira) (DOS *factory outlet*)

## WORLDWIDE:

- ✓Moscow –Mall of Russia (Franchisee)
- ✓Astana (Kazhakistan) (Franchisee)
- ✓Shaniang (China) (Franchisee)
- ✓Bejing Surprise Outlet (DOS *factory outlet*)
- ✓Toronto (Canada) (Franchisee)
- ✓Hong Kong Elements (DOS)
- ✓Bejing Season Place (DOS)

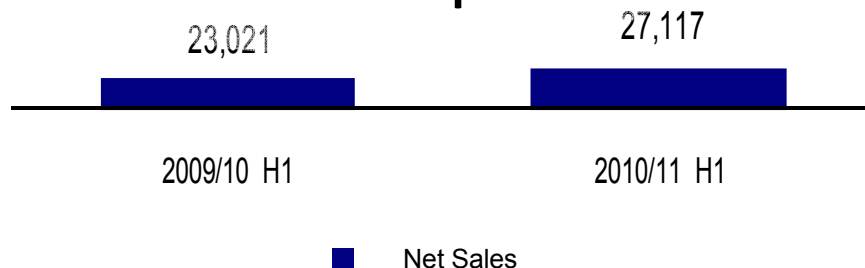


## INCOME STATEMENT

(€m)	FY Ending March 31 <sup>st</sup> ,		1 <sup>st</sup> Half (ending Sept 30 <sup>th</sup> )	
	2009 A	2010 A	2009 A	2010 A
<b>Net sales</b>	<b>51.7</b>	<b>52,2</b>	<b>23.0</b>	<b>27.1</b>
<i>% growth</i>		+1,0%		+17.8%
Other revenues	0,9	0,8	0.4	0.7
Material costs	(9.8)	(8,4)	(3.0)	(2.3)
Service costs	(20.6)	(22.5)	(10.7)	(14.1)
Personnel costs	(7.0)	(8.0)	(3.7)	(4.1)
Other operating expenses	(0.9)	(0.3)	(0.1)	(0.1)
<b>EBITDA</b>	<b>14.4</b>	<b>13.8</b>	<b>5.9</b>	<b>7.2</b>
<i>Margin (% of net sales)</i>	27.8%	26.4%	25.4%	26,5
Depreciation	(1.8)	(2.0)	(1.0)	(0.9)
<b>EBIT</b>	<b>12.5</b>	<b>11.8</b>	<b>4.9</b>	<b>6.3</b>
<i>Margin (% of net sales)</i>	24.2%	22.6%	21.1%	23,2%
Net interest Income (expense)	(0.8)	(0.4)	(0.4)	(0.2)
<b>Profit before tax</b>	<b>11.7</b>	<b>11.4</b>	<b>4.5</b>	<b>6.1</b>
<i>Margin (% of net sales)</i>	22.8%	21.8%	19.6%	22.5%
Taxes	(4.2)	(4.2)	(1.7)	(2.2)
<b>Net income (loss) before minorities</b>	<b>7.5</b>	<b>7.1</b>	<b>2.8</b>	<b>3.9</b>
<i>Margin (% of net sales)</i>	14.5%	13.6%	12.2%	14.3%
Minority Interests	(0.0)	(0.1)	(0.0)	-
<b>Net Income (loss) attributable to the Group</b>	<b>7.5</b>	<b>7.2</b>	<b>2.8</b>	<b>3.9</b>
<i>Margin (% of net sales)</i>	14,0%	13.9%	12.3%	14.3%

(€m)

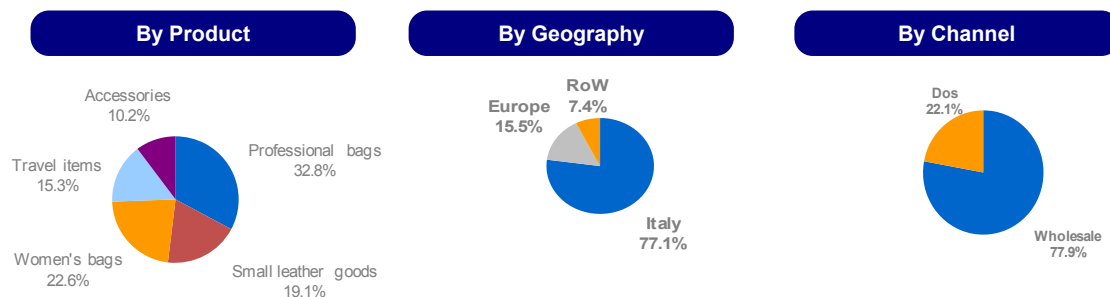
**H1 Net Sales<sup>(1)</sup>: up 17.8%**



In the latest 6 months DOS up 26,2% (SSSG +11,1% at current exchange rate /+9.8% at constant exchange rate). In Q2 SSSG up by 13,6% at current exchange rate and +12,3% at parity.

Wholesale up 15,6%. Europe has driven the growth with a +67,6%. Italy with a 1,4 mln Euro up is the best in volume growth.

**End-September 2010 Net Sales ( half year)**

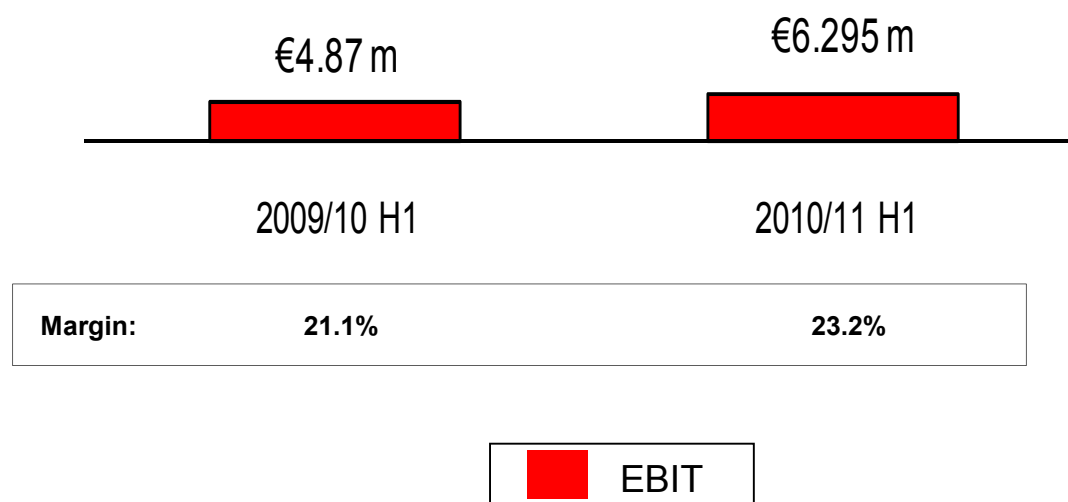
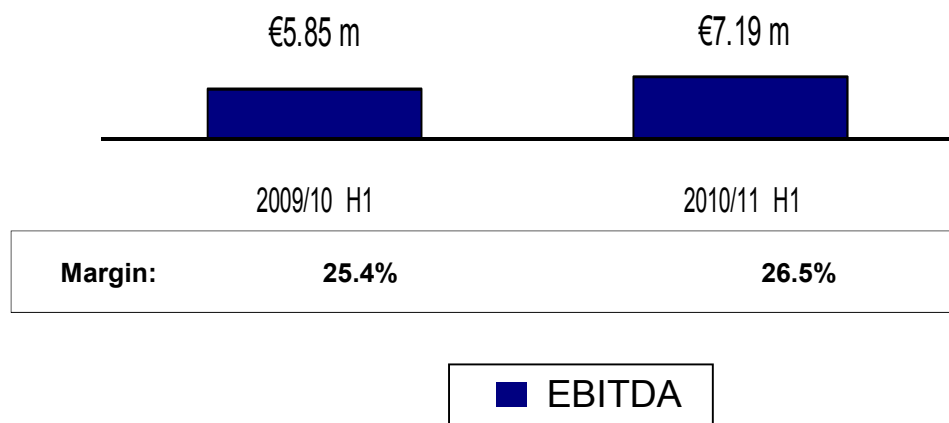


- Increase of average prices (up 3%) due to two different price increases (one in January and one in June) and volumes (up 6,7%) .

- Franchising revenues grew of more than 25%; now accounts 10% of Net Sales (9,4% previous semester)

(1) Interim Financial statement ending September 30

## Ebitda and Ebit : H1<sup>(1)</sup> in a very strong growth

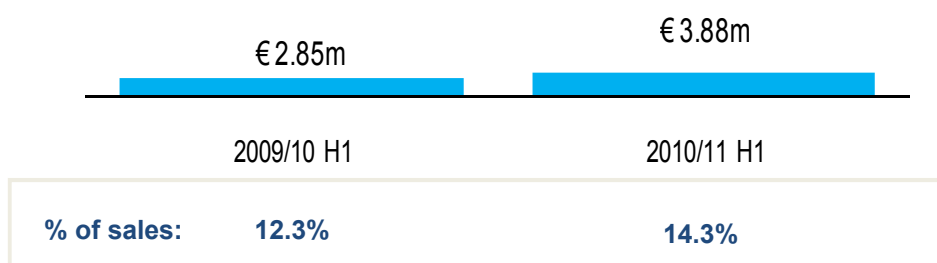


H1 10/11 EBITDA up 110 *bps* impacted by very positive performance of DOS business unit and maintained margin on Wholesale unit.

- DOS performance up *bps* due to very positive SSSG and helped too by key money cashed for dismissed Frankfurt shops.
- Wholesale performance stable but above sector peers.
- Strict control of overheads even.
- H1 10/11 EBIT up 210 *bps* affected by EBITDA increase and less depreciation due also to limited capex in n the period.

(1) Interim Financial statement ending September 30

## H1 Net Profit<sup>(1)</sup>: up 36,2%

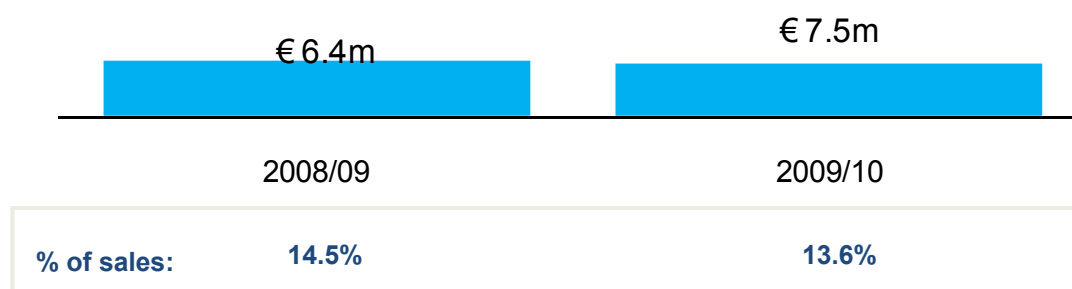


6M 10/11 Net Profit in increase by more than 36%.

Low impact of interest expenses notwithstanding negative delta exchange currency rate.

No major changes in effective tax rate.

## Latest Full Year Net Profit<sup>(2)</sup>



(1) Interim Financial statement ending September 30

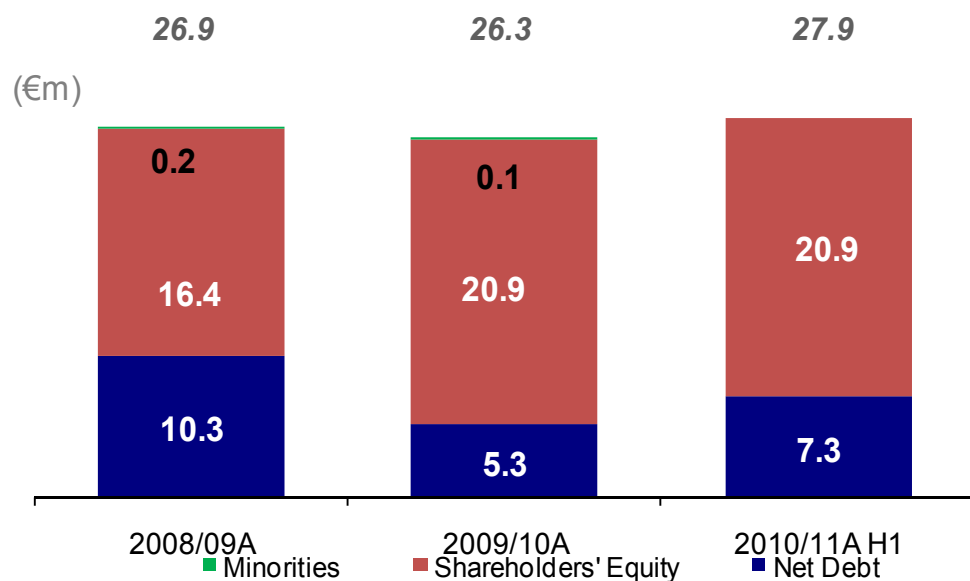
(2) Financial statement ending March 31

## FINANCIAL BALANCE SHEETS

(€m)	As of March 31 <sup>st</sup> ,		1 <sup>st</sup> Half (as of Sept. 30 <sup>th</sup> )	
	2009A	2010A	2009 A	2010 A
Net Working Capital	14.5	13.9	14.6	15.9
Net Tangible Assets	11.5	11.5	11.4	11.1
Net Intangible Assets	1.2	0.6	0.8	0.7
Net Financial Assets	1.3	1.6	1.4	1.7
Severance Staff, Provisions & Others	(1.2)	(1.4)	(1.3)	(1.5)
<b>Net Capital Employed</b>	<b>27.4</b>	<b>26.3</b>	<b>27.0</b>	<b>27.9</b>
Group Shareholders' Equity	16.7	20.9	16.4	20.6
Minorities	0.2	0.1	0.2	-
Shareholders' Equity & Minorities	16.9	21.0	16.6	20.6
Net Debt	10.5	5.3	10.4	7.3
<b>Net Financial Debt and Shareholders' Equity</b>	<b>27.4</b>	<b>26.3</b>	<b>27.0</b>	<b>27.9</b>

**Total Capitalization**

Net Debt/Equity 0.63                      0.25                      0.35



**NET FINANCIAL DEBT**

(€ m)	As of March 31		As of September 30	
	2009A	2010A	2009A	2010A
Short-term Net Debt	2.8	3.3	2.9	6.5
Long-term Net Debt	14.5	11.3	13.1	9.4
Cash & Cash Equivalents	(6.8)	(9.3)	5.7	8.6
<b>Net Debt</b>	<b>10.5</b>	<b>5.3</b>	<b>10.3</b>	<b>7.3</b>

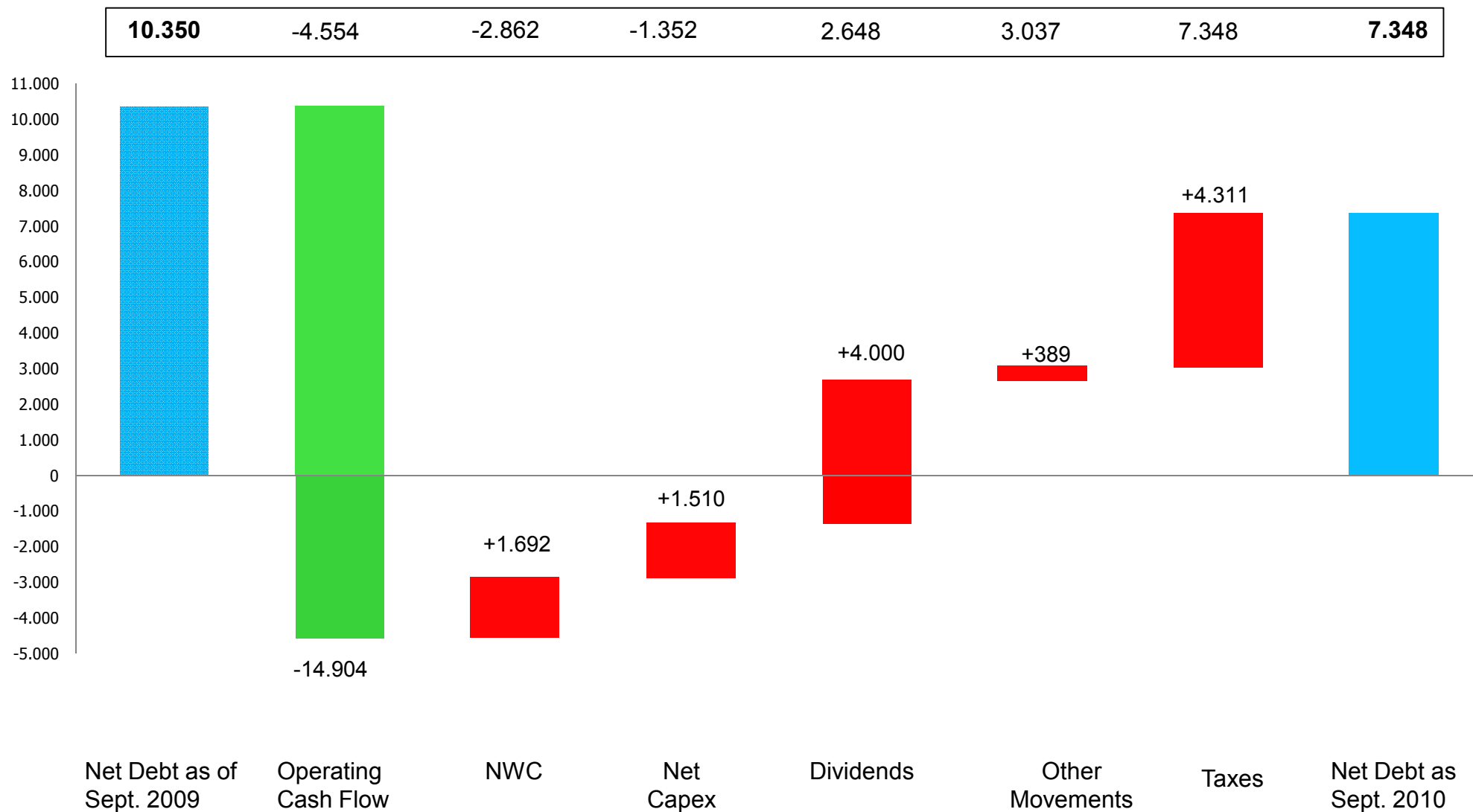
**RATIO - Net Financial Debt**

(€m)	As of March 31		
	2008A	2009A	2010A
Net Debt/EBITDA	0.9	0.7	0.4
Net Debt/Net Capitalization (1)	48.7%	38.3%	20.2%

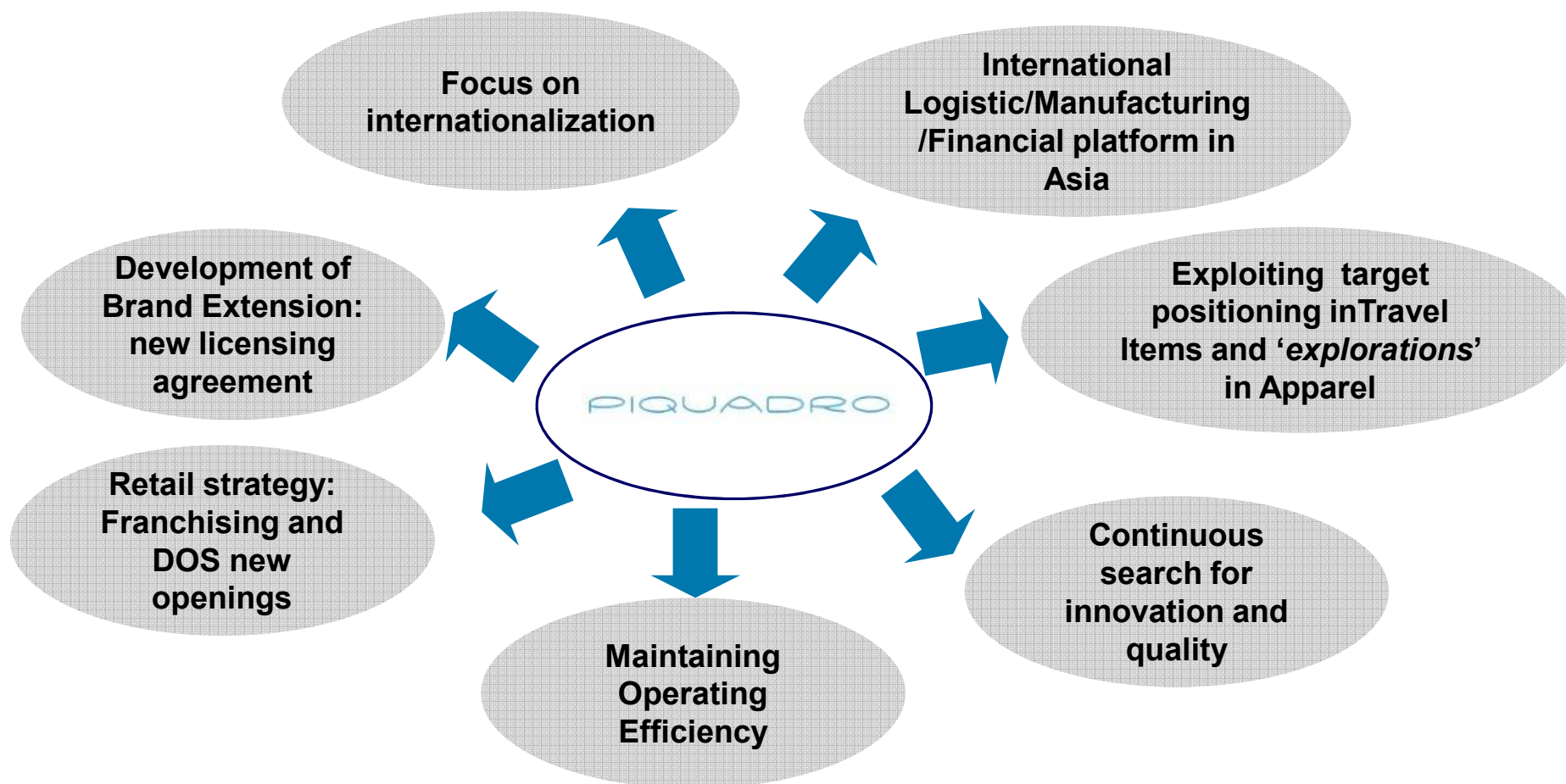
1) Defined as Shareholders' Equity + Net Debt + Minorities

12 MONTHS ROLLING CASH FLOW AS OF SEPT 30, 2010

Net Financial Debt €/000





**Focus on aspirational content and brand awareness: profitability and cash generation**



CHINA - BEIJING JIMBAO PLACE



HONG KONG – TIME SQUARE

New franchised stores and DOS (*full price and Outlet ones*) in Italy and Europe ( Germany and Spain overall) as a way to reinforce and rationalise distribution and ,in some cases, to replace the multi-brand retailers.

Flagships in London and Paris in a three years period as a way to globalise the brand awareness.

Focus on "*high potential markets*" (mainly Far East's one) in DOS and Franchising exploiting the huge growth of those markets and the investment already effected in retail activities.

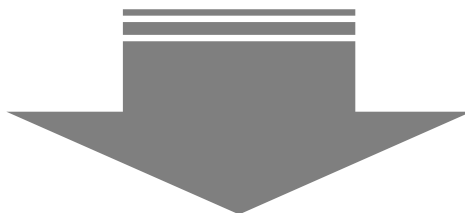
Internalisation as a way to expand the monobrand strategy .

Top line growth

Maintaining high profitability more than  
average industry

Efficient working capital management

Low capital intensive business model



HIGH CASH FLOW GENERATION